



HHRG BERHAD

201101041555 (969678-D)

New Ventures, *Renewed Vision*



ANNUAL REPORT 2025

Inside This Report

02	Company Profile
03	Corporate Information
04	Corporate Structure
05	Financial Highlights
06	Management Discussion And Analysis
15	Board of Directors
16	Directors' Profile
19	Senior Management Team
19	Company Secretary
20	Key Senior Management Profile
21	Senior Management Profile
22	Sustainability Statement
75	Corporate Governance Overview Statement
90	Statement On Risk Management And Internal Control
93	Audit And Risk Management Committee Report
96	Additional Compliance Information
98	Directors' Responsibility Statements
99	Financial Statements
214	Analysis Of Shareholdings
216	Analysis Of Warrants Holdings
218	List Of Properties
225	Notice Of Annual General Meeting Proxy Form



NEW VENTURES, RENEWED VISION

The cover art for HHRG Berhad's Annual Report 2025, titled "New Ventures, Renewed Vision", features a hand "growing" palm trees amid an architectural blueprint. This striking visual metaphor foregrounds HHRG's role as a visionary creator which shapes its future through deliberate planning and bold execution. The act of bringing the blueprint to life represents commitment and progress, reflecting the Group's expansion from biomass-based manufacturing into new ventures like property development and other forward-looking industries. In particular, the transition from two-dimensional plans to tangible forms conveys transformation, illustrating how ideas and strategies evolve into sustainable realities under HHRG's leadership.

The combination of buildings and palm oil plantations represents the harmonious integration of the Group's heritage and its aspirations. The palm trees embody HHRG's deep roots in sustainable resource utilisation, while the emerging cityscape reflects modernity, growth, and diversification. Together, they portray a company that builds upon its strong foundations while envisioning a dynamic and sustainable future.

14th ANNUAL GENERAL MEETING OF HHRG BERHAD



Wednesday, 18 March 2026



9:00 A.M.



Central Walk, Level 1
DoubleTree by Hilton Shah Alam i-City
i-City Finance Avenue
40000 Shah Alam
Selangor, Malaysia



Company Profile



HHRG Berhad was incorporated in Malaysia under the Companies Act, 1965 on 25 November 2011 as a private limited company under the name of Heng Huat Resources Group Sdn Bhd. We were subsequently converted into a public limited company on 18 June 2012 and assumed our present name of HHRG Berhad on 29 May 2023. We were listed on the ACE Market of Bursa Malaysia Securities Berhad on 25 July 2014.

BIOMASS MATERIALS MANUFACTURING

HHRG and its subsidiaries are principally involved in the manufacturing and trading of biomass materials and value-added products, focusing on oil palm empty fruit bunch ("EFB") fibre, coconut fibre and value-added products.

HHRG Berhad and its subsidiaries' ("Group") biomass materials manufacturing operations are conducted by our subsidiaries located at the East Coast Economic Region ("ECER") and Northern Region. These locations have been strategically chosen due to their proximity to the material supply sources.

We utilize our proprietary production process to treat and process coconut fibre, coco husks, oil palm EFB fibre, and bio-compost. This enables us to produce significant quantities of high-quality fibers at a competitive price. Our production processes adhere to rigorous quality controls, resulting in long, clean, and fine coconut fibre and oil palm EFB fiber with excellent uniformity and low oil content. Moreover, we manufacture bio-compost through a biological process without the use of chemical additives, making it suitable for plantations at all levels.

FURNITURE MANUFACTURING AND DISTRIBUTION

We are also a manufacturer and distributor of bedroom furniture, including children's bedding sets and related accessories.

PROPERTY DEVELOPMENT

Apart from biomass manufacturing and fibre mattress businesses, HHRG has also diversified its business into the property development industry. In April 2024, HHRG has acquired 150 acres of land in Sungai Petani, Kedah, which is earmarked for industrial park development with a drag strip theme. In May 2025, HHRG invested another RM10 million into a mixed development project in Kuala Terengganu, which consists of a hybrid of residential and commercial units. We are ready to transform ourselves from a biomass manufacturer into a property developer with a niche perspective.

BOARD OF DIRECTORS

**Yang Berbahagia Dato' Paduka Ammar
Bin Dato' Shaikh Mahmood Naim**

D.P.S.S., D.S.D.K., J.S.D., S.S.S., A.M.K., A.M.N., B.C.K
Executive Deputy Chairman

Guok Ngek Seong

Independent Non-Executive Director

Chan Hon Woo

Independent Non-Executive Director

Abdul Rahman Bin Haji Din

Independent Non-Executive Director

Nur Bahiyah Azlinda binti Abu Bakar

Independent Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Chairman

Nur Bahiyah Azlinda binti Abu Bakar

Members

Chan Hon Woo
Abdul Rahman Bin Haji Din

NOMINATION AND REMUNERATION COMMITTEE

Chairman

Chan Hon Woo

Members

Abdul Rahman Bin Haji Din
Nur Bahiyah Azlinda binti Abu Bakar

COMPANY SECRETARIES

Lim Seck Wah
(MAICSA 0799845)
SSM PC No. 202008000054

Yuhasheny A/P Supramaniam
(MAICSA 7068535)
SSM PC No. 202308000781

Lai Lee Chee
(MAICSA 7071580)
SSM PC No. 202208000475

REGISTERED OFFICE

3B-06-01, Level 6
Tower 3B, UOA Business Park
No. 1, Jalan Pengaturcara U1/51A
40150 Shah Alam
Selangor Darul Ehsan, Malaysia

Tel : (603) 5569 8663
Email: hhrhg@hhrhg.com.my
Fax: (603) 5567 0683

SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd
197701005827 (36869-T)
Level 7, Menara Milenium
Jalan Damanlela, Pusat Bandar
Damansara
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Tel: (603) 2084 9000
Fax: (603) 2094 9940
(Resigned 20/11/2025)

Aldpro Corporate Services Sdn Bhd
202101043817 (1444117-M)
B-21-1, Level 21, Tower B
Northpoint Mid Valley City
No. 1, Medan Syed Putra Utara
59200 Kuala Lumpur
Wilayah Persekutuan
Malaysia
Tel: (603) 9770 2000
Fax: (603) 2201 7774
(Appointed 20/11/2025)



AUDITORS

UHY Malaysia PLT

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

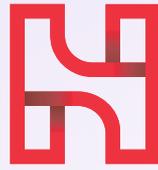
PRINCIPAL BANKERS

Public Bank Berhad
(Co. Reg. No.:196501000672 (6463-H))
Bank Pertanian Malaysia Berhad
(Co. Reg. No.: 200801010522 (811810-U))
Ambank (M) Berhad
(Co. Reg. No.: 196901000166 (8515-D))

STOCK EXCHANGE LISTING

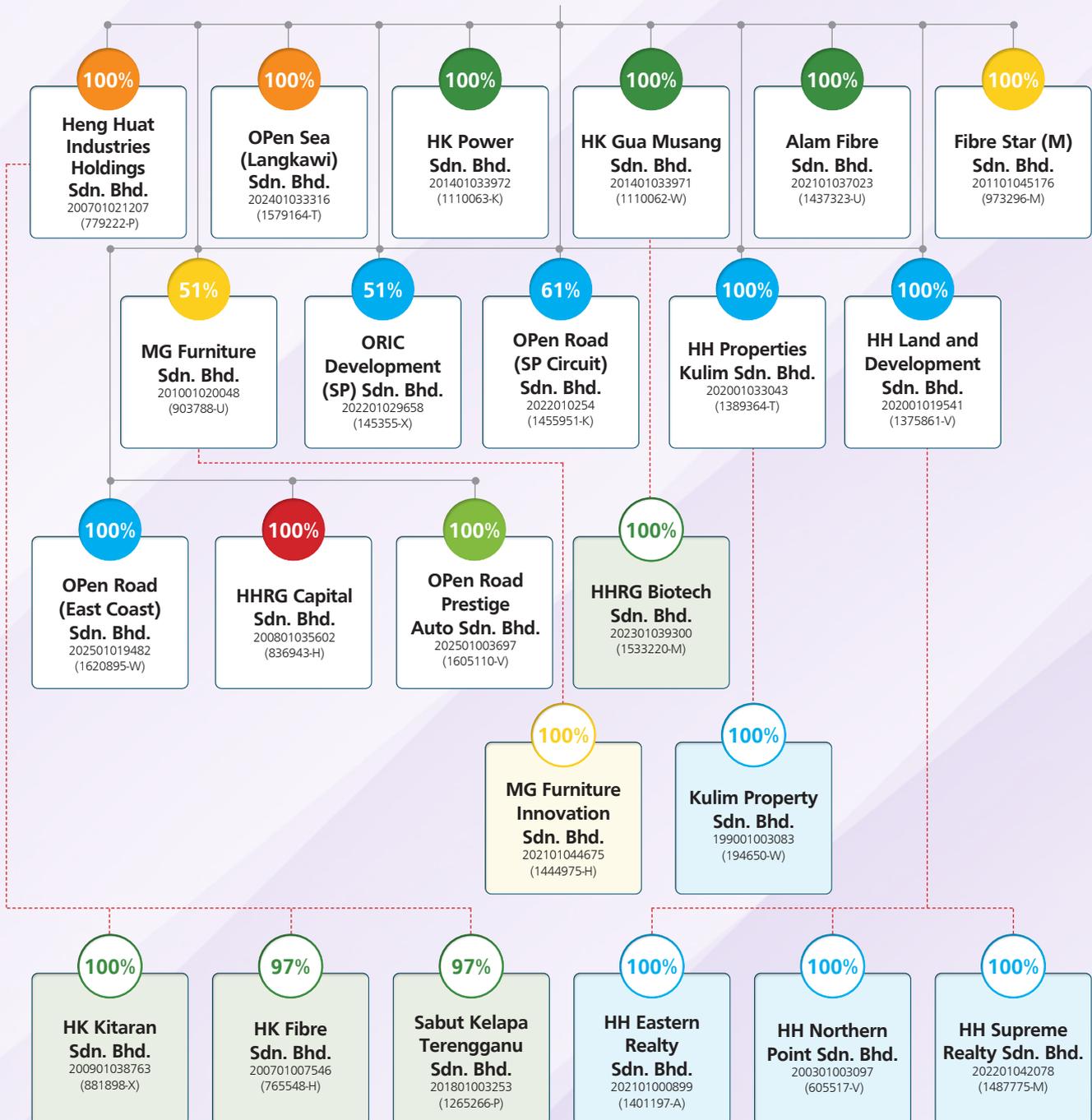
ACE Market of Bursa Malaysia Securities Berhad

Stock Name : HHRG
Stock Code : 0175



HHRG BERHAD

201101041555 (969678-D)



- Investment holding company
- Biomass division
- Furniture division
- Property division
- Credit division
- Automotive Division

Financial Highlights

	Audited 2021	Audited 2022	Audited 2023	Audited 2024	Audited 2025
Revenue	73,594	103,502	155,268	124,322	182,814
Earnings/(Loss) Before Interest, Tax, Depreciation & Amortisation	(8,708)	21,474	46,130	23,274	30,526
Profit/(Loss) Before Tax	(18,198)	14,847	33,367	10,217	11,933
Profit/(Loss) Before Tax Margin (%)	(24.73)	14.34	21.49	8.22	6.53
Profit/(Loss) After Tax	(20,092)	14,756	30,012	7,856	9,531
Profit/(Loss) After Tax Margin (%)	(27.30)	14.26	19.33	6.32	5.21
Net Earnings/(Loss) Per Share (Sen) ⁽¹⁾	(2.87)	2.33	3.68	0.82	1.09

Notes:

⁽¹⁾ Computed based on the weighted average number of ordinary shares in issue.



Management Discussion And Analysis

FINANCIAL RESULTS & CONDITION

REVENUE AND GROSS PROFIT MARGIN

	2025 18 months RM'000	2025 12 months RM'000*	2024 12 months RM'000	Year-on-Year Variance (%)
Revenue				
Biomass materials and related products	104,317	69,545	62,467	+ 11.33
Furniture, mattresses and related products	72,861	48,574	60,003	- 19.05
Property development and management	805	537	1,351	- 60.25
Money Lending Services	4,831	3,221	501	+ 542.91
	182,814	121,877	124,322	- 1.97
Profitability				
Gross profit "GP"	52,648	35,099	34,309	+ 2.30
<i>GP margin</i>	28.80%	28.80%	27.60%	
Profit before tax "(PBT)"	11,933	7,955	10,217	- 22.14
<i>(PBT) margin</i>	6.53%	6.53%	8.22%	
Net profit for the year "(PAT)"	9,531	6,354	7,856	- 19.12
<i>(PAT) margin</i>	5.21%	5.21%	6.32%	

*Basis of Comparison

Following the change in the Company's financial year end from 31 March to 30 September, the current financial period covers 18 months. For meaningful comparison, the Group's performance in this Management Discussion and Analysis is presented on an annualised 12 months' basis and compared against the preceding 12 months financial year. The 18-month figures are presented for reference only.

Revenue

On an annualised basis, the Group recorded revenue of RM121.88 million, representing a slight decrease of 1.97% compared with RM124.32 million in the preceding financial year.

Revenue performance by key business segments was as follows:

i. Biomass materials and related products

Revenue increased by 11.33% to RM69.55 million (2024: RM62.47 million), supported by higher sales volume and sustained demand, and remained the largest contributor to the Group's revenue.

ii. Furniture, mattresses and related products

Revenue decreased by 19.05% to RM48.57 million (2024: RM60.00 million), mainly due to softer demand and transitional change in the management of a major subsidiary during the financial year.

Revenue from property development and management and money lending services contribute approximately 3.08% to the Group's overall revenue and did not have a significant impact on the Group's financial performance during the financial year under review.

Management Discussion And Analysis (Cont'd)

FINANCIAL RESULTS & CONDITION (CONT'D)

Gross Profit and Gross Profit Margin

On an annualised basis, the Group recorded gross profit of RM35.10 million (2024: RM34.31 million), with a gross profit margin of 28.80%, compared with 27.60% in the preceding financial year.

The improvement in gross profit margin was mainly attributable to:

- i. Better cost efficiencies, particularly within the biomass segment; and
- ii. Improved product mix, which enhanced overall margin contribution.

Profit Before Tax ("PBT")

Annualised profit before tax amounted to RM7.96 million, representing a decrease of 22.14% compared with RM10.22 million in the preceding financial year. The PBT margin declined to 6.53% from 8.22%.

The lower PBT margin was mainly due to:

Annualised administrative expenses increased to RM35.01 million (2024: RM20.25 million), primarily due to:

- i. One-off expenses incurred during the financial year amounting to 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; and
- ii. Higher impairment charges, particularly on intangible assets, at RM13.11 million and receivables totalled RM6.10 million, recognised during the period.

However, the losses were partially offset by the following factors.

Annualised other income increased significantly to RM16.56 million (2024: RM2.92 million), mainly attributable to gain on disposal of investment properties and other non-recurring income recognised during the financial period.

Net Profit After Tax ("PAT")

On an annualised basis, the Group recorded net profit after tax of RM6.35 million, representing a decrease of 19.12% compared with RM7.86 million in the preceding financial year. The PAT margin decreased to 5.21% from 6.32%, mainly due to the same factors affecting PBT.

Overall Assessment

Overall, the Group maintained a stable revenue base on an annualised basis, supported by growth in the biomass segment, despite softer performance in the furniture segment. While gross profit margin improved, profitability at the PBT and PAT levels was impacted by higher operating costs and impairment losses. Nevertheless, the Group remained profitable during the financial year under review.

FINANCIAL POSITION

	2025 RM'000	2024 RM'000	Year-on-Year Variance (%)
Total assets	320,181	267,387	19.74%
Total liabilities	38,942	62,046	-37.24
Shareholders' equity	212,530	183,034	10.34
Net assets per share (sen)	22.24	21.23	

Management Discussion And Analysis (Cont'd)

FINANCIAL POSITION (CONT'D)

As at 30 September 2025, the Group's total assets increased by 19.74% to RM320.18 million (2024: RM267.39 million). The increase was mainly attributable to additions arising from acquisitions, investments, and higher working capital balances, in particular trade receivables and inventories during the financial year.

Total liabilities decreased significantly by 37.24% to RM38.94 million (2024: RM62.05 million), mainly due to the repayment of borrowings and lease liabilities, as well as reduced utilisation of bank overdraft facilities, partially offset by higher deposits pledged to licensed banks to secure banking facilities.

As a result, shareholders' equity increased by 10.34% to RM212.53 million (2024: RM183.03 million), driven primarily by profit generated during the financial year and capital raised from corporate exercises, net of share buy-back undertaken during the year.

Consequently, the Group's net assets per share improved to 22.24 sen (2024: 21.23 sen), reflecting the strengthening of the Group's financial position.

LIQUIDITY

	2025 Days	2024 Days	Changes Days
Trade receivables' turnover period ⁽¹⁾	84	97	- 13
Inventories' turnover period ^{(2)&(3)}	23	50	+ 27
Trade payables' turnover period ⁽²⁾	8	25	- 17
Cash conversion cycle	99	122	- 23

⁽¹⁾ This is derived using the formula: $(\text{Closing balance as at year-end} / \text{Total revenue}) \times 365 \text{ days}$.

⁽²⁾ This is derived using the formula: $(\text{Closing balance as at year-end} / \text{Cost of sales}) \times 365 \text{ days}$.

⁽³⁾ Applicable only to manufacturing inventories.

The Group's cash conversion cycle improved by 23 days to 99 days during the financial year under review, reflecting more efficient working capital management.

The improvement was mainly attributable to:

- i. A reduction in the trade receivables' turnover period by 13 days, indicating faster collection of receivables; and
- ii. A shorter inventories' turnover period by 27 days, reflecting better inventory management and improved inventory turnover.

These improvements were partially offset by a shorter trade payables' turnover period, which decreased by 17 days, reflecting faster settlement of trade payables during the financial year.

Overall, the shorter cash conversion cycle indicates that the Group was able to convert its working capital into cash more efficiently compared with the preceding financial year.

Management Discussion And Analysis (Cont'd)

CASH FLOW STATEMENT

	2025 RM'000	2024 RM'000
Cash flows from operating activities	102	1,773
Cash flow used in investing activities	(7,026)	(12,073)
Cash flow from (used in) financing activities	9,152	(3,849)
Net movements in cash and cash equivalents	2,228	(11,922)
Cash and cash equivalents at the end of the financial year:		
Cash and bank balances	19,078	15,408
Fixed deposits with licensed banks	9,663	11,741
Short-term money market deposit	-	1,200
	28,741	19,362
Less:		
Bank overdrafts	(3,230)	(8,987)
Deposits pledged to licensed banks	(9,418)	(5,495)
	16,093	13,867
Current ratio (times)	4.24	3.08

During the financial period ended 30 September 2025, the Group maintained a strong liquidity position. Net cash generated from operating activities amounted to RM0.10 million (2024: RM1.77 million), with the lower operating cash flow mainly attributable to higher working capital requirements, particularly a reduction in trade and other payables, and a decrease in contract liabilities, as well as the recognition of non-cash impairment losses on intangible assets and receivables.

Net cash used in investing activities amounted to RM7.03 million (2024: RM12.07 million), arising mainly from the acquisition of subsidiary companies, capital expenditure on property, plant and equipment, and investment in other financial assets, partially offset by proceeds from the disposal of investment properties, other investments and non-current assets classified as held for sale.

Net cash from financing activities amounted to RM9.15 million, compared with a net cash outflow of RM3.85 million in the preceding year, mainly due to funds raised from a private placement and the exercise of SIS and warrants, as well as capital contribution, partially offset by repayment of term loans and lease liabilities and repurchase of treasury shares.

As at 30 September 2025, the Group's cash and cash equivalents increased to RM16.09 million (2024: RM13.87 million), after deducting bank overdrafts and deposits pledged to licensed banks, and the current ratio improved to 4.24 times (2024: 3.08 times), reflecting a strengthened short-term liquidity position.

Management Discussion And Analysis (Cont'd)

CAPITAL EXPENDITURE REQUIREMENTS, CAPITAL STRUCTURE AND CAPITAL RESOURCES

Capital Commitment	2025 RM'000	2024 RM'000
Capital expenditure in respect of purchase of property, plant and equipment		
Approved but not contracted for	11,700	-
Contacted but not provided for	-	49
	11,700	49

As at 30 September 2025, the Group recorded capital commitments of RM11.70 million for approved capital expenditure on property, plant and equipment, compared with RM0.05 million in the preceding year.

BORROWING

Borrowings	2025 RM'000	2024 RM'000
Short terms (repayable within 12 months)	3,969	10,443
Long terms (repayable within 12 months)	8,329	20,198
	12,298	30,641
Gearing ratio (times) Borrowings/Shareholders' Equity	0.06	0.17

As at 30 September 2025, the Group's total borrowings decreased significantly to RM12.30 million (2024: RM30.64 million), representing a reduction of approximately 59.86% year-on-year.

The decrease was mainly attributable to the repayment of term loans and reduced utilisation of short-term borrowings, including bank overdraft facilities, during the financial year.

Of the total borrowings, RM3.97 million were short-term borrowings repayable within 12 months (2024: RM10.44 million), while RM8.33 million were long-term borrowings (2024: RM20.20 million).

As a result, the Group's gearing ratio, computed as total borrowings divided by shareholders' equity, improved from 0.17 times to 0.06 times, reflecting a stronger capital structure and lower leverage.

REVIEW OF OPERATING ACTIVITIES

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") 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 for the acquisition of the lands from Tregon for a total consideration of RM13,000,000 ("**SPAs**"); and
- iii. entered into a 3-year call option agreement with Udaran to acquire up to 51% of equity interest in Udaran ("**Call Option Agreement**").

Management Discussion And Analysis (Cont'd)

REVIEW OF OPERATING ACTIVITIES (CONT'D)

Proposed Acquisition: Announcement dated 29 May 2025 (Cont'd)

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

On 2 September 2025, the Board of Directors of the Company announced additional time is required to obtain the consent as required under the sale and purchase agreements with Tregon. Accordingly, OREC has on 2 September 2025 agreed to extend the period to obtain the said consent for a further three (3) months.

On 24 November 2025, the Board of Directors of the Company announced that further extension of one (1) month has been granted by OREC to Tregon. The Board of Directors of the Company also announced on 24 November 2025 that the condition precedent period under the UJVA has been further extended for one (1) month.

On 19 December 2025, the Board of Directors announced on the following:

1. the UJVA has been terminated on 19 December 2025;
2. the Call Option Agreement has been terminated on 19 December 2025;

OREC and Tregon have on 19 December 2025 entered into amended and restated sale and purchase agreements to amend and supplement the SPAs

Memorandum of Understanding: Announcement dated 27 August 2025

On 27 August 2025, the Board of Directors of the Company announced that it has entered into a Memorandum of Understanding with RJJ Hotels Sdn Bhd (*formerly known as Travel Plums Sdn Bhd*) with the intent to outline the general commitment and understanding in relation to hotel management and brand of the hotel or tourist accommodation to be acquired, built or developed by HHRG at Tanjung Residensi Kuala Terengganu.

On 24 November 2025, the Board of Directors of the Company announced that there is no material development pertaining to the said Memorandum of Understanding.

Proposed Acquisition: Announcement dated 24 September 2025

On 24 September 2025, the Board of Directors of the Company announced that it entered into a conditional Shares Sale and Purchase Agreement with Jingshi Holdings (M) Sdn. Bhd. (Registration No.: 202001007433 (1363753X)), for the acquisition of 10,000 ordinary shares representing 10% equity interest in the issued and paid-up share capital of Open Road (SP Circuit) Sdn. Bhd. (*formerly known as PKB Open Road (SP Circuit) Sdn. Bhd.*) (Registration No.: 202201010254 (1455951-K)) for a total consideration of RM5,500,000.

On 26 September 2025, the Board of Directors of the Company announced additional information and update in respect of the said acquisition.

On 30 September 2025, the Board of Directors of the Company announced the said acquisition of 10,000 ordinary shares that represents 10% equity interest in the issued and paid-up share capital of Open Road (SP Circuit) Sdn. Bhd. (*formerly known as PKB Open Road (SP Circuit) Sdn. Bhd.*) (Registration No.: 202201010254 (1455951-K)) has been completed on 30 September 2025.

Proposed Bonus Issue: Announcement dated 6 October 2025

On 6 October 2025, on behalf of the Board of Directors of HHRG, Malacca Securities Sdn. Bhd. ("**Malacca Securities**") announced that the Company proposes to undertake a bonus issue of up to 491,684,507 Warrant(s) B on the basis of 2 Warrants B for every 5 existing ordinary shares in the Company held on an entitlement date to be determined and announced later.

Management Discussion And Analysis (Cont'd)

REVIEW OF OPERATING ACTIVITIES (CONT'D)

Proposed Bonus Issue: Announcement dated 6 October 2025 (Cont'd)

On 8 October 2025, on behalf of the Board of Directors of HHRG, Malacca Securities announced that the additional listing application in respect to the proposed bonus issue of Warrants B has been submitted to Bursa Securities on 8 October 2025.

On 14 November 2025, on behalf of the Board of Directors of HHRG, Malacca Securities announced that Bursa Securities had vide its letter dated 14 November 2025, resolved to approve the following:

- i. Admission to the Official List and listing and quotation of up to 491,684,507 Warrants B to be issued pursuant to the proposed bonus issue of Warrants B; and
- ii. Listing and quotation of up to 491,684,507 new ordinary shares in HHRG to be issued arising from the exercise of the Warrants B. Such approval granted by Bursa Malaysia Securities Berhad ("**Bursa Securities**") for the proposed bonus issue of Warrants B is subject to the following conditions:
 - a. HHRG and Malacca Securities must fully comply with the relevant provisions under the ACE Market Listing Requirements ("**ACE LR**") pertaining to the implementation of the proposed bonus issue of Warrants B.
 - b. HHRG and Malacca Securities to inform Bursa Securities upon the completion of proposed bonus issue of Warrants B.
 - c. HHRG to furnish Bursa Securities with a written confirmation of its compliance with the terms and conditions of Bursa Securities' approval once the proposed bonus issue of Warrants B is completed.
 - d. HHRG and Malacca Securities are required to provide a written confirmation that the terms of the Warrants B are in compliance with Rule 6.55(3) of the ACE LR.
 - e. HHRG to furnish Bursa Securities on a quarterly basis a summary of the total number of shares listed pursuant to the exercise of Warrants B as at the end of each quarter together with a detailed computation of listing fees payable.

On 16 December 2025, on behalf of the Board of Directors of HHRG, Malacca Securities announced that the shareholders of HHRG had approved the ordinary resolution in respect to the proposed bonus issue of Warrants B.

On 17 December 2025, on behalf of the Board of Directors of HHRG, Malacca Securities announced the following in respect to the bonus issue of Warrants B:

Entitlement Date	Listing Date	Exercise Price
14 January 2025	22 January 2025	RM0.045

On 22 January 2026, on behalf of the Board of Directors of HHRG, Malacca Securities announced that bonus issue of Warrants has been completed following the listing and quotation of 424,778,675 new Warrants B on the ACE Market of Bursa Securities on 22 January 2026.

Management Discussion And Analysis (Cont'd)

ANTICIPATED OR KNOWN RISKS

Principal Risk	Description/Consequences	Strategies to Mitigate Risk
Dependent on single market	<ul style="list-style-type: none"> i. The furniture products are sold mainly to customers in Europe country. ii. The products are suitable and acceptable in the Europe market. iii. Any changes in Europe's ruling and economic may give significant impact to the company. 	<ul style="list-style-type: none"> i. Exploring new market at other regions. ii. Diversifying the product range. iii. Participating in roadshow and exhibition.
Regulatory risk	<ul style="list-style-type: none"> i. Adverse changes in rules and regulations for example increase in power tariff, fuel prices and tax rates or additional compliance requirements may increase the cost of doing business. ii. Loss of pioneer status or other tax incentives may result in higher tax liabilities, hence affecting the profitability of our Group. 	<ul style="list-style-type: none"> i. To conduct regular meeting to discuss on the government's policy matters. ii. To upgrade the machinery where necessary. iii. To take advantage of any available incentives or lower tariff. iv. To comply with the conditions imposed by the authority body for the pioneer status.
Natural disaster risk	<ul style="list-style-type: none"> i. The interruption may include but not limited to, fire, worker riot or natural disaster such as flood. ii. The interruption will cause the company to stop operations and may require some time to recover. 	<ul style="list-style-type: none"> i. Safety officer is appointed. ii. To meet on periodically to discuss on safety and health matters. iii. Continuous monitoring on the maintenance needs by the production leaders. iv. Fire escape plan and fire preventive equipment is put in place. v. Smoking is prohibited inside the factory. vi. Emergency Rescue Team (ERT) is formed.

FORWARD LOOKING STATEMENT

PROSPECT

The Group's Biomass Division is principally engaged in the manufacturing and trading of coconut fibres, bio-oil and oil palm EFB fibres. Its bio-oil is mainly supplied for use in sanitary consumer products, animal feed, detergents, lubricants and biodiesel feedstock, while most of its EFB fibres are distributed in the domestic market. The Group's core EFB products have continued to demonstrate stable performance and resilience, supported by sustained demand, notwithstanding the periodic fluctuations in crude palm oil prices. Looking ahead, the biomass sector presents long-term growth potential, supported by rising demand for sustainable resources and the increasing emphasis on environmental, social and governance practices.

The Group's Furniture Division revenue continues to decline in the 18 months FYE 30 September 2025 of RM72.86 million (the annualised revenue for the 12 months FYE 31 March 2025 was RM48.57 million, FYE 31 March 2024 of RM60.00 million and (FYE 31 March 2023: RM77.78 million). This was mainly due to the challenging market conditions, particularly tariffs and higher operating costs arising from increased raw material prices. The Group is prioritising the expansion of its customer base, by tapping into export markets as a key strategy to support business recovery and future growth.

Management Discussion And Analysis (Cont'd)

FORWARD LOOKING STATEMENT (CONT'D)

PROSPECT (CONT'D)

The Group remains focused on identifying and pursuing strategic investment opportunities aimed at diversifying the Group's revenue streams. The Group's entry into the Property Division in 2023 and Credit Division in 2024 are progressing, albeit at a slower pace for the Property Division. The Group is currently assessing the feasibility of the proposed development plan, including evaluating market demand, securing the necessary regulatory approvals and development orders, and determining the optimal project concept and phasing strategy. The Group is committed to managing this expansion prudently to ensure long term value creation.

The Group is mindful of the challenges ahead and will continue to monitor and manage risks across all business segments with discipline and foresight. Notwithstanding the current operating environment, the Board remains confident in the Group's ability to deliver positive prospects going forward.

DIVIDEND POLICY

Our Company presently does not have any formal dividend policy. The declaration of interim dividends and the recommendation of any final dividends are subject to the discretion of our Board of Directors and any final dividend proposed is subject to our shareholders' approval.

Our Board of Directors seeks to adopt a stable and sustainable dividend policy to allow our shareholders to participate in the profits of our Group while maintaining an optimal capital structure and ensuring sufficient funds for our future growth. In determining the payment of dividends, our Board of Directors takes into consideration, amongst other factors, the operational performance, financial condition, capital expenditure plans and business expansion plans of Group.

Board of Directors



Standing from left to right

- 1 Nur Bahiyah Azlinda binti Abu Bakar
- 2 Abdul Rahman Bin Haji Din
- 3 Yang Berbahagia Dato' Paduka Ammar
- 4 Guok Ngek Seong
- 5 Chan Hon Woo



Yang Berbahagia Dato' Paduka Ammar is our Executive Deputy Chairman and was appointed to the Board on 21 June 2024. He is presently the member of Share Issuance Scheme Committee.

He graduated with a Bachelor of Business Administration (Accounting) from University of Fresno in California, USA in 1984, and a Master of Business Administration (MBA) from the University of San Francisco, USA in 1986. He had since accumulated 35 years of experience serving as public servant for public sector services in the state of Kedah and responsible for outlining a new economic development direction for the state government of Kedah. He was the Setiausaha Kerajaan Negeri Kedah Darul Aman of the Pejabat Setiausaha Kerajaan Negeri Kedah Darul Aman until his retirement in 2022. He does not hold any directorship in other public companies in Malaysia.

He joined our Company as an Executive Deputy Chairman and is responsible for overseeing our Group's business development.

He attended all fourteen Board Meetings of the Company held during the financial year ended 30 September 2025 subsequent to his appointment in the financial year under review.

He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and no conviction of any offences within the past 5 years other than traffic offences, if any.

Directors' Profile (Cont'd)



GUOK NGEK SEONG

Independent Non-Executive Director

 Malaysian  Male  50

Guok Ngek Seong is our Independent Non-Executive Director and was appointed to our Board on 2 April 2024.

He graduated with a Bachelor of Law from the University of Malaya in 2000 and was admitted as an Advocate & Solicitor of the High Court of Malaya in 2001. He had since accumulated 23 years of experience in the legal field. He has been involved in various high-profile cases, acted as co-counsels alongside with many prominent lawyers in the country. Many of the cases are reported in the legal journals. Apart from this, he is well-versed in the securities laws in Malaysia, Anti-Money Laundering and Anti-Terrorism Financing Act 2001, Companies Act 2016, Capital Markets and Services Act 2007 (including the repealed Securities Industries Act), Financial Services Act 2013, Penal Code, judicial reviews, tort claims and contractual disputes among others. He does not hold any directorship in other public companies in Malaysia.

He attended fourteen out of seventeen Board Meetings of the Company held during the financial year ended 30 September 2025 subsequent to his appointment in the financial year under review.

He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and no conviction of any offences within the past 5 years other than traffic offences, if any.



CHAN HON WOO

Independent Non-Executive Director

 Malaysian  Male  59

Chan Hon Woo is our Independent Non-Executive Director and was appointed to our Board on 21 May 2024. He is presently the Chairman of the Nomination and Remuneration Committee, Chairman of Share Issuance Scheme Committee and a member of the Audit and Risk Management Committee of the Company.

He graduated with a Bachelor of Science in Chemistry from the University of Malaya in 1993. He embarked on his journey at the manufacturing sector as a chemist and production manager. After gaining valuable experience, he established his own company known as Cyromaster (M) Sdn Bhd in 2007 as a director. In this role, he oversaw the business activities in manufacturing and trading of chemical product sector, as well as management consultancy services for the scientific analytical field. He does not hold any directorship in other public companies in Malaysia.

He attended thirteen out of fifteen Board Meetings of the Company held during the financial year ended 30 September 2025 subsequent to his appointment in the financial year under review.

He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and no conviction of any offences within the past 5 years other than traffic offences, if any.

Directors' Profile (Cont'd)



ABDUL RAHMAN BIN HAJI DIN
SDK., AMK., BCK.
Independent Non-Executive Director

 Malaysian  Male  63

Abdul Rahman Bin Haji Din is our Independent Non-Executive Director and was appointed to the Board on 21 May 2024. He is presently the Chairman of ESG Sustainability Committee, member of the Audit and Risk Management Committee, and Nomination and Remuneration Committee of the Company.

He graduated with a Bachelor of Economics from Universiti Malaya in 1986 and Master of Business Administration (MBA) from University Utara Malaysia in 2003. He had since accumulated 29 years of experience in the real estate development, mining, investment, construction and hospitality. He was the Chief Executive Officer through his attachment with Permodalan Kedah Berhad until his retirement in 2023. He does not hold any directorship in other public companies in Malaysia.

He attended all fifteen Board Meetings of the Company held during the financial year ended 30 September 2025 subsequent to his appointment in the financial year under review.

He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and no conviction of any offences within the past 5 years other than traffic offences, if any.



**NUR BAHİYAH AZLINDA
BINTI ABU BAKAR**
Independent Non-Executive Director

 Malaysian  Female  54

Nur Bahiyah Azlinda binti Abu Bakar is our Independent Non-Executive Director and was appointed to the Board on 2 July 2025. She is presently the Chairman of the Audit and Risk Management Committee, member of Sustainability Committee, and Nomination and Remuneration Committee of the Company.

She graduated with a Bachelor of Arts in Accounting and Finance from Lancaster University in 1995. She is a Chartered Accountant and a member of the Malaysian Institute of Accountants (MIA). She is also a Fellow of the Association of Chartered Certified Accountants (FCCA, UK).

With extensive experience in accounting, finance, and strategic planning, she has held various roles across multinational companies throughout her career. Currently, she is an active entrepreneur in the hospitality industry. She does not hold directorships in any other public companies in Malaysia.

She attended all three Board Meetings of the Company held during the financial year ended 30 September 2025 subsequent to her appointment in the financial year under review.

She has no family relationship with any director and/or major shareholder of the Company. She has no conflict of interest with the Company and no conviction of any offences within the past 5 years other than traffic offences, if any.

Senior Management Team



Standing from left to right

- 1 Moo Eng Thing
- 2 Shannon Ng

- 3 Cheng Pek Tong
- 4 Lee Meng Wei

Company Secretary



Standing from left to right

- 1 Lai Lee Chee
- 2 Lim Seck Wah

- 3 Yuhasheny A/P Supramaniam

Key Senior Management Profile



**YANG BERBAHAGIA DATO' PADUKA AMMAR
BIN DATO' SHAIKH MAHMOOD NAIM**
D.P.S.S., D.S.D.K., J.S.D., S.S.S., A.M.K.,
A.M.N., B.C.K.
Executive Deputy Chairman

 Malaysian  Male  64

Please refer to page 9 for profile of **Yang Berbahagia Dato' Paduka Ammar Bin Dato' Shaikh Mahmood Naim**.

CHENG PEK TONG
Chief Financial Officer

 Malaysian  Male  46

Mr. Cheng Pek Tong is our Chief Financial Officer and was appointed on 1 January 2014. He graduated with a Bachelor of Accountancy from Universiti Utara Malaysia in 2004. He is a Chartered Accountant and a member of the Malaysian Institute of Accountants. He started his career in Aljeffridean, Chartered Accountants (M) as an Audit Assistant in 2004 and was subsequently promoted to Assistant Manager in 2005. In 2008, he left Aljeffridean, Chartered Accountants (M) and joined Eonmetall Group Berhad as an Accountant. In 2011, he left Eonmetall Group Berhad and joined our Group as an Accountant, and was subsequently promoted to Chief Financial Officer. He is currently responsible for overseeing and monitoring our financial accounting and taxation matters, as well as planning and coordinating our corporate financial activities.

He does not hold any directorship in other public companies in Malaysia.

He has no family relationship with any director and/or major shareholder of the Company. He has no conflict of interest with the Company and he has no conviction of any offences within the past 5 years other than traffic offences, if any.

Senior Management Profile



SHANNON NG

Chief Corporate Officer

 Malaysian

 Female

 AGE 45

Ms Shannon Ng graduated with a Bachelor of Accounting (Hons.) in Multimedia University. She is a member of the Association of Chartered Certified Accountants (ACCA) and the Chartered Tax Institute of Malaysia.

She has been in corporate planning and finance for more than 20 years. Her proven track record developed through leading professional services firms, Deloitte and KPMG Singapore, combined with in-house strategic and financial roles within major Malaysian conglomerates, including the property arm of Hong Leong Group and the tourism arm of Khazanah Nasional Berhad.



MOO ENG THING

Head of Legal

 Malaysian

 Female

 AGE 42

Ms. Moo Eng Thing is our Head of Legal since May 2025.

She holds a Bachelor of Laws with Honours from the University of London, United Kingdom, and obtained the Certificate in Legal Practice from the Legal Profession Qualifying Board Malaysia. She was admitted as an Advocate and Solicitor of the High Court of Malaya in 2008.

She has 17 years of experience in the Malaysian legal profession. She began her legal career in Azmi & Associates as an Associate in the Capital and Debt Market practice group. In 2012, she joined RHB Trustees Berhad as Assistant Vice President, REITs, where she was involved in REITs, unit trusts, and corporate trustee services, focusing on administration, compliance, and business development. Ms. Moo rejoined Azmi & Associates in August 2013 as a Senior Associate and was promoted to Partner in June 2015, a position she held until mid-May 2025, specialising in Malaysian capital and debt market, corporate & commercial practices.



LEE MENG WEI

Subsidiary Director

 Malaysian

 Male

 AGE 56

Mr. Lee Meng Wei is the Subsidiary Director for the Palm Biomass Division and he was appointed on 16th January 2024. He graduated with an honours degree in Bachelor of Technology from Universiti Sains Malaysia.

He started his career in Hume Fibreboard under Hong Leong Group in 1995 as the Process Engineer. He has 30 years of experience in leading plant operations management under several public listed companies, both locally and abroad. He was actively involved in the set-up of several new manufacturing plants and M&A exercises.

ABOUT THE COMPANY



HHRG Berhad and its subsidiaries ("HHRG" or "the Group") are committed to conducting business responsibly through sustainable practices. As a producer and trader of biomass materials, we recognise the importance of managing resources efficiently while supporting long-term growth. Guided by Environmental, Social, and Governance (ESG) principles, we aim to create lasting value for our stakeholders and contribute to a more sustainable future.

The Group's operations are built on efficient use of resources and continuous improvement. Over the years, HHRG has expanded its activities to strengthen business stability and create balanced opportunities for growth in different areas.

In line with our ESG objectives, we continue to strengthen how we operate by improving supply chain efficiency, reducing waste, and exploring better ways to support sustainable production. We also place emphasis on creating a safe and respectful workplace that encourages staff development and inclusion. Beyond our operations, we take part in community activities to support local growth and social well-being.

By maintaining fair business practices and being transparent in our reporting, HHRG remains focused on steady progress in sustainability, aiming to deliver positive outcomes for the business, the environment, and the communities we serve.

Our Core Business

HHRG focuses on the production and supply of biomass materials, including oil palm empty fruit bunch (EFB) fibre, coconut fibre, and bio-compost. Through our own processing methods and consistent quality controls, we produce reliable, low-oil-content fibres that meet the needs of various industries. Our bio-compost is developed through a natural process without the use of chemicals, providing a more environmentally considerate option for agricultural use.

Alongside its core biomass operations, HHRG has expanded into the manufacturing and sale of fibre mattresses and bedding products. The Group has also ventured into property development and management to support broader business growth and strengthen long-term value creation. Across these areas, we remain focused on applying sustainable practices and maintaining responsible standards in how we operate.

Where We Operate

HHRG's operations are strategically located in the East Coast Economic Region (ECER) and the Northern Region of Malaysia, ensuring efficient access to raw materials and optimizing production capabilities. Through its expanded presence, the Group continues to enhance its supply chain efficiency and market reach, supporting its long-term business growth

Sustainability Statement (Cont'd)

➤ ABOUT THIS STATEMENT

HHRG Berhad is pleased to present its Sustainability Statement for the financial year 2025, reflecting our commitment to transparency, accountability, and continuous improvement in managing environmental, social, and governance (ESG) matters.

This year, we begin our structured sustainability reporting journey by focusing on HK Gua Musang Sdn. Bhd. (HKGM), a wholly owned subsidiary involved in biomass manufacturing. HKGM was selected as a practical starting point to establish our internal ESG reporting processes and build a stronger foundation for future disclosures.

By focusing on one key operating entity, this Statement aims to:



This Statement includes data for FY2025, along with available comparative data from FY2023 and FY2024.

➤ REPORTING SCOPE & BOUNDARIES

This Sustainability Statement covers HHRG Berhad, focusing on the Group's core operating entity, HK Gua Musang Sdn Bhd (HKGM). HKGM's main activities include the manufacturing and trading of oil palm empty fruit bunch (EFB) fibre, coconut fibre processing, and bio-compost production at its operational site in Malaysia.

In previous years, the Group's sustainability disclosures were presented at a broader group level. Beginning FY2025, HHRG has refined its reporting scope to focus primarily on HKGM to ensure greater data accuracy, consistency, and relevance to the Group's key operations.

Certain parts of this Statement may include Group-level information where policies, initiatives, or governance practices are applied across HHRG Berhad and its subsidiaries.

By focusing on HKGM, this Statement reflects the business segment that contributes most directly to the Group's performance and sustainability priorities. Moving forward, HHRG plans to progressively broaden its reporting coverage to include other operating subsidiaries as data collection and reporting processes continue to improve.

➤ REPORTING FRAMEWORK

This Sustainability Statement is prepared in accordance with Bursa Malaysia's Sustainability Reporting Framework and the Malaysian Code on Corporate Governance ("MCCG"), with reference to the Global Reporting Initiative ("GRI") Standards and the relevant United Nations Sustainable Development Goals ("UN SDGs").

HHRG is committed to providing clear, transparent, and reliable sustainability disclosures. We continue to enhance our reporting practices to align with evolving standards and stakeholder expectations.

Sustainability Statement (Cont'd)

REPORTING PERIOD

Unless stated otherwise, the information in this Statement covers the period from 1 October 2024 to 30 September 2025, reflecting the transition to our new financial year ending 30 September. This 1-year reporting period aligns with our revised financial reporting cycle and aims to provide a clear and consistent overview of our sustainability efforts.

This financial year includes restatements due to changes in measurement methodologies and refinements in scope and boundaries to enhance reporting accuracy. Where relevant, we have included performance data spanning the past three financial years (FY2023–FY2025).

For more details on corporate governance, internal operations, and business activities, please refer to HHRG's Annual Report 2025 and related documents.

ASSURANCE STATEMENT

The organisation is committed to ensuring transparency, accountability, and integrity in its sustainability reporting. Although this Statement has not been externally assured, it has been subject to an internal review process, with inputs from senior management and key internal stakeholders.

Looking ahead, the organization is exploring the adoption of external assurance for selected environmental, social, and governance (ESG) disclosures in future reporting cycles. This reflects a commitment to strengthening the credibility of reported data, aligning with global best practices, and meeting increasing stakeholder and regulatory expectations.

IDENTIFICATION AND COMMUNICATION WITH STAKEHOLDERS

By actively engaging with stakeholders, the Group gains diverse insights and identifies key environmental, social, and governance (ESG) priorities. Committed to sustainable operations, the Group prioritises the interests of its stakeholders, including shareholders, employees, customers, suppliers, subcontractors, regulatory authorities, and local communities. To foster meaningful dialogue, the Group has established effective communication channels, including meetings, inquiries, interviews, and discussions across its operational locations.

FORWARD-LOOKING STATEMENTS

This Statement contains forward-looking statements based on HHRG management's current assumptions and expectations. The Statement outlines the Group's ESG targets, commitments, programs, and broader business strategies, including key initiatives and objectives. Forward-looking statements are typically identified by terms such as "aim," "expect," "believe," "forecast," "plan," or similar expressions. However, HHRG cannot guarantee that the anticipated outcomes will be realized or that they will align with projected impacts. The Group does not undertake any obligation to update these statements in response to future events or changing circumstances.

FEEDBACK AND COMMENTS

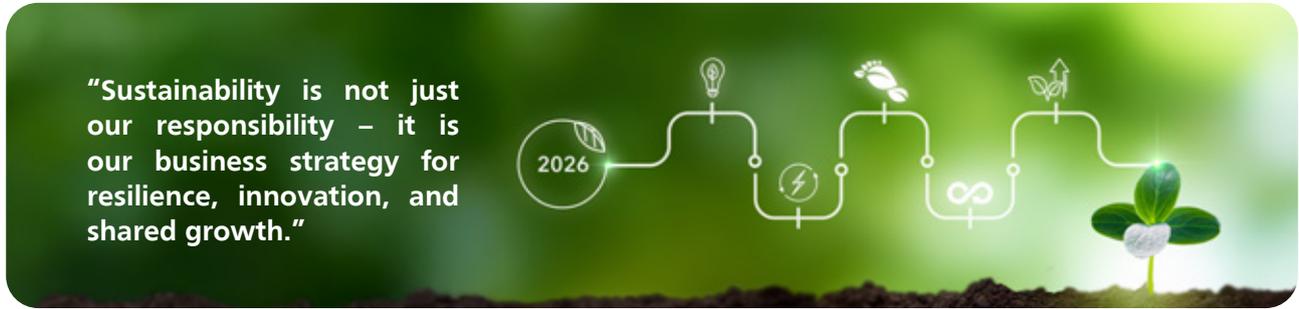
A softcopy version of this Statement is available online at <https://hhrg.com.my/>. Readers are encouraged to share views on the approach to sustainability and suggest improvements for sustainability efforts and programs. Input is valued as efforts continue to enhance sustainability practices and initiatives.

Sustainability Committee
HHRG Berhad (969678-D)
Lot 2945 (Plot A2),
Jalan Sungai Baong,
Kawasan Perindustrian Perabut Sungai Baong,
Mukim 5, 14200 Sungai Jawi,
Pulau Pinang, Malaysia

Contact No.: 04-5825888
Email: hhrg@hhrg.com.my



➤ MESSAGE FROM OUR EXECUTIVE DEPUTY CHAIRMAN



In a rapidly changing world, businesses must evolve to meet new environmental and social challenges. At HHRG, we are responding with action, guided by our values of integrity, inclusivity, and sustainability.

Environmental Stewardship

We are committed to reducing our environmental impact. This includes:



FY2025 marks our baseline year for tracking energy use, water consumption, and emissions. This gives us a clear starting point for future improvements.

Social Responsibility

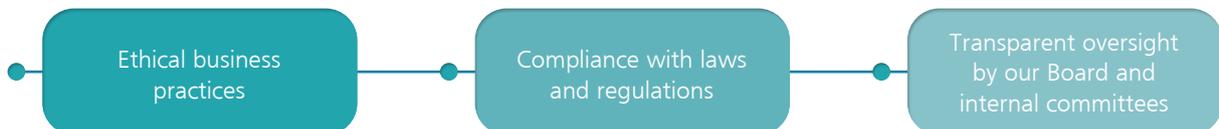
Our people are at the heart of our operations. We strive to:



We aim to create not just jobs, but lasting opportunities for growth and empowerment.

Governance and Accountability

Strong governance supports every part of our sustainability journey. We uphold:



We are also exploring external assurance to further strengthen the credibility of our ESG reporting.

Looking Ahead

From risk management to decision-making, ESG principles are part of our long-term strategy. We align our efforts with the UN Sustainable Development Goals (SDGs) and focus on areas where we can make a real difference, from climate action to decent work and responsible production.

I thank our employees, stakeholders, and partners for their continued support. Together, we are building a stronger, more sustainable HHRG, for today and for the future.

Yang Berbahagia Dato' Paduka Ammar Bin Dato' Shaikh Mahmood Naim
Group Executive Deputy Chairman
HHRG Berhad

Sustainability Statement (Cont'd)

▶ OUR APPROACH TO SUSTAINABILITY

At HHRG, sustainability is an integral part of our corporate strategy and long-term value creation. We are committed to conducting our business in a way that balances economic growth with environmental protection, social responsibility, and strong governance.

Our sustainability approach is shaped by our core values, aligned with global frameworks such as the UN Sustainable Development Goals (UN SDGs) and Bursa Malaysia's Sustainability Reporting Framework. It is supported by our commitment to responsible innovation, community empowerment, and environmental stewardship.

▶ Sustainability Framework

HHRG has established a group-wide Sustainability Framework to align with our overarching vision and mission. While this Statement focuses on HK Gua Musang (HKGM), the framework is intended to guide sustainability efforts across all entities within the Group.

Our sustainability strategy is anchored on four key focus areas:



Delivering Operational Excellence

Improving productivity, innovation, and efficiency in a responsible manner.



Empowering People and Communities

Supporting employee growth, diversity, and well-being while contributing positively to the communities we serve.



Caring for the Environment

Reducing our carbon footprint, minimizing waste and emissions, and optimizing natural resource use.



Upholding Governance and Integrity

Embedding ethical practices, strong governance, and compliance across operations and decision-making.

▶ Sustainability Vision & Mission

The Group is committed to sustainable production through compliance with environmental regulations, emphasis on workplace safety, and the adoption of policies and procedures to manage its business activities responsibly.

For more information on the Group's vision and mission, please refer to HHRG's corporate website: <https://hhrg.com.my/organisation-corporate-structure-1/>

Vision & Mission



Sustainability Statement (Cont'd)

➤ Our Contribution to the UN SDGs

As a Group, we recognise the importance of supporting the United Nations Sustainable Development Goals (UN SDGs) as part of our long-term sustainability journey. These global goals offer a universal framework for responsible and inclusive business practices that benefit people, the planet, and prosperity.

While the Group's sustainability agenda continues to evolve, this Statement focuses on the contributions of HKGM in line with the current reporting scope. In this baseline year, HKGM has conducted an initial assessment to map its key initiatives against the SDGs that are most relevant to its operations and stakeholder expectations. The following section summarises how HKGM's existing practices contribute to selected SDGs based on our current operations and priorities.

PROMOTING OCCUPATIONAL SAFETY AND EMPLOYEE WELLNESS



- Zero fatality recorded in FY2025 despite operating in a high-risk biomass industry.
- Formal OSH Committees established at the site level.
- Safety protocols aligned with OSHA 1994 and internal risk assessments.
- Ongoing safety briefings, PPE compliance, and emergency response drills.

ADVANCING WATER REUSE AND WASTEWATER MANAGEMENT



- 100% of wastewater treated and reused within the operation.
- Majority of treated water used for composting activities.
- Use of electro-oxidation (EO) technology to enhance internal treatment.
- Monthly water consumption and discharge tracked.
- Compliant with local regulatory standards; no water-related violations.

PROMOTING RENEWABLE AND BIOMASS-BASED ENERGY USE



- Biomass steam energy used in drying processes to reduce fossil fuel dependency.
- Reduction in diesel consumption achieved through internal process optimisation.
- Scope 1 energy emissions reflect declining reliance on diesel.
- Solar energy not currently implemented, but biomass forms a renewable source.

STRENGTHENING LOCAL SUPPLY CHAINS AND WORKFORCE DEVELOPMENT



- 100% of procurement spending allocated to Malaysian suppliers.
- Localised supply chain improves economic resilience and supports job creation.
- No use of forced, bonded, or exploitative labour practices.

REDUCING WASTE THROUGH REUSE AND COMPLIANCE MANAGEMENT



- 1.525 MT of scheduled waste generated in FY2025.
- Used lubricants and oils repurposed internally (e.g., machinery lubrication).
- No scheduled waste disposal violations; full compliance with DOE requirements.
- Prioritisation of reuse and internal handling aligns with circular economy goals.

TRACKING AND REDUCING OPERATIONAL CARBON EMISSIONS



- Scope 1, Scope 2, and selected Scope 3 emissions monitored.
- Emissions mainly linked to diesel fuel and electricity from biomass ops.
- Internal controls and reporting support future target-setting initiatives.
- Climate impact reduction tied to increased use of biomass steam and diesel efficiency.

REINFORCING GOVERNANCE, COMPLIANCE, AND BUSINESS INTEGRITY



- HKGM adheres to a zero-tolerance policy on bribery and corruption, aligned with Section 17A of the MACC Act.
- Implemented controls include a no-gift policy, a clear framework for donations and sponsorships, and an internal whistleblowing channel.
- In FY2025, there were no recorded incidents of bribery, corruption, or policy breaches.
- Employee grievance channels are made accessible to all workers, including foreign labour, in line with compliance requirements.
- The company ensures fair treatment in accordance with Malaysian labour laws.

Continuous Improvement and Integration

At HKGM, sustainability is not a one-time initiative but the beginning of a continuous improvement journey. As we establish our baseline year, we are committed to:

<p>Embedding ESG</p> <p>Embedding ESG considerations into our daily operations and long-term planning</p>	<p>Strengthening Governance</p> <p>Strengthening governance, accountability, and oversight across all levels</p>
<p>Stakeholder Engagement</p> <p>Listening and addressing the expectations of our stakeholders.</p>	<p>Investing in Data</p> <p>Investing in data systems and reporting processes to enhance decision-making and transparency</p>

By adopting a practical and forward-looking approach to sustainability, HKGM aims to build a more resilient, responsible, and future-ready organisation.

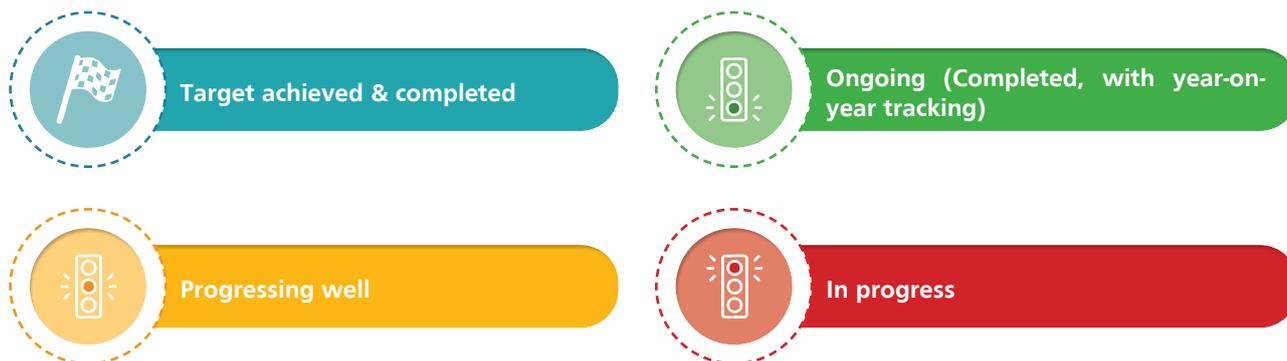
While this Statement focuses on HKGM, our efforts support the Group’s broader direction toward more sustainable business practices.

Sustainability Statement (Cont'd)

➤ SUSTAINABILITY GOALS

FY2025 marked HKGM's first year establishing a formal sustainability strategy. The strategy was developed by mid-2025, with Key Performance Indicators (KPIs) introduced to guide and monitor performance across key focus areas during the final quarter of the financial year. These initial targets serve as a baseline for long-term sustainability planning and continuous improvement in future reporting cycles.

Legend: Progress Tracking



Strategy 1: Emission Management

Related Material Topics	Target & KPI	Status	FY2025 Performance
Reduce Greenhouse Gas (GHG) Emissions	<p>Target: To improve fuel efficiency and driver performance to minimize GHG emissions.</p> <p>KPI:</p> <ul style="list-style-type: none"> 3% reduction in total Scope 1 and 3 emissions (metric tons CO₂e). 3% reduction in emission intensity (CO₂e per unit of production). 		<ul style="list-style-type: none"> HHRG has initiated data collection efforts to strengthen future performance measurement and review.
Reduce Waste from Biomass Processing	<p>Target: To improve agricultural biomass processing efficiency to minimize waste generation and enhance resource utilization.</p> <p>KPI:</p> <ul style="list-style-type: none"> 5% of agricultural biomass by-products repurposed or reused. 5% of agricultural biomass waste utilised for carbon value generation through mechanisms such as carbon credit schemes or verified emissions offset programs. 		<ul style="list-style-type: none"> HHRG has initiated data collection efforts to strengthen future performance measurement and review.

Sustainability Statement (cont'd)

Strategy 2: Safety and Health

Related Material Topics	Target & KPI	Status	FY2025 Performance
Implement comprehensive hazard identification and risk assessment programs	Target: To reduce workplace incidents and improve risk assessment training participation.		<ul style="list-style-type: none"> HIRARC Table was finalised in the end of March 2025.
			<ul style="list-style-type: none"> HIRARC table as discussed with Safety, Health & Environment Committee.
			<ul style="list-style-type: none"> Scheduling training to communicate the risks & opportunities.
Foster a safety culture through worker engagement	Target: To improve workplace safety culture by increasing employee involvement in safety programs and encouraging proactive participation through committees and suggestion platforms.		<ul style="list-style-type: none"> Safety, Health & Environment Committee was formed in Jan 2025.
			<ul style="list-style-type: none"> The first committee meeting was conducted on March 2025.
Enhance emergency preparedness and response	Target: Ensure employees are well-trained and ready to respond to emergencies.		<ul style="list-style-type: none"> Emergency response plans and risk assessments implemented since March 2025.
KPI: <ul style="list-style-type: none"> Conduct at least one emergency drill per year to assess response times, identify gaps in procedures, and familiarize employees with evacuation protocols, such as simulating a fire drill to ensure safe and efficient evacuation. Achieve a 70% employee preparedness rating in annual surveys by providing hands-on training, emergency simulations, and awareness sessions, such as first aid response workshops to equip employees with basic lifesaving skills 			
Strengthen incident reporting and investigation procedures	Target: To increase incident reporting and ensure timely closure of investigations in line with regulatory requirements.		<ul style="list-style-type: none"> No incident occurred at the workplace.
KPI: <ul style="list-style-type: none"> Incident reporting rate: Increase incident reporting by 80% within the first year. Investigation closure time: Maintain investigation closure time of 7 days for minor incidents, and comply with DOSH-prescribed timelines for major incidents, based on the nature and complexity of each case. 			

Strategy 3: Supply Chain Management

Related Material Topics	Target & KPI	Status	FY2025 Performance
Strengthen risk management for environmental and social impacts in the supply chain.	<p>Target: By Q4 2025, complete an initial ESG risk screening of active suppliers and document key risk areas to inform future mitigation efforts.</p> <p>KPI:</p> <ul style="list-style-type: none"> • 50% of active suppliers screened for ESG risks. • 50% of suppliers that submitted ESG self-assessment or survey. • 70% of procurement staff trained on ESG risk screening. 		<ul style="list-style-type: none"> • HHRG has initiated data collection efforts to strengthen future performance measurement and review.
Build internal ESG capacity within the procurement team to identify and manage environmental and social risks.	<p>Target: Train procurement staff on ESG risk awareness and screening by December 2025.</p> <p>KPI:</p> <ul style="list-style-type: none"> • 70% of procurement staff trained on ESG risk screening. • Number of ESG red flags identified by procurement during supplier evaluation. 		<ul style="list-style-type: none"> • HHRG has initiated data collection efforts to strengthen future performance measurement and review.
Establish a structured mechanism to track supplier ESG performance.	<p>Target: To enhance supplier ESG transparency and drive performance improvements.</p> <p>KPI:</p> <ul style="list-style-type: none"> • 50% of key suppliers submitting ESG reports. • 30% of suppliers with improved ESG scores over time. 		<ul style="list-style-type: none"> • HHRG has initiated data collection efforts to strengthen future performance measurement and review.
Implement green procurement practices and prioritize suppliers with strong sustainability credentials.	<p>Target: To increase procurement from sustainable suppliers and drive ESG improvements.</p> <p>KPI:</p> <ul style="list-style-type: none"> • 70% of procurement spend allocated to sustainable suppliers and eco-friendly products. • 30% of suppliers engaged in sustainability initiatives and their impact on supply chain sustainability. • Improvement in supplier ESG performance scores and compliance with sustainability requirements. 		<ul style="list-style-type: none"> • HHRG has initiated data collection efforts to strengthen future performance measurement and review.

Strategy 4: Anti-Bribery & Anti-Corruption

Related Material Topics	Target & KPI	Status	FY2025 Performance
Strengthen anti-corruption policies and enforcement across operations	Target: To increase awareness and enforcement of ABC policies among employees. KPI: <ul style="list-style-type: none"> 70% of employees trained on ABC policies by 2026 (short-term). 100% of key suppliers with ABC clauses in contracts. 		<ul style="list-style-type: none"> Internal training achieved 100% completion, conducted by an executive who had attended external training.
			<ul style="list-style-type: none"> The Group is in the process of incorporating ABC clauses into contracts with all key suppliers.
Identify and mitigate corruption risks within the organization by enhancing internal policies, processes, and awareness.	Target: Complete an initial corruption risk assessment covering all key functions by September 2025, establishing a risk baseline for ongoing management. KPI: <ul style="list-style-type: none"> 70% of organizational units/departments covered by corruption risk assessment. 		<ul style="list-style-type: none"> HHRG has initiated data collection efforts to strengthen future performance measurement and review.

SUSTAINABILITY GOVERNANCE STRUCTURE

At the Group level, HHRG has established a sustainability governance structure to ensure that ESG commitments are effectively embedded into business strategy, risk management, and operational decision-making across its subsidiaries. This structure defines the roles and responsibilities of key decision-makers, providing oversight, accountability, and direction for sustainability initiatives across the Group.

As part of the HHRG Group, HKGM aligns with this overarching governance framework. ESG matters relevant to HKGM are channelled through the Group’s governance processes, with operational responsibilities assigned to local teams to support implementation and data collection.

OUR GOAL

To ensure sustainability is not viewed merely as a compliance requirement, but as a key driver of long-term resilience, value creation, and stakeholder trust.



Integration Across the Organisation

Sustainability is embedded throughout the Group's corporate structure - from Board-level oversight to subsidiary-level execution. The following diagram outlines the Group-level governance structure for sustainability management, and how HKGM fits within this framework:



SUSTAINABILITY COMMITTEE STRUCTURE



Sustainability Statement (Cont'd)

Integration Across the Organisation (Cont'd)

01 Board of Directors

- Provide strategic oversight of the Group's sustainability direction, priorities, and performance.
- Approve ESG-related policies, targets, and public disclosures in line with regulatory and stakeholder expectations.
- Ensure ESG risks and opportunities are embedded in the Group's overall corporate strategy and risk management framework.

02 Sustainability Committee

- Oversee the identification, evaluation, and monitoring of ESG and climate-related risks within the Group's Enterprise Risk Management (ERM) framework.
- Review and endorse sustainability strategies, performance targets, and progress updates prior to Board consideration.
- Ensure alignment with regulatory requirements and emerging ESG reporting standards (e.g., TCFD, ISSB, GRI).

03 Senior Management

- Translate Group-level ESG strategies into actionable plans at the operational and subsidiary levels.
- Allocate necessary resources, assign responsibilities, and oversee cross-departmental coordination to support implementation.
- Monitor performance, ensure compliance, and report progress to the Sustainability Committee and Board.

04 Sustainability Working Groups

- Drive the development, execution, and monitoring of ESG initiatives, KPIs, and reporting mechanisms across departments and subsidiaries.
- Coordinate ESG training, awareness campaigns, and integration into business processes (e.g., procurement, budgeting, project design).
- Support internal data collection, validation, and preparation for third-party assurance and disclosures.

Ongoing Improvement and Governance Enhancement

We continuously assess our governance approach to ensure alignment with:

A

Evolving stakeholder expectations

B

Global sustainability standards

C

Bursa Malaysia's Listing Requirements and the Malaysian Code on Corporate Governance (MCCG)

Looking ahead, HHRG aims to:

- Strengthen Board-level ESG expertise
- Enhance internal audit coverage for ESG controls and reporting
- Formalize the integration of sustainability KPIs into performance reviews and business planning

By maintaining a robust governance framework, we ensure that sustainability remains an integral part of our business success, decision-making processes, and stakeholder trust.

Sustainability Statement (Cont'd)

STAKEHOLDER ENGAGEMENT

At the Group level, HHRG recognises that meaningful stakeholder engagement is essential to building long-term trust and driving sustainable business practices. Engaging with key stakeholders helps ensure that our ESG strategy remains relevant, responsive, and aligned with external expectations.

Through various platforms including site visits, regulatory interactions, community outreach, and internal feedback, the Group maintains open channels of communication with stakeholders such as employees, suppliers, local communities, regulators, and business partners.

Stakeholder engagement helps us:

- Identify ESG topics that matter to our business and local community
- Align operations with regulatory and stakeholder expectations
- Build transparency, accountability, and mutual value

The Group's stakeholder engagement is currently focused on practical, operations-based interactions, including site-level dialogue, compliance audits, and local community involvement. These insights provide a foundation for stronger stakeholder relationships and improved decision-making in future reporting cycles.

Key Stakeholder Group	Key Areas of Concern	Methods of Engagement	Frequency of Engagement
Employees 	<ul style="list-style-type: none"> • Workplace safety in biomass processing • Employee welfare and fair wages • Training and skill development • Career progression opportunities 	<ul style="list-style-type: none"> • Safety briefings and training • Employee feedback sessions • Management meetings 	<ul style="list-style-type: none"> • Annually • Ad hoc • Ad hoc
Government and Regulatory Authorities 	<ul style="list-style-type: none"> • Environmental compliance (waste management, emissions, carbon footprint) • Occupational health and safety regulations • Legal permits and sustainability certifications 	<ul style="list-style-type: none"> • Official reporting • Compliance audits • Periodic site inspections 	<ul style="list-style-type: none"> • Ad hoc • Monthly/Quarterly • Ad hoc
Local Communities and Public 	<ul style="list-style-type: none"> • Environmental impact of biomass production • Job creation in the renewable energy sector • Community welfare and corporate social responsibility (CSR) initiatives 	<ul style="list-style-type: none"> • Community dialogue and outreach programs • Local hiring and employment opportunities 	<ul style="list-style-type: none"> • Ad hoc • Ad hoc
Shareholders and Investors 	<ul style="list-style-type: none"> • Business profitability and growth in biomass sector • Sustainability and ESG (Environmental, Social, and Governance) performance • Compliance with financial and corporate governance regulations 	<ul style="list-style-type: none"> • Quarterly and annual financial reporting • Investor briefings and sustainability disclosures • Annual general meetings 	<ul style="list-style-type: none"> • Quarterly/Annually • Ad hoc • Ad hoc

STAKEHOLDER ENGAGEMENT (CONT'D)

Key Stakeholder Group	Key Areas of Concern	Methods of Engagement	Frequency of Engagement
Suppliers 	<ul style="list-style-type: none"> Sustainable sourcing of raw biomass materials Supply chain reliability and ethical procurement. Fair pricing and contract terms 	<ul style="list-style-type: none"> Supplier audits and assessments Performance evaluations Regular supplier meetings 	<ul style="list-style-type: none"> Ad hoc Ad hoc Ad hoc
Customers 	<ul style="list-style-type: none"> Sustainable and high-quality biomass products Reliable supply and delivery Competitive pricing Compliance with industry standards 	<ul style="list-style-type: none"> Product quality assessments Customer feedback surveys Customer service and inquiries 	<ul style="list-style-type: none"> Ad hoc Ad hoc Ad hoc
Media 	Transparency in sustainability efforts <ul style="list-style-type: none"> Corporate reputation in renewable energy sector Public awareness on biomass benefit 	<ul style="list-style-type: none"> Press releases Interviews with key executives Industry conferences and media briefings Social media updates and sustainability reports 	<ul style="list-style-type: none"> Ad hoc Quarterly

Strengthening Stakeholder Relationships

We are committed to strengthening stakeholder trust by:

- Expanding the use of stakeholder feedback in our materiality assessment.
- Formalizing feedback channels, especially for local communities and employees.
- Increasing transparency and responsiveness across all stakeholder groups.



Sustainability Statement (Cont'd)

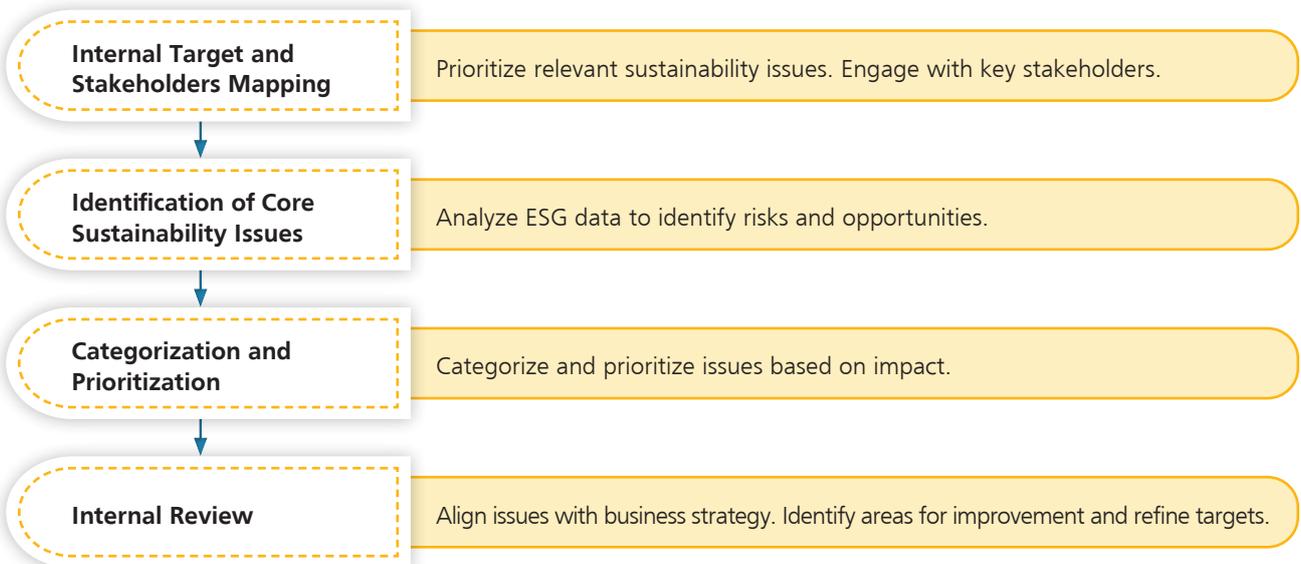
➤ MATERIALITY ASSESSMENT

As part of HHRG’s Group-wide commitment to responsible and sustainable business practices, HHRG has initiated a materiality assessment to identify environmental, social, and governance (ESG) topics that are relevant to our business and of interest to our stakeholders.

- Understand which ESG topics may influence our operations and reputation
- Begin prioritising areas where sustainability efforts may add value over time
- Align our initial sustainability approach with stakeholder expectations, business context, and emerging risks

Material topics refer to ESG matters that are reasonably important to both our stakeholders and our businesses. These topics provide a starting point for developing our sustainability focus areas and will help guide future reporting and improvement efforts.

Our materiality assessment follows a structured four-step approach, ensuring a comprehensive evaluation of sustainability matters that drive our commitment to responsible and sustainable business practices.

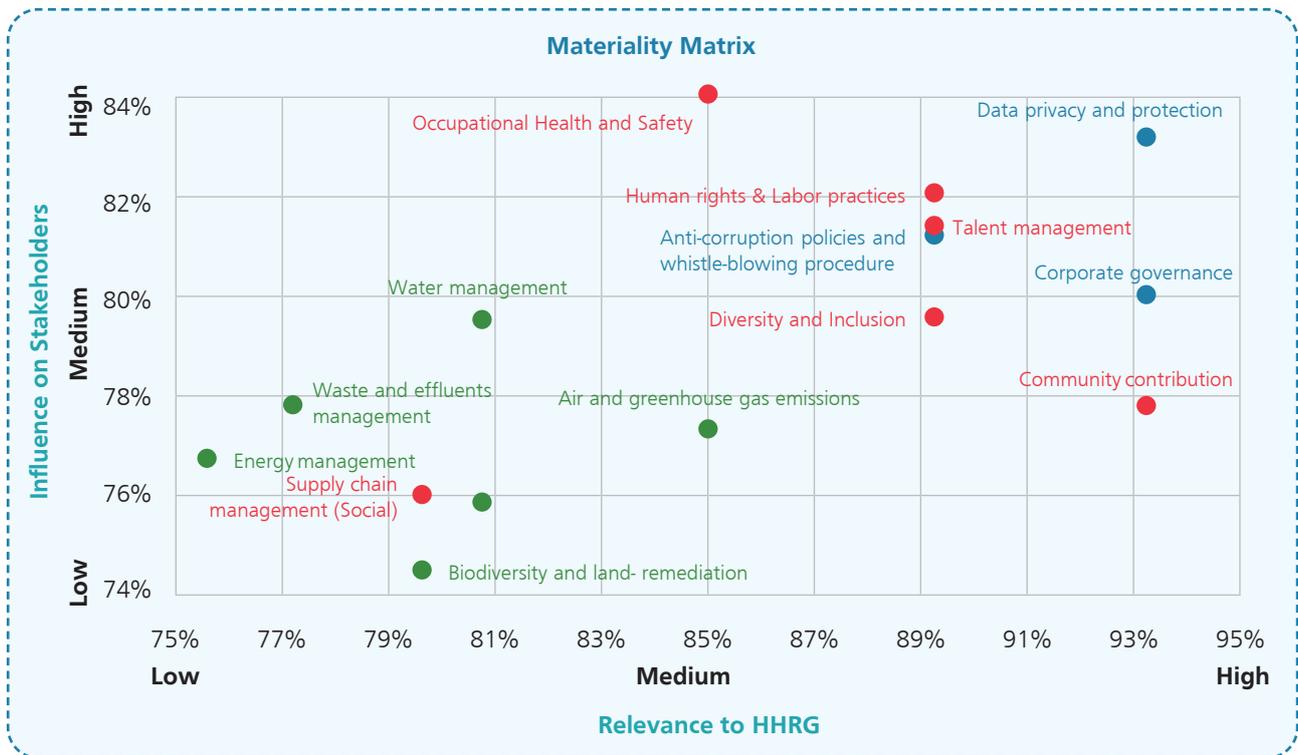


Sustainability Statement (Cont'd)

MATERIALITY MATRIX

As part of its Group-wide sustainability approach, HHRG employs a comprehensive approach to materiality assessment, incorporating the development of a materiality matrix to identify and prioritize key ESG factors. This matrix serves as a critical tool in aligning our sustainability efforts with both stakeholder expectations and business priorities. By leveraging insights from the materiality matrix, we strategically focus our initiatives on areas with the greatest impact, ensuring meaningful contributions to sustainability and long-term value creation.

Our Sustainability Statement for the financial year 2025 highlights key focus areas identified through this assessment, encompassing 15 significant sustainability matters. These priorities guide our commitment to responsible business practices, shaping our strategies and reporting efforts to address the most relevant sustainability challenges.



Management of Material Topics

At the Group level, HHRG is committed to progressively managing material sustainability topics in a way that supports long-term value creation, operational resilience, and stakeholder trust across its entities.

For each topic identified in our FY2025 Materiality Assessment, we are progressively developing a structured management approach that includes:

- **Management Actions** – relevant policies, initiatives, or systems to address the topic
- **Monitoring and Tracking** – early efforts to establish indicators and monitor implementation
- **Stakeholder Engagement** – ways we gather and consider stakeholder perspectives

Sustainability Statement (Cont'd)

Management of Material Topics (Cont'd)

The table below provides an overview of our current approach for managing the 15 material topics identified in this reporting cycle.

Material Topic	Description & Impact	Management Approach & Actions	Effectiveness Tracking & Stakeholder Engagement
ECONOMIC			
Supply Chain Management (Social)	Ensuring responsible sourcing and supplier accountability.	Supplier code of conduct, audits, and risk assessments.	Supplier performance evaluations, stakeholder engagement, and compliance monitoring.
ENVIRONMENT			
Waste and effluents management	Reducing environmental impact through responsible waste disposal and effluent waste treatment.	Waste reduction strategies, recycling initiatives, and compliance with environmental regulations.	Monitoring waste disposal data, compliance audits, and stakeholder consultations on environmental concerns.
Energy management	Mitigating climate risks and reducing energy consumption.	Carbon footprint assessments, energy efficiency programs, and renewable energy adoption.	Greenhouse gas emissions tracking, sustainability reporting, and climate-related disclosures.
Supply Chain Management (Environment)	Managing environmental risks within the supply chain and promoting responsible sourcing.	Environmental criteria integrated into supplier selection and procurement processes; supplier training on environmental best practices.	Supplier environmental performance reviews, periodic audits, and engagement on sustainable sourcing.
Water management	Promoting efficient water use and preventing pollution through proper water and wastewater management.	Water recycling systems, wastewater treatment, and monitoring of water consumption in production.	Tracking of water withdrawal and discharge data, regulatory compliance checks, and stakeholder engagement on water issues.
Biodiversity and land-remediation	Minimising impact on local ecosystems and supporting the restoration of affected areas.	Environmental impact assessments, land rehabilitation plans, and tree-planting or reforestation initiatives.	Monitoring of land use changes, post-remediation reports, and collaboration with environmental authorities or NGOs.
Air and greenhouse gas emissions	Reducing air pollutants and greenhouse gas (GHG) emissions from operations.	Installation of air filtration systems, adoption of cleaner fuel sources, and regular emission testing.	Continuous air quality monitoring, emissions reporting, and engagement with regulators on compliance.

Sustainability Statement (Cont'd)

Management of Material Topics (Cont'd)

Material Topic	Description & Impact	Management Approach & Actions	Effectiveness Tracking & Stakeholder Engagement
SOCIAL			
Occupational Health and Safety	Ensuring a safe working environment for employees to prevent accidents and injuries.	Workplace safety programs, PPE provision, emergency response drills, and health screenings.	Incident reporting system, compliance audits, and worker engagement surveys.
Talent Management	Developing a skilled and engaged workforce for business sustainability.	Training programs, career development initiatives, and performance management systems.	Employee engagement surveys, retention rates, and leadership development tracking.
Diversity and Inclusion	Fostering an inclusive workplace that promotes diversity and equal opportunities.	Diversity policies, equal opportunity hiring, and inclusion training.	Workforce diversity metrics, employee feedback, and inclusive leadership initiatives.
Community contribution	Engaging in corporate social responsibility (CSR) initiatives to benefit local communities.	Community programs, volunteer activities, and partnerships with NGOs.	Social impact assessments, stakeholder feedback, and CSR impact reporting
Human rights & Labor practices	Upholding fair labour standards and protecting human rights across operations and the supply chain.	Compliance with labour laws, ethical recruitment practices, and grievance mechanisms.	Regular labour audits, employee feedback channels, and supplier compliance monitoring.
GOVERNANCE			
Corporate governance	Ensuring accountability, transparency, and ethical conduct at all levels of the organisation.	Board oversight on ESG matters, internal control systems, and adherence to governance frameworks.	Annual governance reviews, stakeholder disclosures, and independent audits.
Anti-corruption policies and whistle-blowing procedure	HHRG is committed to ethical business practices, ensuring compliance with anti-bribery laws and maintaining stakeholder trust.	Implementing a robust anti-corruption policy, conducting employee training, and enforcing a whistleblowing mechanism.	Regular audits, whistleblower reports, and stakeholder feedback sessions to assess effectiveness.
Data privacy and protection	Protecting customer and employee data in compliance with legal and regulatory requirements.	Implementing cybersecurity measures, data protection policies, and employee training on data security.	Regular security audits, compliance checks, and customer feedback on data privacy concerns.

MATERIALITY & RISK MANAGEMENT

At the Group level, HHRG recognises that understanding and managing ESG-related risks is essential to building a resilient and future-ready organisation. ESG risks such as climate change, supply chain disruptions, and regulatory shifts can materially affect business continuity, stakeholder trust, and long-term value creation.

This early alignment helps us to:

- Build resilience amid growing environmental and social expectations
- Strengthen regulatory awareness and stakeholder confidence
- Explore opportunities linked to sustainable practices and innovation

Why is this important?

In today's dynamic business landscape, ESG-related risks such as climate change, cyber threats, workforce wellbeing, and governance integrity can significantly affect business continuity, operational cost, and brand reputation.

As part of our baseline efforts, HHRG is working to incorporate ESG considerations into our risk thinking. This helps ensure that:

- Sustainability factors are gradually embedded into strategic discussions
- Key risks are identified and addressed through appropriate actions
- Opportunities for improvement and innovation are recognised early

Our Approach

We are applying a practical and evolving approach to manage ESG-related risks:

Step 1: Identifying Relevant ESG Topics

We begin by identifying ESG issues that are likely to impact our business or matter to stakeholders, using

- Materiality assessment
- Stakeholder feedback
- Reference to external sustainability frameworks (e.g., GRI, UN SDGs)

Step 2: Assessing Early Risk & Opportunity Areas

For selected material topics, we explore potential exposures such as:

- Regulatory non-compliance
- Financial or reputational risk
- Operational efficiency or innovation potential

Where feasible, we begin to respond through initial policies, procedures, or program development.

Sustainability Statement (Cont'd)

MATERIALITY & RISK MANAGEMENT (CONT'D)

Step 3: Governance & Monitoring

Sustainability risk oversight is gradually being embedded into existing risk governance structures, including reporting to the Board and Audit & Risk Management Committee (ARMC). We aim to enhance our risk monitoring and feedback mechanisms over time.

Material Matters	Risks	Opportunities
Economic Performance	Weak financial performance may impact business continuity and limit investment opportunities.	Sustainable financial management enhances investor confidence and long-term value creation
Corporate Governance & Ethics	Poor governance practices could harm HHRG's reputation and stakeholder trust.	Strengthening governance frameworks reinforces transparency and ethical business conduct.
Anti-Corruption	Non-compliance with anti-bribery and corruption laws could lead to legal consequences and reputational damage.	Implementing robust compliance measures strengthens corporate integrity and stakeholder confidence.
Health & Safety	Workplace incidents may lead to legal penalties, productivity loss, and reputational damage.	A strong safety culture promotes employee well-being, operational efficiency, and compliance.
Cybersecurity & Data Protection (PDPA)	Cyber threats may result in data breaches, regulatory non-compliance, and financial losses.	Implementing robust cybersecurity measures enhances data protection and business resilience.
Climate Change	Regulatory non-compliance and inadequate climate adaptation measures may lead to financial penalties and business disruptions.	Climate action and sustainable practices position HHRG as a responsible market leader.
Employee Management	Limited career growth opportunities may impact employee motivation and productivity.	Investment in talent development enhances workforce capability and business performance.
Diversity, Equity & Inclusion	Lack of diversity may hinder innovation and corporate reputation.	An inclusive culture drives diverse perspectives, improving decision-making and attracting top talent.
Human Rights	Non-compliance with human rights standards may result in reputational damage and regulatory action.	Upholding strong human rights policies enhances corporate responsibility and stakeholder confidence.
Supply Chain Management	Non-adherence to ethical sourcing and supplier risks could disrupt operations.	Strong procurement governance ensures sustainable and ethical supply chain practices.
Waste Management	Inefficient waste management may lead to regulatory penalties and higher operational costs.	Circular economy initiatives improve efficiency and reduce environmental impact.
Community Investment	Business activities that negatively affect local communities may lead to loss of social license to operate.	Active community involvement strengthens relationships and enhances corporate reputation.
Water Management	Inefficient resource use may increase operational costs and environmental risks.	Sustainable resource management leads to cost savings and environmental stewardship.
Materials	Not meeting stakeholders' demand for the use of sustainable materials may lead to a loss of market share.	Choosing sustainable materials boosts HHRG brand image and appeals to a larger audience of environmentally conscious customers and investors.

MATERIALITY & RISK MANAGEMENT (CONT'D)

Step 3: Governance & Monitoring (Cont'd)

Moving forward, we are taking steps to integrate ESG risks into our enterprise risk management (ERM) framework. These efforts are guided by:

- Bursa Malaysia's Sustainability Reporting Guide and Listing Requirements
- Evolving expectations from regulators, investors, and other stakeholders

By strengthening our ESG risk approach, we aim to build a business that is compliant, resilient, and better positioned for long-term value creation.

SUPPLY CHAIN MANAGEMENT

Why is this important?

A stable and efficient supply chain is critical for HHRG to deliver quality products and minimise operational risks. The Group's Purchasing & Procurement Policy ensures that these procurement activities also support broader sustainability goals. These practices contribute to national economic development by prioritising local sourcing and encouraging inclusive participation across the value chain.

Procurement decisions at HHRG impact a wide range of stakeholders. These range from local suppliers and logistics providers to the communities that benefit from related employment opportunities. In line with Group policy, local sourcing is prioritised wherever feasible. HHRG's procurement processes are designed to be fair, transparent, and commercially practical.

As part of this Group-wide direction, HKGM's supply chain practices reflect these core procurement values.

Our approach

HKGM actively supports Malaysian businesses, including small and medium enterprises (SMEs), by prioritising local suppliers. The focus remains on sourcing materials, services, and logistics from vendors near operational areas.

This local focus is structured by the Group's formal procurement guidelines. The policy mandates a transparent quotation process for new suppliers, creating a fair platform for competition. To ensure integrity, the policy explicitly prohibits staff from accepting any benefit from suppliers and requires declarations of any potential conflicts of interest.

Building on a Foundation of Good Governance

For this reporting year, HKGM's supplier selection has been guided by established commercial criteria. The company has not yet introduced formal ESG-specific screening. However, the existing process, built on the Group's policy, provides a strong foundation for future enhancements.

The current supplier evaluation considers:

Supplier Selection Criteria:

- Price offered
- Payment terms

Supplier Evaluation Criteria:

- Price offered
- Flexibility during negotiation
- Delivery timeline

Sustainability Statement (Cont'd)

SUPPLY CHAIN MANAGEMENT (CONT'D)

These criteria help HKGM manage costs while ensuring a reliable supply. The Group's policy also requires annual performance reviews of key suppliers. This existing evaluation process offers a ready-made mechanism for future improvements.

Looking forward, HHRG is exploring how to integrate environmental and social considerations into these established procedures. The goal is to gradually build sustainability metrics into the standard supplier management cycle.

Our performance

HKGM continues to prioritise local suppliers in our procurement activities, recognising the operational, economic, and environmental benefits of sourcing domestically.

In FY2023, 89.63% of our total procurement spending was allocated to local suppliers, amounting to RM 7.76 million. We engaged with 133 local suppliers and one international supplier during that year.

This commitment strengthened significantly in the following years. In both FY2024 and FY2025, 100% of our procurement spending was directed to local suppliers, RM 6.79 million and RM 7.95 million, respectively. This reflects a deliberate and complete shift toward domestic sourcing, with no international suppliers engaged in these periods.

While the number of local suppliers fluctuated slightly, from 133 in FY2023 to 121 in FY2024 and 134 in FY2025, our strategic focus on local partnerships remained unwavering.

Choosing local suppliers helps us:

- Shorten transport distances and simplify logistics, reducing emissions
- Support Malaysia's economy and small to mid-sized businesses
- Strengthen supply chain stability and responsiveness

Financial Year ¹	2023	2024	2025
Proportion of spending on local suppliers	89.63%	100%	100%

¹ Data covers the 3.5-year period from 1 April 2022 to 30 September 2025 due to a change in financial year-end. Future disclosures will follow a standard 3-year period ending 30 September.

CLIMATE CHANGE AND ENERGY

Why is this important?

Climate change introduces tangible operational and regulatory risks. For a biomass-based company, shifts in weather patterns and new environmental regulations directly impact supply chains and long-term planning. Addressing the corporate carbon footprint is integral to long-term business resilience.

Our approach

HKGM's current strategy is focused on accurate measurement to establish a clear operational footprint. This rigorous data collection is the critical first step for enabling meaningful, targeted reductions in the future.

Sustainability Statement (Cont'd)

CLIMATE CHANGE AND ENERGY (CONT'D)

Our approach (Cont'd)

FY2025 marks the first comprehensive emissions inventory for HKGM, aligned with the GHG Protocol Corporate Standard. Our current focus areas include:

- Measuring GHG emissions (Scopes 1, 2, and selected Scope 3 categories).
- Tracking diesel and electricity consumption across operations.
- Reducing diesel usage where possible to lower direct emissions.
- Improving energy use efficiency in high-consumption areas.
- Enhancing data quality to support better monitoring and decision-making.
- Gradually expanding our Scope 3 coverage (e.g., business travel, commuting).

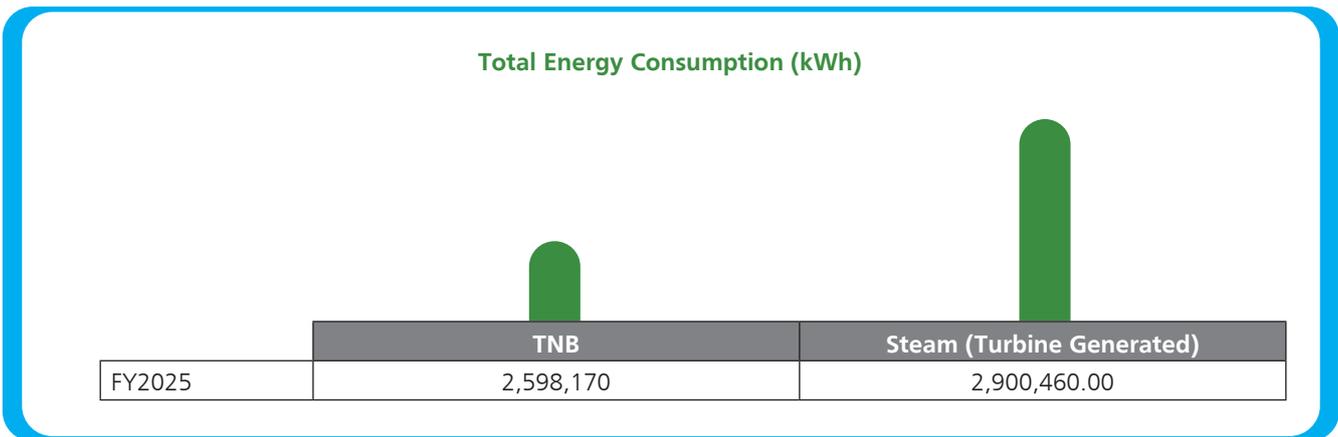
Our carbon accounting is aligned with the GHG Protocol Corporate Standard and uses DEFRA 2023 emission factors. FY2025 marks our first year of Scope 3 tracking, which improves our understanding of indirect impacts. This measured approach ensures that HHRG's climate initiatives will be built upon a verified data baseline.

Our performance

a. Energy consumption

Energy is a key input in HKGM's manufacturing and processing activities, particularly in supporting production operations and biomass steam generation. In FY2025, HKGM established its baseline energy data as part of HHRG Group's effort to enhance data tracking and energy performance monitoring across subsidiaries.

During the reporting year, the main energy sources comprised electricity from the national grid and steam generated from biomass fuel, reflecting the company's integration of renewable energy in its operations.



In FY2025, HKGM recorded a total energy consumption of 5.50 million kWh, of which 52.75% was derived from biomass-based steam and 47.25% from electricity. The significant share of energy generated from biomass demonstrates HKGM's role in supporting the Group's direction towards renewable energy utilisation and carbon emission reduction.

As this represents the early stage of energy management implementation, HKGM and HHRG have not yet set formal energy reduction targets or intensity baselines. The focus for FY2025 remains on establishing reliable data and understanding operational energy patterns to inform realistic future goals.

CLIMATE CHANGE AND ENERGY (CONT'D)

Our performance (Cont'd)

a. Energy consumption (Cont'd)

Moving forward, HKGM will focus on strengthening its energy management approach by:

- Developing an Energy Management Plan to guide efficiency initiatives and establish internal reduction targets;
- Implementing systematic energy data collection to ensure consistency and traceability across operational units; and
- Exploring opportunities to enhance energy efficiency through improved process design, maintenance optimisation, and potential adoption of renewable technologies.

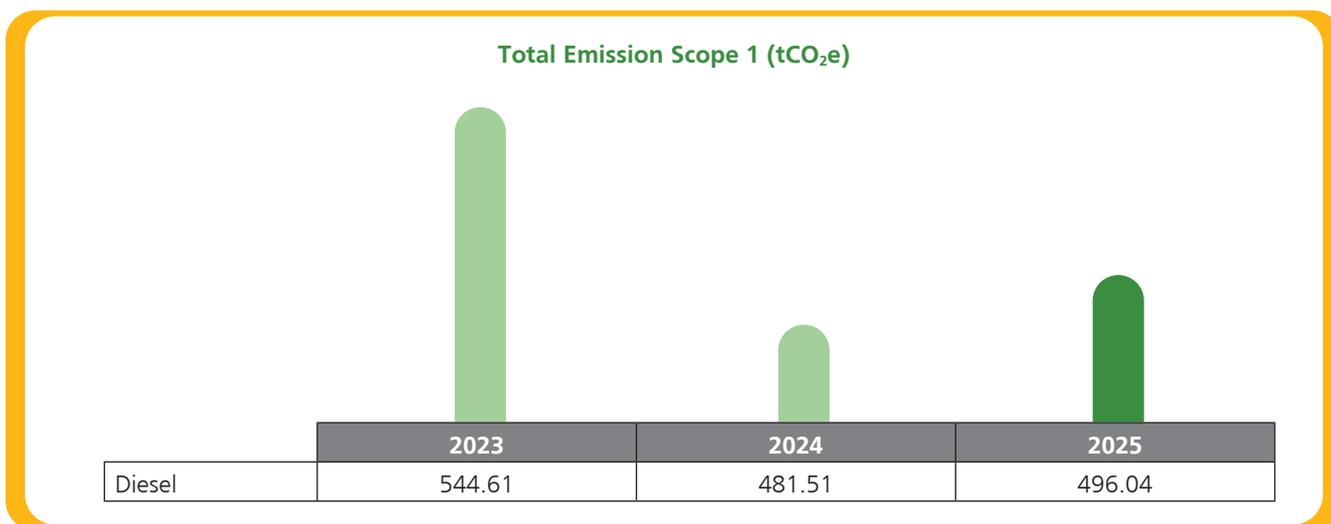
These foundational efforts will serve as the basis for HKGM and HHRG to set measurable energy reduction targets in subsequent reporting periods, aligning with the Group’s long-term commitment to responsible energy use and environmental performance improvement.

b. GHG emissions

Scope 1: Direct Emissions (Diesel Use)

HKGM’s Scope 1 (direct) GHG emissions arise primarily from diesel consumption by company-owned logistics lorries and heavy machinery, including shovels, forklifts, and excavators. These emissions represent fuel burned in operations directly controlled by the company.

In FY2025, our total Scope 1 greenhouse gas (GHG) emissions were 496.04 tonnes of CO₂ equivalent (tCO₂e), which came entirely from diesel use. This figure covers an 18-month period due to a change in our financial year-end from March 2025 to September 2025.



To ensure comparability with the previous reporting period, the annualised emissions for FY2025 were calculated at 330.70 tCO₂e. On this basis, our annual emissions reduced by 31.32% compared to FY2024. In FY2024, our emissions stood at 481.51 tCO₂e, showing an 11.59% reduction from FY2023.

The decrease in annualised emissions reflects more efficient fuel management and steady improvements in our operational practices. Despite the extended reporting period in FY2025, our overall emissions trend continues to move downward, demonstrating our ongoing commitment to reducing our carbon footprint and using resources more efficiently.

This three-year data trend demonstrates HKGM’s ongoing effort to maintain consistent fuel monitoring and emission reporting, forming a reliable baseline for future analysis under HHRG’s Group GHG Inventory.

CLIMATE CHANGE AND ENERGY (CONT'D)

Our performance (Cont'd)

b. GHG emissions (Cont'd)

Future initiatives

HKGM recognises the need to manage its direct (Scope 1) emissions arising from the use of diesel in heavy machinery and company-owned vehicles. While the current reduction has been largely operational and activity-based, the company is in the process of developing a more structured Fuel and Equipment Efficiency Plan.

Planned initiatives include:

- Regular maintenance scheduling to optimise engine performance and minimise fuel wastage;
- Gradual transition to more energy-efficient machinery, including exploration of hybrid or lower-emission equipment where feasible;
- Monitoring system enhancement to improve the accuracy of diesel usage tracking and emission data; and
- Collecting and analysing production output data to establish a GHG emission intensity ratio, in line with IFRS S2 disclosure requirements by FY2027.

These measures are currently at the early assessment stage and will serve as the foundation for setting measurable reduction targets once baseline efficiency levels are established.

² The GHG emission intensity ratio is not disclosed for FY2025, as Bursa Malaysia's current requirements for ACE Market-listed issuers do not yet mandate inclusion of intensity ratio reporting.
<https://www.ifrs.org/content/dam/ifrs/publications/pdf-standards-issb/english/2023/issued/part-a/issb-2023-a-ifrs-s1-general-requirements-for-disclosure-of-sustainability-related-financial-information.pdf?bypass=on>

Scope 2: Indirect Emissions (Purchased Electricity)

In alignment with HHRG Group's sustainability framework and its early-stage energy management initiatives, HKGM has begun quantifying its Scope 2 greenhouse gas (GHG) emissions associated with purchased electricity. This effort complements the company's broader energy monitoring activities, which include both grid electricity and biomass-based steam, the latter reflecting HKGM's ongoing transition towards renewable energy use.

During FY2025, HKGM consumed 2,598,170 kWh of electricity sourced from the national grid. Based on the standard national emission factor, this equates to a total of 2,010.98 tCO₂e in indirect emissions.

Energy Source	Consumption (kWh)	Emission (tCO ₂ e)
Electricity from National Grid	2,598,170	2,010.98

Electricity represents 47.25% of HKGM's total energy mix, with the remaining 52.75% derived from biomass-based steam, a renewable energy source that contributes to reducing the company's overall carbon footprint. While emissions from biomass combustion are accounted for under Scope 1, its renewable nature supports HKGM's and HHRG's direction toward low-carbon operations.

As this represents HKGM's baseline year for GHG tracking, formal emission reduction targets or intensity baselines have not yet been established. The near-term focus is on improving data quality, ensuring traceability across operational units, and integrating energy and emissions data within the Group's developing Energy Management Plan.

CLIMATE CHANGE AND ENERGY (CONT'D)

Our performance (Cont'd)

b. GHG emissions (Cont'd)

Scope 2: Indirect Emissions (Purchased Electricity) (Cont'd)

For the next reporting period, HKGM intends to strengthen its Scope 2 management efforts through the following initiatives:

- Align Scope 2 emission tracking with energy efficiency initiatives under the Energy Management Plan;
- Explore opportunities to reduce grid electricity dependency through process optimisation and potential on-site renewable integration; and
- Develop emission intensity indicators to support future performance benchmarking and disclosure.

These foundational actions will support HHRG's long-term commitment to responsible energy use and carbon emission reduction, in line with its sustainability roadmap.

Scope 3: Selected Indirect Emissions

In FY2025, HHRG's Scope 3 emissions totalled 40.11 tCO₂e, comprising business commuting (25.38 tCO₂e) and business travel (14.74 tCO₂e) between Penang and Gua Musang. These emissions represent indirect activities associated with employee travel and operational movements outside the company's direct control.

Scope 3 Activities	Total Milage (KM)	Emission (tCO ₂ e)
Staff Commuting	186,139.20	25.38
Business Travelling	88,968.00	14.74

As this is the initial baseline year, the data serves as a reference point for future tracking of indirect emissions. At this stage, HKGM is focused on building the foundation for consistent Scope 3 reporting before establishing measurable reduction targets.

Future initiatives:

- Enhancing data collection and monitoring to improve the accuracy of commuting and business travel information;
- Encouraging online meetings to minimise inter-site travel where feasible; and
- Assessing the inclusion of additional Scope 3 categories (e.g., waste, logistics, purchased goods) to expand emission boundary coverage in future disclosures.

c. Climate-Related Transition Disclosure

HKGM recognises that climate-related risks and opportunities may influence its long-term operations and cost structure. In line with Bursa Malaysia's ACE Market enhanced Sustainability Reporting requirements, the Group provides a basic transition plan towards a low-carbon economy.

This plan represents HKGM's initial step in assessing climate-related impacts and integrating environmental considerations into its operations.

i. Governance

The Board of Directors provides ultimate oversight of sustainability and climate-related matters, including the approval of this basic transition plan. Oversight of execution and day-to-day climate management currently resides with senior management. Environmental indicators such as energy usage, waste management, and water consumption are reviewed regularly. HKGM plans to further strengthen governance oversight by integrating detailed climate considerations into management reviews and clarifying departmental responsibilities.

CLIMATE CHANGE AND ENERGY (CONT'D)

Our performance (Cont'd)

c. Climate-Related Transition Disclosure (Cont'd)

ii. Strategy

HKGM recognises potential physical risks (e.g., extreme weather) and transition risks (e.g., regulatory changes, shifting market expectations). Early scenario considerations include:

- Scenario A – Business-as-Usual: Limited regulatory change; physical risks may increase operational costs.
- Scenario B – Transition Pathway: Higher environmental expectations; requires efficiency improvements and proactive management.

These assessments guide early discussions on operational resilience and efficiency improvements, forming the foundation of our low-carbon strategy.

iii. Risk Management

Climate-related and environmental risks are currently assessed through general risk management processes. HKGM intends to gradually incorporate climate-related indicators into enterprise risk assessments to support decision-making, ensuring that risks are proactively identified and managed.

iv. Metrics and Targets

Baseline data collection on energy, water, and waste has begun. HKGM plans to establish a GHG emissions baseline (Scope 1 & 2) within the next two years to support future performance tracking. Any specific performance targets will be considered once baseline data is fully validated and a long-term strategy is formally adopted.

Future Initiative

HKGM aims to continue developing its climate and environmental management practices through the following initiatives:

- Strengthen Data Collection and Validation: Establish consistent monitoring of energy use, GHG emissions (Scope 1 & 2), water consumption, and waste generation across all operations to ensure accurate and reliable baseline data.
- Develop a Low-Carbon Roadmap: Formulate a structured roadmap for transitioning to low-carbon operations, informed by validated baseline data, efficiency improvement opportunities, and emissions reduction priorities.
- Enhance Environmental Reporting: Gradually improve disclosure of environmental performance and climate-related activities to increase transparency while remaining aligned with ACE Market basic transition plan requirements.

This basic transition plan demonstrates HKGM's commitment to climate awareness and proactive management of environmental risks, meeting ACE Market disclosure requirements while maintaining flexibility for future improvements.

WATER MANAGEMENT

Why is this important?

At the Group level, HHRG recognises the importance of responsible water use, particularly in operational areas where water resources are shared with local communities. Water plays a critical role in production-related processes, including cleaning, cooling, and composting.

Efficient water management supports cost control, compliance with environmental regulations, and the Group's broader sustainability objectives. It also contributes to positive community relations by promoting shared and equitable access to natural resources.

Our approach

In line with Group direction, HKGM manages its water use through a structured system focused on monitoring, treatment, and reuse. Water is sourced from Air Kelantan Sdn Bhd, with wastewater processed via an on-site electro-oxidation (EO) plant to ensure compliance with discharge standards.

A portion of treated water is reused internally, particularly for composting activities. This practice reduces dependence on municipal water and supports the development of a more circular water management system.

Key water management practices at HKGM include:

-  Monthly tracking of water use and discharge to detect leaks, inefficiencies, or unusual patterns.
-  On-site treatment using EO technology to manage wastewater in line with environmental requirements.
-  Reuse of treated water in non-drinking applications, mainly composting.
-  Full compliance with standards set by the local water authority and the Department of Environment.
-  Gradual reduction in reliance on municipal water through increased internal recycling.

These efforts are guided by principles of efficiency, regulatory compliance, and responsible resource use.

FY2025 ³	Volume (m ³)	% of Wastewater Recycled
Wastewater Generation	123,225.00	100%
Treated Using EO Plant	24,930.30	
Reuse For Composting Process (for operations use)	98,294.70	

In FY2025, HKGM used 179,574 m³ of water supplied by Air Kelantan Sdn Bhd. From this amount:

- 24,930.30 m³ were treated at our electro-oxidation (EO) plant and safely discharged.
- 98,294.70 m³ were reused in our composting process.

³ Data was not tracked or recorded for FY2023 and FY2024. FY2025 serves as HKGM's baseline year for reporting.

Sustainability Statement (Cont'd)

WATER MANAGEMENT (CONT'D)

Our performance (Cont'd)

This means that approximately 54.74% of our total water use was recycled within our operations. This reduces the demand on municipal water sources and supports responsible environmental management. The remaining water was used in production processes and for facility needs such as cleaning and sanitation.

As this is our first year of tracking water use in detail, the data provides a solid foundation for future improvements. The current reuse rate reflects the early progress we are making toward a more circular and efficient water system.

Future initiatives

As HKGM is still in the early stage of water management development, upcoming efforts will focus on maintaining consistency and improving basic monitoring. Planned actions include:

- Continuing regular water use monitoring to ensure early detection of leaks or irregular usage patterns;
- Maintaining proper operation of the EO plant to ensure ongoing compliance with discharge requirements; and
- Exploring simple opportunities for internal reuse to gradually reduce reliance on municipal water.

These efforts reflect HKGM's current focus on strengthening foundational practices before setting specific water reduction or reuse targets in the future.

EFFLUENTS AND WASTE

Why is this important?

Effective management of waste and effluent is essential to environmental protection, regulatory compliance, and the preservation of stakeholder confidence. At the Group level, HHRG recognises that managing both hazardous and non-hazardous waste is especially important due to the nature of biomass operations, which generate organic residues, scheduled waste, and wastewater as part of daily activities.

Improper waste handling can lead to environmental harm, legal non-compliance, and reputational risk. In alignment with Group direction, HKGM adopts a structured and responsible approach to handling, treatment, and, where feasible, reuse of waste materials generated from its operations.

Our approach

At the Group level, HHRG adheres to a structured protocol for waste and effluent management, with a focus on regulatory compliance, environmental protection, and resource efficiency.

In line with this framework, HKGM applies strict procedures in managing scheduled waste, ensuring full compliance with Malaysian Department of Environment (DOE) regulations. All waste is categorised, labelled, stored, and treated based on its classification and associated risks.

Key practices at HKGM include:

-  Scheduled waste handling: A DOE-licensed contractor, Pentas Flora (Kelantan) Sdn. Bhd., is engaged for the off-site collection and disposal of hazardous materials. Documentation and licenses are retained internally and used for regulatory reporting purposes.
-  On-site reuse of hazardous waste: Waste streams such as aVs SW305 and SW306, primarily used lubricants, are treated and reused for appropriate internal applications, including equipment lubrication. This reduces both the volume of scheduled waste requiring disposal and the demand for new lubricant materials.
-  Effluent management: All liquid effluent generated through production is processed via HKGM's on-site electro-oxidation (EO) treatment plant. Treated effluent is either safely discharged in accordance with DOE standards or reused in the composting process, contributing to a closed-loop resource system.

Type of Waste	Collector	Agency	License No.
Schedule Waste	Pentas Flora (Kelantan) Sdn. Bhd.	DOE	004873

Sustainability Statement (Cont'd)

EFFLUENTS AND WASTE (CONT'D)

Our performance

In FY2025, HKGM generated a total of 1.646 metric tonnes (MT) of scheduled hazardous waste. Of this, 1.04 MT of rags, plastics, papers, or filters contaminated with oil was sent for offsite disposal and managed by Pentas Flora (Kelantan) Sdn. Bhd. in accordance with DOE regulations. The remaining 0.606 MT, comprising spent lubricating oil (0.305 MT) and hydraulic oil (0.301 MT), was safely reused onsite for machinery lubrication purposes.

These results reflect HKGM's ongoing efforts to minimise hazardous waste generation and to promote reuse wherever safe and practical. No non-compliance incidents related to waste handling were recorded during the year.

Financial Year ⁴	2025
Total Hazardous waste generated (MT)	1.646

Future initiatives

HKGM aims to maintain and gradually improve its current waste and effluent management practices with continued emphasis on compliance and safe resource use. Planned actions include:

- Continuing the internal reuse of treated lubricants (SW305 and SW306) for heavy machinery to reduce new material consumption and scheduled waste volume;
- Maintaining accurate waste tracking and documentation to ensure full regulatory compliance; and
- Strengthening routine monitoring and reporting to support consistent data for future performance assessment.

These efforts reflect HKGM's current focus on sustaining existing good practices while progressively enhancing control and efficiency in waste management operations.

⁴ Data was not tracked or recorded for FY2023 and FY2024. FY2025 serves as HKGM's baseline year for reporting.

OCCUPATIONAL HEALTH AND SAFETY

Why is this important?

At the Group level, HHRG recognises occupational health and safety (OHS) as a non-negotiable priority. The nature of operations, particularly those involving heavy machinery, flammable substances, and high-temperature processes requires robust safety measures to protect personnel and ensure business continuity.

Beyond regulatory compliance, safeguarding the health and safety of employees is considered an ethical responsibility and an operational imperative. A strong safety culture supports employee morale, reduces incidents and downtime, and reflects the Group's commitment to responsible business conduct.

Our approach

In alignment with the Group's safety management framework, HKGM implements an Occupational Safety and Health (OSH) system guided by the Occupational Safety and Health Act (OSHA) 1994 and relevant industry standards.

OCCUPATIONAL HEALTH AND SAFETY

Our approach (Cont'd)

Key elements of HKGM’s OSH management include:

-  Site-level OSH Committees, comprising employee and management representatives who oversee safety compliance, reporting, and awareness.
-  Regular risk assessments conducted to identify, mitigate, and monitor hazards in each operational unit.
-  Provision of personal protective equipment (PPE) to all employees and site visitors.
-  Routine safety training, briefings, and emergency drills tailored to job-specific risks.
-  Incident reporting systems that encourage transparency and early resolution of hazards.
-  Scheduled internal inspections and audits to ensure compliance with legal and internal OSH standards.

HKGM fosters a safety-first culture through clear accountability, procedural enforcement, and continuous improvement. Responsibility for safety is embedded at all levels of the organisation, from senior leadership to front-line operators.

Our performance

a. Health and safety trainings

In FY2025, HKGM continued to strengthen its workplace safety culture through a series of targeted training and awareness programmes aimed at improving hazard control, compliance, and employee competency.

i. Occupational Health and Safety (OHS) Standard Training

A total of 88 employees received structured OHS standard training, covering onboarding and refresher sessions.

These sessions focused on updates to the latest regulations, internal safety policies, and Standard Operating Procedures (SOPs) to ensure consistent application of safety standards across all operational areas.

Topics included general workplace safety, PPE usage, and updates aligned with the Occupational Safety and Health (Amendment) Act 2022.

Financial Year ⁵	2025
Number of employees trained on health and safety standard.	88

⁵ Data was not tracked or recorded for FY2023 and FY2024. FY2025 serves as HKGM’s baseline year for reporting.

ii. Regular Safety and Training

In addition, a total of 141 employees across multiple departments participated in regular safety trainings, tailored to address job-specific risks and operational environments.

OCCUPATIONAL HEALTH AND SAFETY (CONT'D)

Our performance (Cont'd)

a. Health and safety trainings (Cont'd)

ii. Regular Safety and Training (Cont'd)

Key sessions conducted include:

- Retraining SOP Welding Safety – Reinforced proper welding procedures for technicians.
- Retraining HIRARC Welding for Maintenance Technicians – Updated participants on new hazard identification and control measures.
- SOP Retraining for Forklift and Excavator Drivers – Ensured continued competency in safe vehicle operation.
- Safety Briefing on the Occupational Safety and Health (Amendment) Act 2022 – Informed Safety Committee members on legislative updates.
- Theory and Practical Training on HIRARC – Enhanced understanding among Heads of Department on risk identification and assessment.
- Chemical Handling and Spill Management – Strengthened control measures for hazardous materials.
- HIRARC Training by Department – Conducted for key operational areas including Boiler, Press Station, Shredded Station, Oil Room, Maintenance Workshop, Vehicle Workshop, and Compost/MDS to improve hazard awareness.
- General Safety Briefing (Factory-wide) – Attended by 44 workers to reinforce overall safety awareness and practices.

Through these initiatives, HKGM ensures all employees are well-informed of workplace hazards, competent in handling equipment and materials safely, and committed to upholding a proactive and compliant safety culture.

b. Work-related injuries

The accompanying table presents workplace safety data recorded at HKGM for FY2025. All reported incidents were minor in nature, with no fatalities or serious disabling injuries recorded throughout the year. Each case was thoroughly investigated, and appropriate corrective actions were implemented to prevent recurrence.

b. Work-related injuries (Cont'd)

This outcome reflects the effectiveness of HKGM's current safety protocols, incident reporting procedures, and operational vigilance. The Occupational Safety and Health (OSH) Committee at the site played a central role in ensuring timely incident response, transparent reporting, and the sharing of lessons learned across teams. These efforts reinforce our commitment to maintaining a safe and healthy workplace for all employees, in line with regulatory compliance and stakeholder expectations.

Financial Year	2023	2024	2025 ⁶
Total number of hours worked	2,257	2,257	2,250
Number of fatalities as a result of work-related injury	0	0	0
Number of recordable work-related injuries (including fatalities)	1	0	1
Number of fatalities as a result of work-related ill health	0	0	0
Number of cases of recordable work-related ill health	0	0	0
Lost time injury rate (LTIR)	14,621.00	0	4,666.67

Sustainability Statement (Cont'd)

c. Promoting Health and Well-being

In line with the Group's commitment to occupational health, HHRG has integrated employee wellness initiatives into its staff engagement and benefit programmes. These efforts aim to encourage physical activity, teamwork, and mental well-being among employees.

Key initiatives in FY2024–FY2025 included:

- Fitness Gym Package – Offered to employees as part of staff benefits to promote regular exercise and healthier lifestyles.
- GEL BAL War Game 2024 – A recreational outdoor activity designed to strengthen team collaboration while encouraging active participation in physical exercise.



These programmes reflect the Group's ongoing efforts to create a supportive and inclusive work culture that prioritises both physical and mental well-being.

⁶ Data covers the 3.5-year period from 1 April 2022 to 30 September 2025 due to a change in financial year-end. Future disclosures will follow a standard 3-year period ending 30 September

Future initiatives

Moving forward, HKGM will continue to promote employee well-being through practical and inclusive initiatives that align with its operational capacity. Planned initiatives include:

- Maintaining access to basic fitness benefits to encourage employees to adopt healthy lifestyles;
- Organising periodic health talks or wellness briefings in collaboration with local healthcare providers to raise health awareness; and
- Integrating short, team-based recreational activities into the annual staff engagement calendar to strengthen teamwork and morale.

These initiatives aim to sustain awareness of healthy living while enhancing employee morale and overall productivity.

Sustainability Statement (Cont'd)

TALENT MANAGEMENT

People are a core asset in any organisation. In a business like HHRG, where operational knowledge, reliability, and on-the-ground skills are essential, effective talent management helps ensure continuity, efficiency, and growth. Beyond hiring, talent management includes developing skills, retaining experience, and creating a work environment where employees are motivated and supported.

Investing in talent also supports long-term sustainability goals, particularly in the areas of productivity, safety, innovation, and succession planning.

Our approach

HKGM's talent management approach focuses on building a stable, local, and capable workforce. While we are still developing formal training frameworks, our current practices include:

-  Onboarding and induction training for all new employees.
-  Hands-on coaching and supervision for operational roles.
-  Periodic briefings and toolbox talks, especially in safety-critical roles.
-  Encouraging internal promotions and long-term retention.
-  Hiring local talent where possible, to support nearby communities and reduce reliance on foreign labour.

Although we have yet to establish structured career development or performance appraisal systems, we maintain a practical, role-based approach to assigning responsibilities and encouraging skill development over time.

Our performance

a. Employee training hours

In FY2025, HKGM's dedicated a total of 360 hours to training, investing RM2,500.00 in both internal and external learning and development initiatives. This substantial commitment underscores our dedication to nurturing talent and ensuring our employees are equipped with the skills and knowledge necessary for personal and professional growth.

Employee Category	Total hours of training		
	2023	2024	2025 ⁷
Management	48	48	184
Executive	48	56	88
Non-executive/ Technical Staff	56	80	88
General Workers	0	0	0
Total	152	184	360

⁷ Data covers the 3.5-year period from 1 April 2022 to 30 September 2025 due to a change in financial year-end. Future disclosures will follow a standard 3-year period ending 30 September.

TALENT MANAGEMENT (CONT'D)

Our performance (Cont'd)

a. Employee training hours (Cont'd)

Employee Category	Average training hours per employee		
	2023	2024	2025 ⁹
Management	9.6	9.6	20.4
Executive	6	7	11
Non-executive/ Technical Staff	1.2	3.3	2.8
General Workers	0	0	0

Financial Year	2023	2024	2025 ⁸
Overall average training hours per employee (hours)	1.9	2.0	4.4

b. Talent Development & Engagement

In FY2025, HHRG placed strong emphasis on talent development as a key driver of sustainable growth. A range of training programmes, covering both technical and soft skills, were conducted to equip employees with the necessary competencies to perform effectively and adapt to evolving operational needs.

Key initiatives conducted during the year included:

- Technical and Refresher Training such as Welding Safety Retraining, Forklift and Excavator SOP updates, and Chemical Handling and Spill Management, designed to strengthen operational proficiency and reinforce compliance with workplace standards.
- Supervisory and Departmental HIRARC Training to enhance hazard awareness, leadership accountability, and safety ownership among team leaders and Heads of Department.
- Knowledge-Sharing Sessions and Monthly Departmental Meetings that encouraged two-way communication, progress tracking, and collective problem-solving to align team goals with organisational priorities.



In total, 229 employees participated in various talent development and engagement activities during FY2025, reflecting the Group's continuous effort to foster a learning culture. These initiatives not only improve individual capabilities but also promote consistency in safety, operational efficiency, and teamwork across departments.

⁸ Data covers the 3.5-year period from 1 April 2022 to 30 September 2025 due to a change in financial year-end. Future disclosures will follow a standard 3-year period ending 30 September.

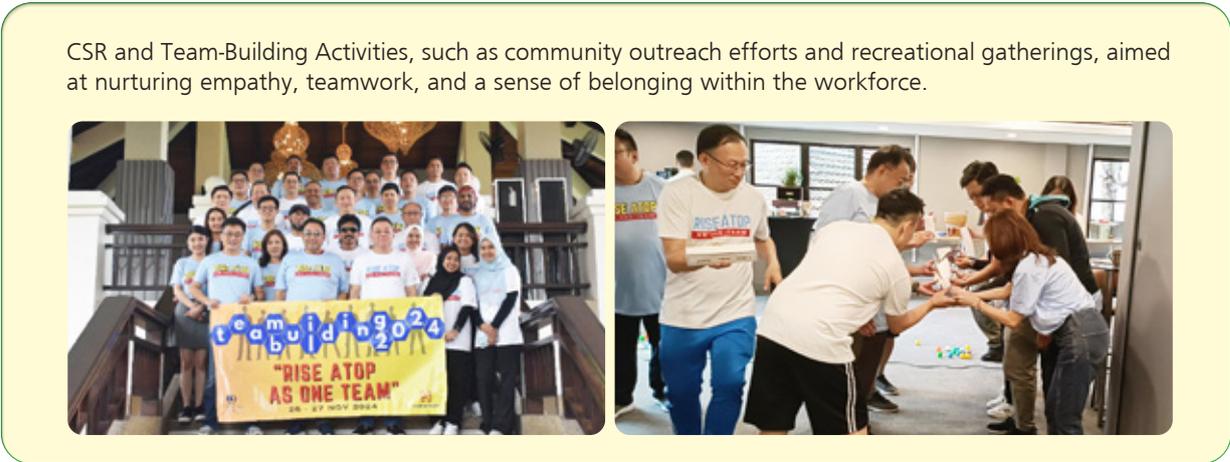
Sustainability Statement (Cont'd)

TALENT MANAGEMENT (CONT'D)

Our performance (Cont'd)

b. Talent Development & Engagement (Cont'd)

Complementing the development initiatives, HHRG continued to enhance staff engagement through social and recognition-based programmes. Highlights included:



These ongoing programmes demonstrate HHRG's commitment to creating a supportive, collaborative, and motivated workplace culture, where employees are encouraged to grow professionally while maintaining strong engagement with the organisation's values and mission.

c. Fair Compensation & Collective Bargaining Commitment

In FY2025, HHRG reinforced its commitment to responsible labour practices by supporting industry-wide developments that advance the welfare of plantation workers. A significant milestone during the year was the historic signing of six Collective Agreements (CA) between AMESU (All Malayan Estates Staff Union) and major plantation-sector employers. This simultaneous signing marked a new benchmark for labour negotiations in Malaysia.

The agreements benefit more than 5,000 workers through salary increases of up to 12%, retroactive payments ranging from RM3,000 to RM10,000, and a revised minimum starting wage of RM1,800 per month, which exceeds the national minimum wage. These improvements provide stronger financial security and demonstrate the sector's progress in recognising the value and contribution of its workforce.

TALENT MANAGEMENT (CONT'D)

Our performance (Cont'd)

c. Fair Compensation & Collective Bargaining Commitment (Cont'd)

While HHRG was not a party to these negotiations, the Group acknowledges the importance of sector-wide enhancements in strengthening worker well-being and promoting more stable employment conditions. Developments such as these contribute to a healthier labour ecosystem, which in turn supports operational continuity, reduces turnover risks, and aligns with broader expectations for ethical and socially responsible business conduct.

By recognising industry progress in collective bargaining and fair compensation, HHRG continues to reinforce its commitment to building a supportive, respectful, and sustainable work environment for all employees



Future Initiative

HKGM aims to continue improving its employee development and engagement practices through the following initiatives:

- Establish a structured annual training plan covering key areas such as safety, technical skills, and soft-skill enhancement to ensure consistent learning across departments.
- Strengthen training documentation and evaluation to track participation, assess training effectiveness, and identify future learning needs.
- Expand internal knowledge-sharing sessions to encourage cross-departmental collaboration and continuous improvement in operational practices.

➤ DIVERSITY AND INCLUSION

Why is this important?

At the Group level, HHRG recognises diversity and equal opportunity as essential components of a fair, inclusive, and high-performing workplace. A diverse workforce enhances decision-making, problem-solving, and innovation by bringing together varied perspectives and experiences.

In Malaysia's multicultural context, embracing diversity contributes to social harmony, supports national development goals, and enhances corporate reputation. Ensuring equal treatment for all employees is not only a legal obligation, but a reflection of the Group's core values.

DIVERSITY AND INCLUSION (CONT'D)

Our approach

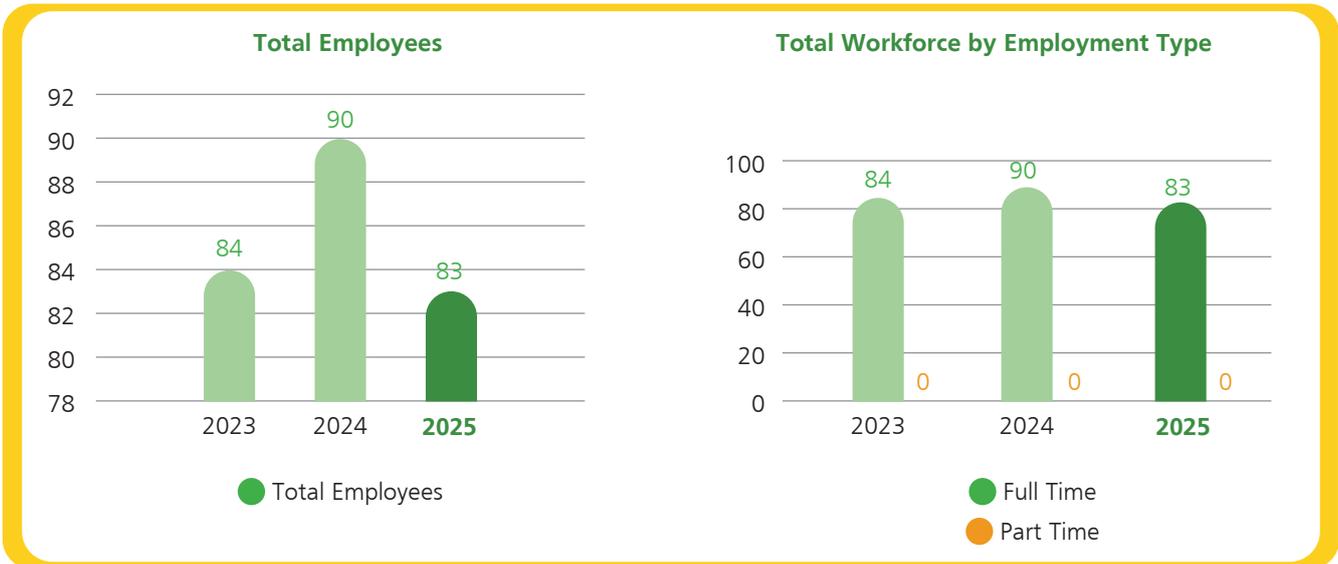
Aligned with the Group’s broader human capital philosophy, HKGM is committed to maintaining a workplace that is inclusive, respectful, and merit-based. All employees are treated equally, regardless of gender, age, ethnicity, religion, or background.

Key elements of HKGM’s current approach include:

-  Equal opportunity hiring, based on qualifications, experience, and performance, not personal characteristics.
-  Compliance with the Employment Act 1955, and all related local anti-discrimination laws.
-  Avoiding gender bias in recruitment, salary, and promotion processes.
-  Monitoring workforce composition across categories like gender and age group to identify gaps and improvement areas.
-  Providing the same benefits, safety standards, and training access to all employees, regardless of their role or demographic profile.

While formal diversity and inclusion policies are still being developed, our practices reflect fairness in day-to-day management and operational decisions.

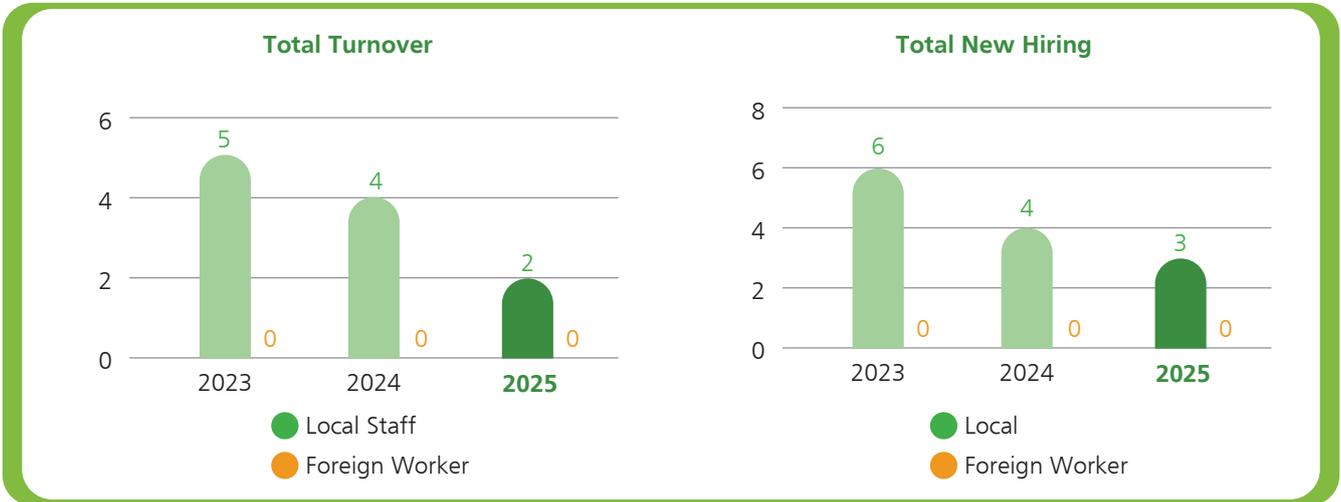
Our performance



In FY2025, HKGM maintained a fully full-time workforce with no part-time employees. The company employed a total of 83 employees at year-end, compared to 90 in FY2024 and 84 in FY2023. The slight decrease in total headcount in FY2025 reflects normal workforce adjustments following operational needs. The number of foreign workers remained consistent, primarily from Bangladesh and Nepal, underscoring the company’s continued reliance on overseas labour to support its operations.

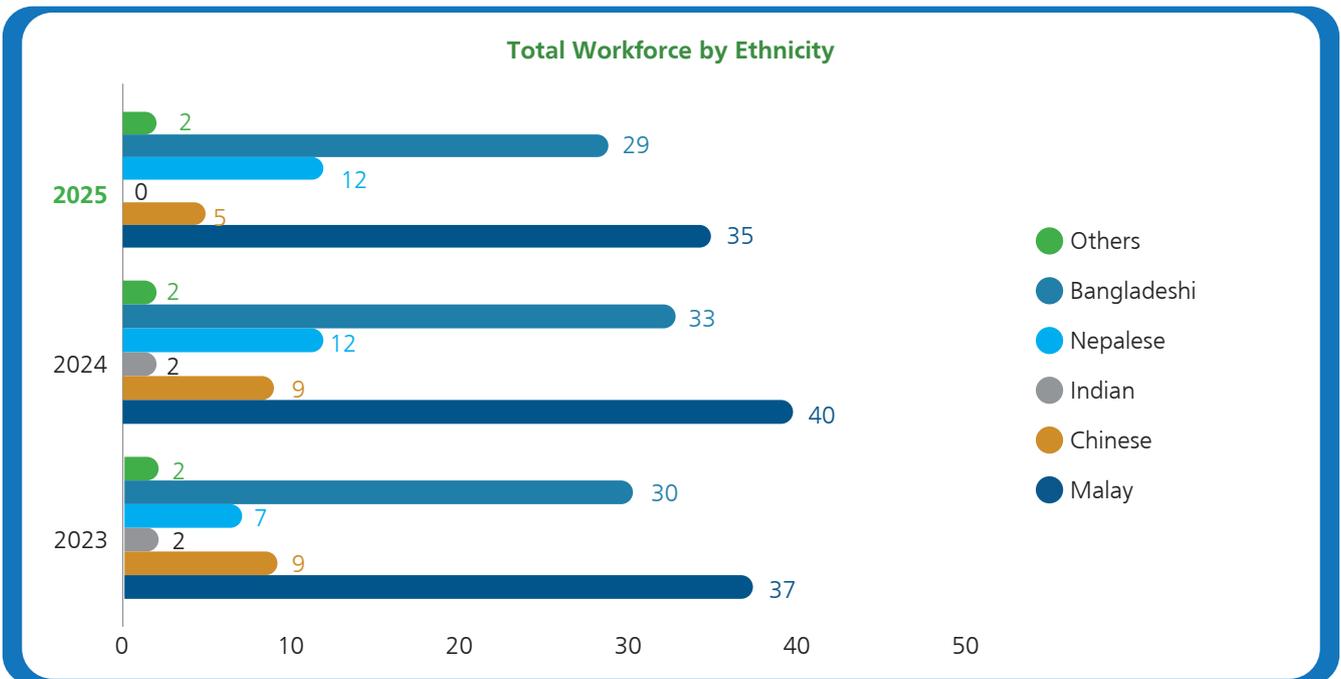
DIVERSITY AND INCLUSION (CONT'D)

Our performance



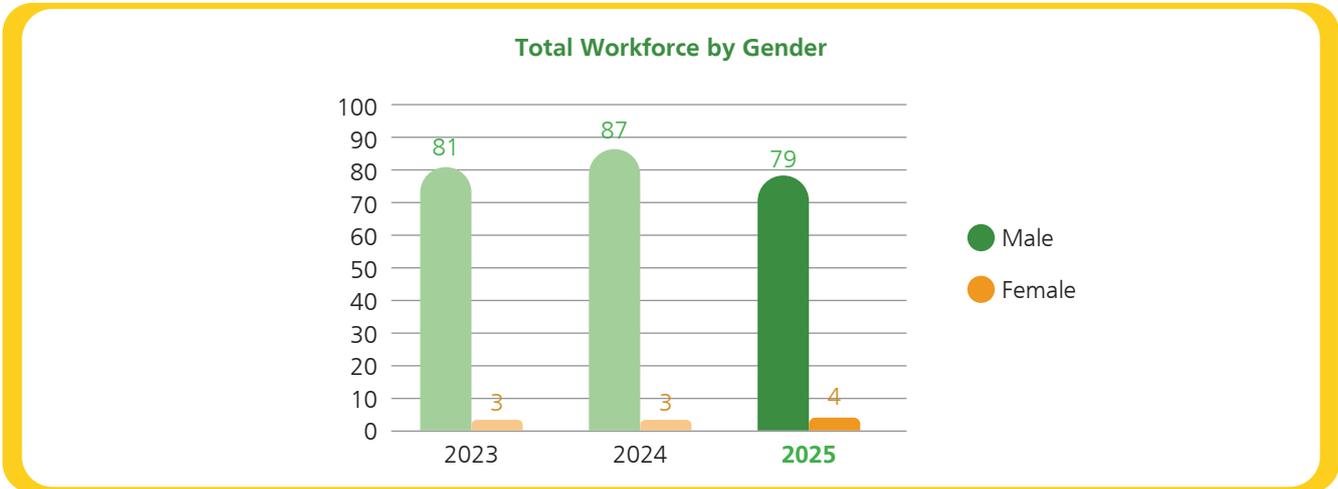
Employee turnover remained low in FY2025, with only 2 resignations, compared to 4 in FY2024 and 5 in FY2023. This consistent downward trend reflects improved employee retention and a generally stable workforce environment at HKGM. The lower turnover rate suggests that the company’s efforts to promote workplace stability, clear communication, and fair employment practices have helped strengthen employee commitment and satisfaction.

At the same time, new hiring activity has moderated in line with the company’s stable operational capacity and business requirements. A total of 3 new employees were recruited in FY2025, compared to 4 in FY2024 and 6 in FY2023. The moderation in recruitment demonstrates a strategic workforce approach, focusing on maintaining the right balance between operational efficiency and manpower adequacy.



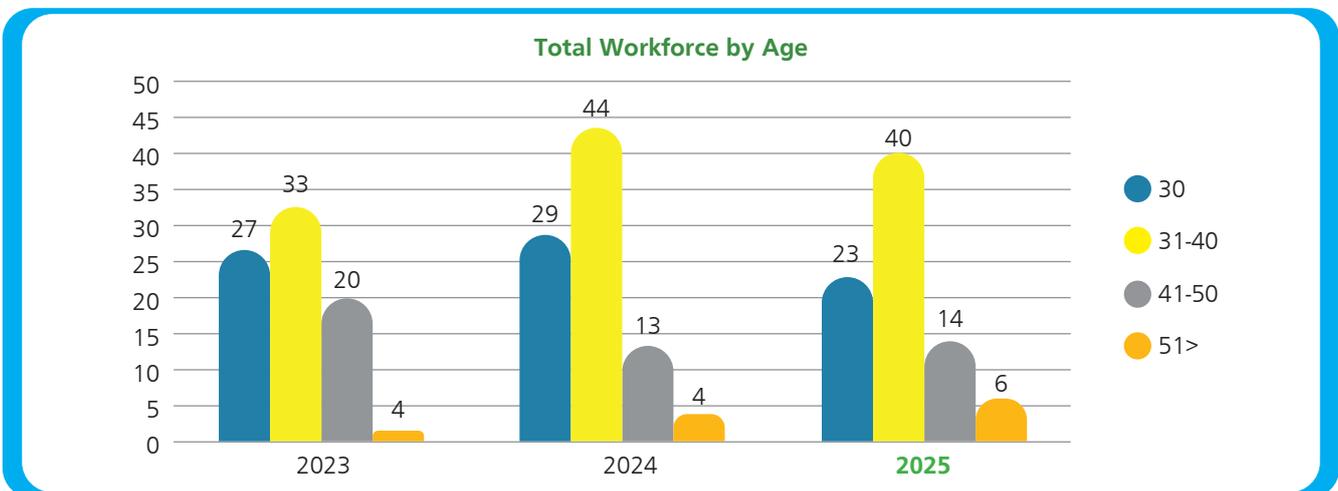
DIVERSITY AND INCLUSION (CONT'D)

Our performance (Cont'd)



From a diversity standpoint, the majority of the workforce in both years consisted of Malay employees, followed by Chinese and a small number of Indian employees. The Group’s workforce remained largely male, particularly in technical and operational roles. Female employees were mainly engaged in administrative functions, with limited representation at executive and management levels in both FY2023 and FY2024. This gender composition reflects the nature of the industry, where field-based and physically demanding roles typically attract a higher proportion of male workers.

Nevertheless, the Group remains committed to promoting equal opportunities and fair treatment for all employees, ensuring that recruitment, training, and career development programmes are accessible and inclusive regardless of gender.



The age profile shows a workforce concentrated in the 31–40 age group, with limited representation in older age brackets. This suggests a moderately experienced workforce, with potential for succession planning as the organisation matures.

No incidents of discrimination, forced labour, or labour-related complaints were reported in either year, which indicates a stable and compliant employment environment. All employees received equal access to statutory benefits, and employment terms were fully aligned with applicable Malaysian labour laws.

Future initiative

Moving forward, HKGM aims to strengthen its commitment to an inclusive and fair workplace by gradually expanding opportunities and promoting diversity across all levels of employment. Key initiatives planned include:

- Continuing to ensure equal access to training, promotion, and benefits for all employees regardless of gender, age, or background.
- Providing basic awareness sessions on workplace inclusion and respect to maintain a positive and cooperative culture.
- Strengthening local hiring efforts to balance reliance on foreign workers while supporting community employment.

COMMUNITY AND SOCIETY ⁹

Why is this important?

At HHRG, we know that our business doesn't stand alone, it sits within real communities, often in semi-rural areas where people's daily lives are closely tied to our presence. What we do has an impact on the local economy, the environment, and the way people live together. That's why we want our presence to add value and support the well-being of those around us, not disrupt it.

Good relationships with the community also make our business stronger. When we engage openly and meaningfully with local people, we build trust, earn our license to operate, and contribute towards the country's wider goals of inclusive and sustainable growth.



Our approach

While a formal community investment policy is still in development at the Group level, HHRG's current practices reflect a commitment to responsible corporate citizenship and local engagement. These practices include:

-  Local employment and procurement, providing job opportunities and business to nearby communities.
-  Corporate social responsibility (CSR) initiatives, such as donations to local welfare groups, schools, and religious organisations.
-  In-kind support, including materials or logistical aid during local events or emergencies.
-  Community engagement, particularly with local authorities and community leaders, to maintain open communication and mutual understanding. prioritise requests and programs that support education, environmental awareness, livelihood improvement, and cultural preservation with a preference for areas directly linked to our operational footprint.

Our performance

In FY2025, HHRG contributed to several CSR and community development initiatives, focusing on social welfare, national events, and local engagement. Key initiatives included:

a. Social welfare support

i. Persatuan Kebajikan Swami Sivananda Saraswati

HHRG contributed RM1,000 worth of goods such as rice, cooking oil, dried food, and toiletries to Persatuan Kebajikan Swami Sivananda Saraswathi, supporting the association's continuous efforts to uplift underprivileged communities. The contribution benefited around 20 recipients, including families in need, schoolchildren, and senior citizens. Funds were channelled towards essential living assistance, such as daily food distribution, educational materials, and healthcare support. By partnering with a registered welfare organisation, HHRG ensures that every contribution reaches those who need it most, reinforcing the Group's belief that sustainable growth should always include compassion and shared well-being.



⁹ Community-related disclosures in this section represent activities conducted at the Group level (HHRG).

COMMUNITY AND SOCIETY ⁹ (Cont'd)

Our performance (Cont'd)

a. Social welfare support (Cont'd)

ii. Fibre Star (M) Sdn Bhd: Mattress donation to Orang Asli

Through its subsidiary Fibre Star (M) Sdn Bhd, HHRG extended meaningful support to the Orang Asli community by donating 8 pieces of rebond mattresses to aboriginal families in remote areas. This initiative sought to improve daily comfort and hygiene, addressing one of the often-overlooked aspects of rural living conditions. The donation also symbolises respect for Malaysia's indigenous communities, recognising their cultural heritage while contributing to their quality of life. Such community-driven initiatives reflect HHRG's ongoing effort to create a positive social footprint beyond its business operations.



b. Community Engagement and National Development (Promoting Tourism, Economic Activity, and Brand Visibility)

i. Sponsorship to the GT World Challenge Asia 2025

HHRG recognises that supporting national events plays a vital role in promoting Malaysia's visibility, stimulating economic activity, and fostering community pride. In line with this, the Group contributed to local tourism and sports development through its participation in international motorsport events.

Under its ORIC motorsport brand, HHRG contributed to Team JMR, a Johor-based racing team competing in the GT World Challenge Asia 2025 in Mandalika, Republic of Indonesia, and Buriram, Thailand rounds. The sponsorship is part of ORIC's strategy to build brand awareness and position ORIC Sungai Petani—the Group's upcoming 150-acre integrated motorsport, industrial, and property development project in Kedah. The project featured a Motorsports Association of Malaysia (MAM)-spec dragstrip and aims to transform Sungai Petani into a regional hub for motorsports, business, and tourism.



COMMUNITY AND SOCIETY ⁹ (Cont'd)

Our performance (Cont'd)

b. Community Engagement and National Development (Promoting Tourism, Economic Activity, and Brand Visibility) (Cont'd)

i. Sponsorship to the GT World Challenge Asia 2025 (Cont'd)

This initiative supports national development objectives by promoting sports tourism and the creative economy, while reinforcing Malaysia's reputation as a regional destination for motorsport excellence.



➤ HUMAN RIGHTS

Why is this important?

At the Group level, HHRG recognises that respecting human rights is fundamental to ethical and responsible business conduct. Failure to uphold these principles can result in legal exposure, reputational harm, and operational disruptions across the workforce and supply chain.

For operations like HKGM, which engage both local and foreign workers, ensuring that all employees are treated fairly and with dignity is essential to compliance, risk management, and stakeholder trust. Regulatory expectations, investor scrutiny, and social responsibility standards increasingly require companies to demonstrate transparency in how they protect human rights across their operations and value chain.

Our approach

In alignment with the Group's human rights principles, HKGM is committed to upholding internationally recognised labour rights and complying with applicable Malaysian labour laws and employment standards. Key practices include:

Sustainability Statement (Cont'd)

HUMAN RIGHTS (CONT'D)

Our approach (Cont'd)

Zero tolerance for forced, bonded, or child labour across all operations.

-  Zero tolerance for forced, bonded, or child labour across all operations.
-  Clear employment terms for all workers, including foreign employees, documented through written contracts.
-  Fair and timely wage payments, aligned with Malaysian labour regulations and minimum wage orders.
-  Prohibition of discrimination, harassment, or retaliation in the workplace
-  Freedom of movement and access to personal documents for all workers, especially foreign employees.
-  Engagement only with licensed recruitment agencies, ensuring transparency and ethical recruitment practices.

HHRG also provides all employees with access to grievance mechanisms, allowing them to report issues confidentially and without fear of reprisal. We regularly engage with our foreign workforce to ensure they understand their rights, workplace rules, and support channels.

Our performance

Over the past three financial years, HKGM recorded no reported cases of forced labour, child labour, or workplace discrimination. All employees were employed under valid written contracts with clear terms and provided full statutory benefits.

Foreign workers, who consistently form part of HKGM's workforce, were engaged exclusively through licensed recruitment agencies. These workers retained full control of their personal documents, such as passports, and were not charged recruitment fees, safeguards that help prevent coercive labour practices.

HKGM provided employer-managed accommodation in accordance with legal standards, and no grievances related to human rights violations were reported during the period. Workplace rights and grievance procedures were embedded in employee induction and reinforced throughout employment.

These outcomes reflect HKGM's operational implementation of Group-led human rights commitments and its focus on maintaining ethical, lawful, and transparent employment practices.

Financial Year	2023	2024	2025
Number of substantiated complaints concerning human right violations	0	0	0

ANTI-BRIBERY AND ANTI-CORRUPTION

Why is this important?

At the Group level, HHRG is committed to conducting business with integrity, accountability, and transparency. Corruption undermines stakeholder trust, distorts fair competition, and exposes companies to significant legal, financial, and reputational risks.

In an evolving regulatory environment, where corporate ethics are under increasing scrutiny, a strong anti-bribery and anti-corruption framework is essential for maintaining public confidence, protecting shareholder interests, and ensuring long-term business resilience.

Our approach

Guided by the Group's Anti-Corruption and Bribery Policy (ACBP), HKGM maintains a zero-tolerance approach toward bribery and unethical conduct. The policy is aligned with the Malaysian Anti-Corruption Commission Act 2009 (MACC Act) and applies to all employees, management, and business partners.

Key principles implemented at HKGM include:

-  Employees must not engage in bribery, facilitation payments, or unethical behaviour, whether directly or indirectly.
-  HHRG follows a No-Gift, No-Hospitality, and No-Entertainment Policy, which means employees cannot solicit or accept gifts from external parties, including customers, suppliers, and regulators.
-  Company funds or resources cannot be used for political contributions without Board approval.
-  Charitable donations may be permitted but must be transparent and publicly disclosed when required.
-  All transactions and payments must be properly recorded to prevent any link to unethical practices.
-  HHRG also expects its suppliers and business partners to uphold the same ethical standards, ensuring responsible business practices throughout its value chain.

HKGM also operates a confidential whistleblowing channel, allowing employees and external parties to report suspected misconduct without fear of retaliation. This mechanism reinforces accountability and helps uphold the ethical culture established by the Group.

Ongoing efforts include internal communications, training sessions, and periodic policy reviews to ensure continued compliance and awareness.

Our performance

a. Corruption incidents

As of 30 September 2025, HKGM has recorded zero confirmed incidents of corruption across all operations for the FY2023, FY2024, and FY2025. There have been no staff dismissals related to bribery or unethical conduct, and no legal investigations or enforcement actions related to corruption were initiated during this period.

We continue to reinforce awareness of our anti-corruption policies through internal communication and training. This helps ensure that all employees understand their responsibilities and act in accordance with the Group's ethical standards. Our strong track record to date reflects the effectiveness of our preventive measures and our commitment to integrity as a foundational element of corporate governance.

ANTI-BRIBERY AND ANTI-CORRUPTION (CONT'D)

Our performance (Cont'd)

b. Corruption-related training

HKGM continues to strengthen integrity practices through structured anti-corruption training programs. Training initiatives are designed to ensure all employees understand ethical standards and responsibilities in daily operations.

i. Internal training

In FY2025, a major milestone was achieved with 100% employee participation in internal anti-corruption training, covering 83 employees. In addition, 8 employees attended external training sessions to enhance their knowledge and competency in managing corruption risks.

Employee Category	Completion rate FY2025 ¹⁰
Management	4.82%
Executive	3.61%
Non-executive	0%
General worker (Local & Foreign Worker)	91.57%

ii. External training

External training focused on employees with higher exposure to corruption-related risks or those requiring advanced knowledge. In FY2025, 3 Executives and 2 Non-Executives (Assistant and Clerk) participated in external training programs.

Employee Category	Completion rate FY2025 ¹¹
Management	37.50%
Executive	37.50%
Non-executive	25.00%
General worker (Local & Foreign Worker)	0%

This approach ensures that all employees receive fundamental anti-corruption awareness, while employees in key functions are provided with specialized external training. HKGM remains committed to sustaining this high level of participation and reinforcing ethical conduct across operations.

Future initiatives

HKGM aims to further strengthen its anti-bribery and anti-corruption framework through the following initiatives:

- **Maintain Full Training Coverage:** Continue ensuring 100% participation in internal and external anti-corruption training for all employees, including refresher sessions and targeted programs for high-risk roles.
- **Conduct Risk Assessments:** Plan and implement comprehensive ABAC risk assessments across all operations and business functions to proactively identify and mitigate corruption risks.
- **Sustain Zero-Corruption Record:** Maintain HKGM's track record of zero confirmed corruption incidents, ensuring robust preventive measures and strong ethical culture remain in place.
- **Engage Suppliers on Ethics:** Promote responsible business practices throughout the value chain by integrating ABAC expectations into the Supplier Code of Conduct and monitoring compliance among business partners.

¹⁰ The figures presented reflect the cumulative total for FY2025, covering 1 April 2024 to 30 September 2025 (18 months).

DATA PRIVACY AND SECURITY

Why is this important?

In today's digital environment, safeguarding personal and business information is essential to maintaining stakeholder trust and meeting regulatory obligations. While HHRG does not operate in a heavily data-intensive sector, data is still collected and processed for administrative, billing, and communication purposes.

Failure to protect sensitive information can result in legal penalties, reputational harm, and loss of stakeholder confidence. As data protection regulations in Malaysia and globally continue to evolve, responsible data handling has become a fundamental component of corporate governance.

Our approach

In line with Group-wide expectations, HKGM is committed to protecting the confidentiality, integrity, and limited use of personal and business data collected during its operations.

Key practices implemented at HKGM include:

-  Complying with the Personal Data Protection Act (PDPA) 2010, which governs the collection, storage, and disclosure of personal data in Malaysia.
-  Limiting data access to authorised personnel on a need-to-know basis.
-  Ensuring physical and digital safeguards are in place to prevent unauthorised access or breaches.
-  Using data solely for its intended business purpose, such as invoicing, delivery coordination, or stakeholder communication.
-  Providing assurance to customers and suppliers that their data will not be sold or shared externally without consent.

Our performance

Across FY2023, FY2024, and FY2025, HKGM recorded no incidents of data breaches, unauthorised disclosures, or privacy-related complaints. During this period, customer and supplier data was used solely for legitimate operational purposes, such as order processing, invoicing, and business communications. There were no reports of data misuse or unauthorised sharing with third parties.

In FY2025, data continued to be managed manually or through basic digital tools, reflecting HKGM's operational scale and risk profile. While high volumes of sensitive personal data are not processed, standard precautions were applied in handling contact details, business information, and internal documentation.

All staffs involved in data handling received privacy briefings during onboarding and were periodically reminded of internal confidentiality protocols. These protocols specifically apply to records such as customer lists, transaction data, and supplier documentation.

The absence of incidents over the three-year period is attributable to HKGM's low-risk exposure, consistent internal controls, and adherence to the Personal Data Protection Act (PDPA) 2010.

Financial Year	2023	2024	2025 ¹¹
Number of substantiated complaints concerning breaches in customer privacy or data loss	0	0	0

¹¹ The figures presented reflect the cumulative total for FY2025, covering 1 April 2024 to 30 September 2025 (18 months).

APPENDICES

GRI Standards Content Index

Statement of Use	HHRG Berhad has reported with reference to GRI Standards for the period from 1 October 2024 to 30 September 2025
GRI 1 used	GRI 1: Foundation 2021

General disclosures:	Page number
Organizational Profile	
2-1 Organizational details	1
2-2 Entities included in the organization's sustainability reporting	3
2-3 Reporting period, frequency and contact point	4
2-4 Restatement of Information	4
2-5 External assurance	4
2-9 Governance structure and composition	15
2-12 Role of the highest governance body in overseeing the management of impacts	15
2-13 Delegation of responsibility for managing impacts	16
2-17 Collective knowledge of the highest governance body	16
2-29 Approach to stakeholder engagement	16-17
Materiality Matrix	
3-1 Process to determine material topics	23
3-2 List of material topics	24
3-3 Management of material topics	20
Procurement Practices	
204-1 Proportion of spending on local suppliers	27
Anti-corruption and Anti-bribery	
205-2 Communication and training about anti-corruption policies and Procedures	56
205-3 Confirmed incidents of corruption and actions taken	56
Energy	
302-1 Energy consumption within the organization	29
Water	
303-1 Water withdrawal by source	34
Effluents and Waste	
306-2 Waste by type and disposal method	36
306-3 Waste generated	37
Emission	
305-1 Direct (Scope 1) GHG Emissions	31
305-2 Energy indirect (Scope 2) GHG Emissions	31
305-3 Other indirect (Scope 3) GHG Emissions	32

Sustainability Statement (Cont'd)

APPENDICES (CONT'D)

GRI Standards Content Index (Cont'd)

General disclosures:	Page number
Local Communities	
413-1 Operations with local community engagement, impact assessments, and development programs	49-52
Diversity and Equal Opportunity	
405-1 Diversity of governance bodies and employees	46-49
Occupational Health and Safety	
403-1 Occupational health and safety management system	38
403-2 Hazard identification, risk assessment, and incident investigation	38
403-4 Worker participation, consultation, and communication on occupational health and safety	38
403-5 Worker training on occupational health and safety	38-39
403-6 Promotion of worker health	40
403-8 Workers covered by an occupational health and safety management system	39
403-9 Work-related injuries	39
Training and Education	
404-1 Average hours of training per year per employee	43
404-2 Programs for upgrading employee skills and transition assistance programs	43
Non-discrimination	
406-1 Incidents of discrimination and corrective actions taken	47
Child Labour	
408-1 Operations and suppliers at significant risk for incidents of child labour	47
Forced or Compulsory Labor	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	47
Customer Privacy	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	57
Rights of Indigenous Peoples	
411-1 Incidents of violations involving rights of indigenous peoples	54

APPENDICES (CONT'D)

Bursa Malaysia Common Indicators Summary

COMMON INDICATOR		MEASUREMENT UNIT	FYE2025
C1	Anti-Corruption		
a.	Percentage of employees who have received training on anti-corruption by employee category		
	Total staff	Percentage	100%
b.	Percentage of operations assessed for corruption-related risks		
		Percentage	0%
c.	Confirmed incidents of corruption and action taken		
		Number	0
C2	Community / Society		
a.	Total amount invested in the community where the target beneficiaries are external to the listed issuer	Unit of currency	RM 1,000.00
b.	Total number of beneficiaries of the investment in communities	Number	
C3	Diversity		
a.	Percentage of employees by gender and age group, for each employee category:		
	Gender Group by Employee Category		
	i. Senior Management Male	Percentage	5
	ii. Senior Management Female	Percentage	2
	iii. Manager Male	Percentage	9
	iv. Manager Female	Percentage	2
	v. Executive Male	Percentage	5
	vi. Executive Female	Percentage	11
	vii. Non-executive / Technical Staff Male	Percentage	45
	viii. Non-executive / Technical Staff Female	Percentage	20
	Age Group by Employee Category		
	i. Senior Management Under 30	Percentage	1
	ii. Senior Management Between 30-50	Percentage	4
	iii. Senior Management Above 50	Percentage	3
	iv. Manager Under 30	Percentage	0
	v. Manager Between 30-50	Percentage	9
	vi. Manager Above 50	Percentage	2
	vii. Executive Under 30	Percentage	4
	viii. Executive Between 30-50	Percentage	10
	ix. Executive Above 50	Percentage	2
	x. Non-executive/ Technical Staff Under 30	Percentage	16
	xi. Non-executive/ Technical Staff Between 30-50	Percentage	34
	xii. Non-executive/ Technical Staff Above 50	Percentage	14
b.	Percentage of directors by gender and age group:		
	i. Male	Percentage	65
	ii. Female	Percentage	35
	iii. Under 30	Percentage	21
	iv. Between 30 – 50	Percentage	57
	v. Above 50	Percentage	22

Sustainability Statement (Cont'd)

APPENDICES (CONT'D)

Bursa Malaysia Common Indicators Summary (Cont'd)

COMMON INDICATOR		MEASUREMENT UNIT	FYE2025
C4	Energy Management		
a.	Total energy consumption	Kilowatt-hour	5.50mil
C5	Health and Safety		
a.	Number of work-related fatalities	Number	0
b.	Lost time incident rate ("LTIR")	Rate	4,666.67
c.	Number of employees trained on health and safety standards	Number	88
C6	Labour Practices and Standards		
a.	Total hours of training by employee category:		
	i. Senior Management	Hours	
	ii. Manager	Hours	184
	iii. Executive	Hours	88
	iv. Non-Executive / Technical Staff	Hours	88
b.	Percentage of employees who are contractors or temporary staff	Percentage	0%
c.	Total number of employee turnover by employee category:		
	i. Senior Management	Number	0
	ii. Manager	Number	0
	iii. Executive	Number	2
	iv. Non-Executive / Technical Staff	Number	0
d.	Number of substantiated complaints concerning human rights violations	Number	0
C7	Supply Chain Management		
	Proportion of spending on local suppliers	Percentage	100%
C8	Data Privacy and Security		
a.	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
C9	Water		
a.	Total volume of water used	Megalitres	179,574 m ³
C10	Waste Management		
	Total waste generated	Metric tonnes	1.646
	Total waste diverted from disposal	Metric tonnes	0
	Total waste directed to disposal	Metric tonnes	1.04
C11	Emission Management		
a.	Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	496.04 tCO ₂ e
b.	Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	2,010.98 tCO ₂ e
c.	Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	40.11 tCO ₂ e

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks	Footnote Sustainability Matter
Scope 1 emissions in tonnes of CO2e	To improve fuel efficiency and driver performance to minimize GHG emissions.	Metric tonnes	496.04 tCO2e	3% of reduction metric tonnes	Internal	Baseline	For 18 months data
Scope 2 emissions in tonnes of CO2e	3% reduction in emission intensity (CO2e per unit of production)	Metric tonnes	2,010.98 tCO2e	3%	Internal	Baseline	For 18 months data
Scope 3 emissions in tonnes of CO2e	To improve fuel efficiency and driver performance to minimize GHG emissions.	Metric tonnes	4011 tCO2e	3%	Internal	Baseline	For 18 months data
Percentage of employees who have received training on anti-corruption by employee category	To increase awareness and enforcement of ABC policies among employees	%	100%	70%	Internal	Baseline	For 18 months data
Number of work-related fatalities	To reduce workplace incidents and improve risk assessment training participation	Number	0	50%	Internal	Baseline	For 18 months data
Number of employees trained on health and safety standards	Ensure employees are well-trained and ready to respond to emergencies	Number	88	At least 1 emergency drill training per year	Internal	Baseline	For 18 months data

Corporate Governance Overview Statement

The Board of Directors (“**Board**”) is committed to ensure that good corporate governance is practiced and applied throughout HHRG Berhad and its subsidiaries (collectively referred to as “**Group**”).

The Board strongly believes that robust corporate governance is the foundation of the Group’s success, align with the Company’s objectives and the interest of all stakeholders. We acknowledge that sound governance is essential for the Company’s operational efficiency, reinforcing the Board’s effectiveness and independence while ensuring prudent risk management across the Group.

The Group will continuously uphold good corporate governance practices and will endeavour to ensure that the principles and recommendations advocated by the Malaysian Code on Corporate Governance are observed, where applicable and appropriate. The Board is guided by the following frameworks:

1. Malaysian Companies Act 2016;
2. ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**Listing Requirements**”);
3. Malaysian Code on Corporate Governance (“**MCCG**”); and
4. Corporate Governance Guide (4th Edition) issued by Bursa Securities.

This Corporate Governance Overview Statement (“**CG Statement**”) supplements the Corporate Governance Report (“**the CG Report**”) set out in the format pursuant to the Listing Requirements, available on the Company’s website at <http://www.hhr.com.my>, as well as the website of Bursa Securities. The CG Report outlines the application of the Group towards each Practice established in the MCCG during the financial year ended 30 September 2025 (“**FYE 2025**”) as well as explanations for any departures from the recommended Practices.

The CG Statement provides an overview of the Board and its Committees’ functions, outlining the corporate governance practices of the Company during the FYE 2025. In upholding the good governance framework, the Board recognises and subscribes to the following three (3) principles set out in the MCCG :

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

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Roles and Responsibilities of the Board

The Board acknowledges its key responsibilities in establishing the Group’s overall strategic objectives, deliberating and directing strategic action plans and policies and strategic allocation of the Group’s resources to align with the overall objectives of the Group. The primary focus of the Board mainly comprised formulating strategies, overseeing the proper conduct of the Group’s business, evaluating whether the business is properly managed, monitoring of financial performance, evaluating and managing principal risks faced by the Group, implementing and reviewing the risk management and internal control system, succession planning, as well as developing and implementing investor relations programme and shareholders’ policy.

To ensure the effective discharge of its functions and responsibilities, the Board delegates some of its authorities and discretion to the Executive Director(s) and key management staff of the operating units within the Group (“**Management**”), as well as properly constituted Board committees. There is a clear segregation of responsibilities reserved for the Board and those delegated to the Management. Any material and important proposals that will significantly affect the policies, strategies, directions and assets of the Group will be subject to the approval by the Board. None of the members of the Board has unfettered powers of decision.

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

I. BOARD RESPONSIBILITIES (CONT'D)

Roles and Responsibilities of the Board (Cont'd)

To assist in the discharge of its responsibilities, the Board has established the following Board committees to perform certain of its functions and to provide recommendations and advice:

- (i) Nomination and Remuneration Committee ("**NRC**")
- (ii) Audit and Risk Management Committee ("**ARMC**")
- (iii) Share Issuance Scheme Committee ("**SIS**")
- (iv) ESG Sustainability Committee ("**ESGSC**")

Each Board committee operates within their approved terms of reference set by the Board which are periodically reviewed. The Board appoints the Chairman and members of each Board committee. The terms of reference of respective Board committees can be accessed on the corporate website of the Company at www.hhr.com.my.

The Chairman of the respective Board committees will report to the Board on the outcome of any discussions and make recommendations thereon to the Board. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

The roles and responsibilities of Executive Director(s) and Independent Non-Executive Directors are distinguished. The Executive Director(s), through their daily involvement in the operations of the Group, assume the primary responsibility for managing the Group's operations and resources. Their intimate knowledge and vast experience of the business and their active participative management style have contributed to the continued growth of the Group.

The Independent Non-Executive Directors, on the other hand, exercise with professional competence and independence, a supervisory role via their involvement in various Board committees and focus principally on performance monitoring and enhancement of corporate governance and internal controls. They offer a capable check and balance for the Executive Directors and ensure that issues pertaining to strategies, performance and resources allocation proposed by the Management (led by the Executive Director(s)) are objectively evaluated, taking into consideration the interests of the shareholders and relevant stakeholders of the Group.

Key matters reserved for the Board's approval include annual corporate plans, strategic initiatives, nomination, selection, succession policies, and remuneration packages for Board and key senior management.

The Board also assumes the following core responsibilities:

- a. Identify principal risks of the Group and to ensure the implementation of appropriate internal control system and mitigation measures.
- b. Oversee the implementation of the investors' relations program for the Company, to enable effective communications with its shareholders and stakeholders.
- c. Review the adequacy and integrity of the Group's internal control systems and management information systems and to ensure regulatory compliance with applicable laws, regulations, rules and guidelines.
- d. Oversee the effective management of both safety and security risks to ensure the protection of personnel, information, and other assets.

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

I. BOARD RESPONSIBILITIES (CONT'D)

Chairman of the Board

The position of the Chairman of the Board is currently vacant. Currently, the Executive Deputy Chairman who assumes the following responsibilities:

- Chairing Board meetings and ensures the following:
 - All relevant issues are on the agenda;
 - Board freely debates on the strategic and critical issues;
 - Board receives the necessary management reports on a timely basis; and
 - Accurate, timely and clear information are provided to members of the Board.
- Providing leadership to the Board and is responsible for the developmental needs of the Board.
- Chairing shareholders' meetings and ensuring effective communication with shareholders and stakeholders.
- Facilitating the effective contribution of non-executive directors and ensuring constructive relations between the executive and non-executive directors.
- Acting on the results of board performance evaluation by recognising the strength and addressing the weaknesses of the Board.

In adherence to MCGG, the Chairman of the Board is not a member of NRC and ARMC in ensuring the maintenance of checks and balances as well as the preservation of objectivity.

The roles of the Chairman are elaborated upon comprehensively in the Board Charter, which can be accessed on the corporate website of the Company at www.hhrg.com.my.

Separation of the position of Chairman and the Chief Executive Officer ("CEO")

The Board has always maintained a clear distinction between the roles of the Chairman and the CEO. Currently, the position of CEO is vacant. In view that the senior management team has been quite efficient, the Board has been casually looking out for a new CEO. The Board acknowledges that the positions of Chairman and CEO are held by different individuals, with distinct responsibilities, roles, and duties.

The CEO assumes overall responsibility for the daily operations of the Group, including overseeing the key aspects such as human resource, finance, business affairs, ensuring organisational effectiveness, and implementing Board policies and decisions. Furthermore, the CEO ensures that the Group's corporate identity, products, and services meet high standards, align with market expectations, and comply with governmental regulations. At each Board meeting, the CEO updates the Board on the Group's performance and activities and presents specific proposals for capital expenditures and potential acquisitions or disposals.

Qualified and Competent Company Secretary

The Board is supported by the experienced and qualified Company Secretaries, who are qualified to act as Company Secretaries under Section 235(2) of the Companies Act 2016 ("**Act**") and are registered holders of the Practising Certificate issued by the Companies Commission of Malaysia.

The Board acknowledges that the Company Secretaries play an important role and will ensure that the Company Secretaries fulfil the functions for which they have been appointed.

The Company Secretaries play an important role in facilitating the overall compliance with the Act, ACE Market Listing Requirements and other relevant laws and regulations. The Company Secretaries also assist the Board and Board committees to function effectively, in accordance with their Terms of Reference and best practices and ensure adherence to the existing Board policies and procedures.

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

I. BOARD RESPONSIBILITIES (CONT'D)

Qualified and Competent Company Secretary (Cont'd)

In order to discharge the roles effectively, the Company Secretaries have been continuously attending necessary training programmes, conferences, seminars and/or forums. This continuing education is essential in order to keep the Company Secretaries abreast with the latest developments in the corporate governance realm and changes in regulatory requirements that are relevant to their profession. The knowledge gained from the training programmes will also enable them to provide the necessary advice to the Board.

The Board has direct access to the professional advice and services of the Company Secretaries when performing their duties and discharging their responsibilities.

The Company Secretaries are also responsible in ensuring that deliberations at the Board and its committees' meetings are properly minuted and kept. During the financial year under review, the Board is satisfied with the performance and support rendered by the Company Secretaries in fulfilling their duties and responsibilities to the Board.

Information and Support of Director

The Board fixes the annual meeting schedule by the end of calendar year. The annual meeting schedule, as soon as it has been confirmed by the Board, will be disseminated to the Management, for planning of works schedule.

The notices of the scheduled Board meetings are served to the Directors at least ten (10) days prior to the Board meetings, unless there is exceptional case for convening of Special Board Meeting to address emergency issue, shorter notice would be allowed with the consent of all Directors.

To leverage the usage of technology, the Board papers are circulated to the Directors in the form of electronic copies via email prior to the Board meetings, in order to allow the Directors to prepare and familiarize themselves with the meeting contents prior to Board meetings. Directors are permitted to participate either in person or through electronic means of communication, such as tele-conferencing or video conferencing.

All Directors are furnished with a comprehensive Board meeting agenda, minutes of meeting and relevant information materials and documents at least three (3) days in advance of each Board meeting. Meeting materials are sent through e-mail in order to allow the Board members to have sufficient time to review and to request for any further information or clarification prior to the Board meeting.

Senior Management staff are invited to attend Board meetings to furnish additional details or clarification on matters tabled for the Board's consideration and approval.

The draft minutes are circulated to the Board for comments in order to ensure that the minutes of Board meeting accurately reflect the deliberations and decisions of the Board. Thereafter, the final minutes are confirmed and approved by the Board and signed by the Chairman at the succeeding meeting as a correct record of the proceedings. The minutes recorded the deliberations and decisions of the Board as well as Directors' abstention from voting.

The Board is given full and unrestricted access to all information and reports on financial, operational, corporate, regulatory, business development, and audit matters pertaining to the Group's affairs to assist them in discharging their fiduciary duties effectively. The Board also has full access to the advice and services of the Company Secretaries who are responsible in ensuring that the Board meeting procedures are adhered to and that the applicable rules and regulations are being complied with. The Board is allowed, whether as a full board or in their individual capacity, to solicit independent professional advice, where necessary and in appropriate circumstances, in furtherance of their duties, at the Group's expense.

Corporate Governance Overview Statement (Cont'd)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Board Charter

A formal board charter ("**the Charter**") has been drawn up and adopted by the Board in accordance with MCCG. The Board is guided by the Charter which clearly sets out the Board's roles, duties and responsibilities in discharging its fiduciary and leadership functions.

The objectives of the Charter are to ensure that the members of the Board are aware of their roles, duties and responsibilities and the application of principles and practices of good corporate governance in their business conduct and dealings in respect of, and on behalf of the Company and comply with the various laws and regulations governing them and the Company.

The Charter is subject to periodical review by the Board in order to ensure that it remains relevant and consistent with the Board's roles and responsibilities, changing needs of the Company as well as any development in the prevailing legislation and practices.

The Charter is available for reference on the Company's corporate website at www.hhrg.com.my.

Code of Conduct

A formal Code of Conduct, which outlines the standards of business conduct and ethical behaviour which the Directors and employees should adhere to, has been put in place in accordance with MCCG.

The Code of Conduct is available for reference on the Company's corporate website at www.hhrg.com.my.

Whistleblowing Policy

The Group has a whistleblowing policy to allow employees and any external stakeholders to report cases of, among others, bribery, forgery or alteration of a cheque, bank draft, or any other financial document, misappropriation of company's funds, in the workplace. There are proper grievance procedures in place to allow employees to report on matters that they wish to highlight to Management's attention.

The Whistleblowing policy is available for reference on the Company's corporate website at www.hhrg.com.my.

Anti-Bribery And Corruption Policy

The Group is committed to conducting the business ethically as well as complying with all applicable laws, which includes compliance with the Malaysian Anti-Corruption Commission Act 2009 and any of its amendments thereto or reenactments thereof that may be made by the relevant authority from time to time ("**MACCA**"). The Group has adopted a zero-tolerance policy against all forms of bribery and corruption.

It shall be noted that the corporate liability provision stipulated in Section 17A of MACCA provides that a company commits an offence if its director, partner or an employee or a person who performs services for or on behalf of the company corruptly gives, agrees to give, promises or offers to any person any gratification whether for the benefit of that person or another person with intent—

- (a) to obtain or retain business for the company; or
- (b) to obtain or retain an advantage in the conduct of business for the company.

Therefore, having a clear and unambiguous Anti-Corruption and Bribery Policy is utmost important to the Group.

The Anti-Corruption and Bribery Policy will be reviewed from time to time in order to ensure that it continues to remain relevant and appropriate. The Company had reviewed and adopted a revised Anti-Corruption and Bribery Policy on 8 July 2025.

The Anti-Corruption and Bribery Policy is available for reference on the Company's corporate website at www.hhrg.com.my.

Corporate Governance Overview Statement (Cont'd)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Directors' Fit and Proper Policy

The Board had adopted the Directors' Fit and Proper Policy in compliance with Rule 15.01A of the Listing Requirements. The Directors' Fit and Proper Policy serves as a guide to ensure all Directors of the the Company have the necessary character, experience, integrity, competence and time to effectively discharge their role as Directors of the the Company; and also as a guide to the NRC, the Board and Management in conducting the necessary assessment on candidates before appointment, or on existing Directors of the Company seeking for re-appointment and/or re-election.

The NRC and the Board are guided by the following three (3) criteria while evaluating the appointment, re-election or re-appointment of the candidates/ Directors, whichever applicable:-

- (a) Character and integrity;
- (b) Experience and competence; and
- (c) Time and commitment.

The Directors' Fit and Proper Policy is available for reference on the Company's corporate website at www.hhrq.com.my.

Sustainability Governance

The Board emphasises the importance of sustainable business practices in creating long-term value, recognising that responsible business conduct is fundamental to achieving operational excellence. Structural oversight of sustainability, including strategies, priorities, and targets, rest with the Board, while Management is entrusted with operational execution concerning Environmental, Social and Governance ("ESG") factors as integral components of the Group's corporate strategy.

The Board had established ESGSC on 8 July 2025 and adopted Group Sustainability Policy on 18 September 2025 that outlines the Group's commitment to sustainable and responsible operations in the industry.

As a fiduciary duty to the Company's shareholders, the Board prioritises upholding exemplary corporate governance practices, marked by dedication to ethics, integrity, and corporate responsibility.

The details on the sustainability performance, initiatives, programmes, and key material matters of the Group can be found in the Sustainability Statement in the 2025 Annual Report.

Corporate Governance Overview Statement (Cont'd)

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

II. BOARD COMPOSITION

The composition of the Board is fundamental to its success in providing strong and effective leadership. The current Board composition comprises a strong mix of experienced individuals with majority of the Board members being Independent Non-Executive Directors who offer external perspectives on the business and constructively challenge the Executive Director(s), particularly in developing the Group's business strategies.

The composition of the Board for the FYE 2025 is as below:

No.	Director	Designation
1.	Dato' H'ng Choon Seng (Resigned on 28/06/2024)	Executive Chairman
2.	Ng Chin Nam (Resigned on 27/08/2024)	Executive Director
3.	Ho Whye Chong (Resigned on 13/02/2025)	Non-Independent Non-Executive Director
4.	Wong Wan Chin (Resigned on 10/05/2024)	Independent Non-Executive Director
5.	Cheah Swi Chun (Resigned on 21/05/2024)	Independent Non-Executive Director
6.	Lee Yee Wooi (Resigned on 28/06/2024)	Non-Independent Non-Executive Director
7.	Dato' Paduka Ammar bin Dato' Shaikh Mahmood Naim (Appointed on 21/06/2024)	Deputy Executive Chairman
8.	Guok Ngek Seong (Appointed on 02/04/2024)	Independent Non-Executive Director
9.	Chan Hon Woo (Appointed on 21/05/2024)	Independent Non-Executive Director
10.	Abdul Rahman bin Haji Din (Appointed on 21/05/2024)	Independent Non-Executive Director
11.	Ju Siew Lee (Appointed on 01/11/2024; Resigned on 04/04/2025)	Independent Non-Executive Director
12.	Nur Bahiyah Azlinda binti Abu Bakar (Appointed on 02/07/2025)	Independent Non-Executive Director

The composition of the Board is in compliance with Rule 15.02 of the Listing Requirements, which requires at least 2 Directors or 1/3 of the Board, whichever is the higher, to be Independent Non-Executive Directors.

The Company believes that enhancing the social and professional diversity among Board and senior management is essential in realising its strategic objectives and ensuring the Group's sustainable growth. For the appointment of any Board and senior management, a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge, have been considered to maintain a well diversified Board and senior management to support the Group's vision and uphold governance within the Group.

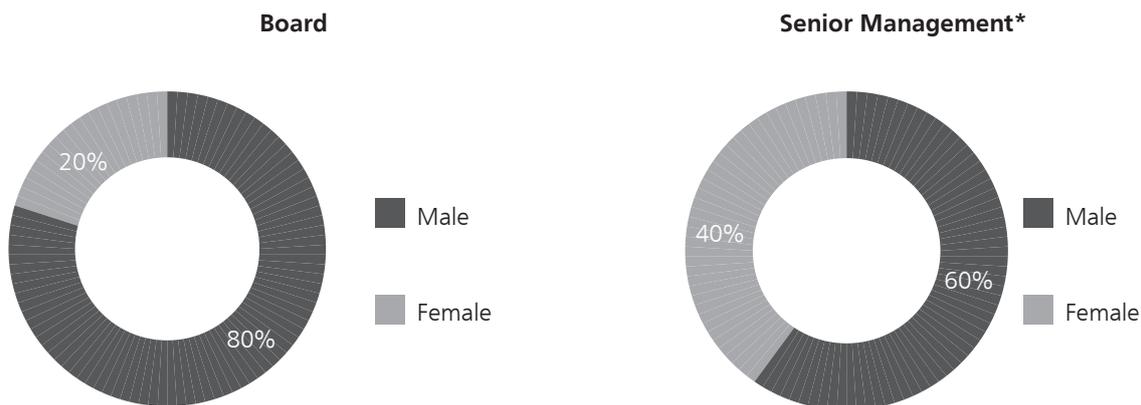
Corporate Governance Overview Statement (Cont'd)

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

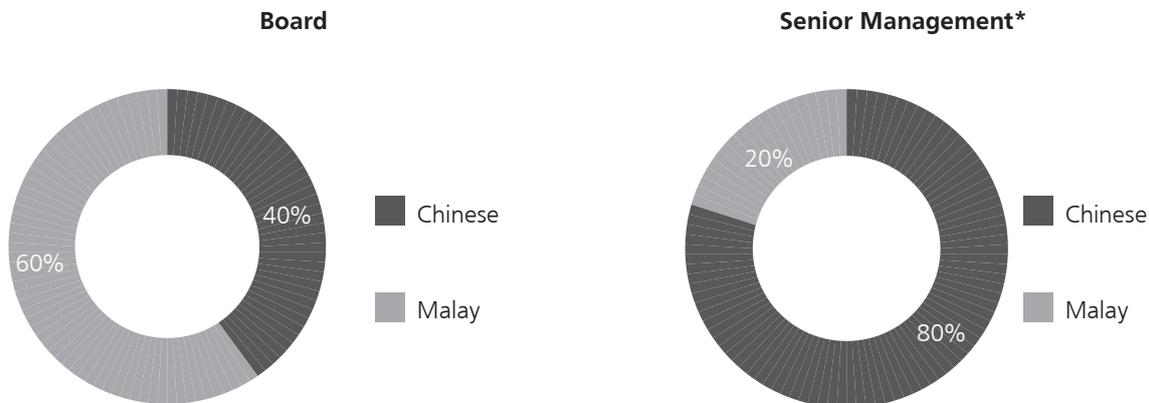
II. BOARD COMPOSITION (CONT'D)

As at 30 September 2025, the diversity in gender, ethnicity and age of the Board and senior management is as follows:

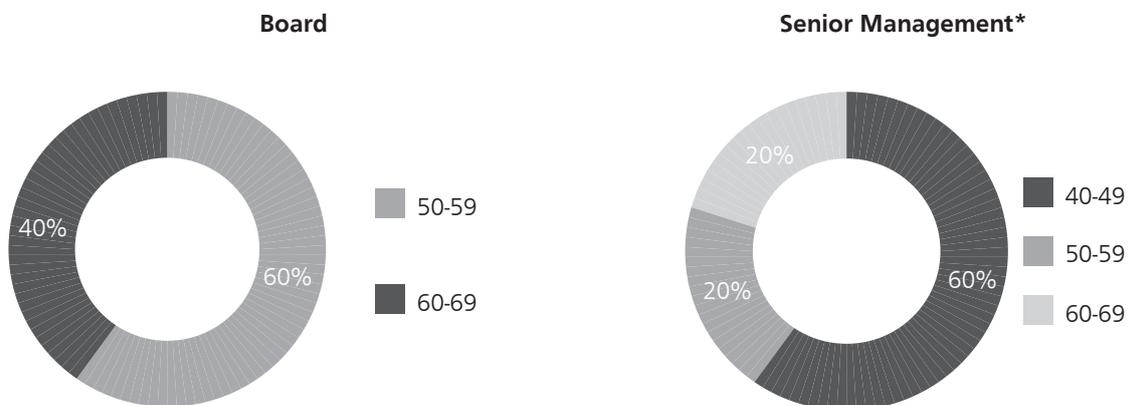
Gender



Ethnicity



Age



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

II. BOARD COMPOSITION (CONT'D)

Notes:

* include Executive Deputy Chairman who is also the senior management.

The Board acknowledges the importance of promoting gender diversity in order to comply with the recommendations of the MCCG.

The MCCG encourages that the Board comprises of 30% women directors. The Board will remain mindful and has set an objective to comply with the MCCG by appointing more women director to the Board when suitable candidate is identified to support the Group's objectives.

The Group is an employer who provides equal opportunity to all its employees. All appointments and employments are strictly based on meritocracy and are not driven by any racial, gender, ethnicity or age bias.

The profiles of each Board member, key senior management and senior management are set out in this Annual Report.

Tenure of Independent Director

The Board is aware that the tenure of an Independent Non-Executive Director should not exceed a cumulative term of 9 years as recommended by the MCCG.

Upon completion of the 9 years, the Independent Non-Executive Director concerned may:

- Continue to serve on the Board if deemed appropriate and suitable by the Board, subject to him/her being re-designated as Non-Independent Director; or
- Remain as an Independent Non-Executive Director if deemed appropriate and suitable by the Board, subject to the shareholders' approval. The Board must provide justification for the decision.

As of the date of this Annual Report, none of the Independent Non-Executive Directors has served a consecutive term of nine (9) years.

The Group has yet to adopt the policy to limit the tenure of independent directors to 9 years without further extension.

Nomination and Remuneration Committee

The NRC is responsible for screening, evaluating and recommending to the Board suitable candidates for appointments as Directors and key senior management personnel, as well as filling vacancies in Board committees. The NRC is chaired by Mr. Chan Hon Woo, who is an Independent Non-Executive Director of the Company.

During FYE 2025, the NRC undertook the following key activities:

- a) Reported to the Board on the conduct and outcomes of NRC meetings;
- b) Reviewed the current composition of the Board committee;
- c) Reviewed the current board structure, size and composition;
- d) Reviewed and assessed the Board's mix of skills, experience and other qualities, including core competencies which directors should bring to the board;
- e) Assessed the effectiveness of the Board as a whole, the committees of the Board, and for assessing the contribution of each individual director;
- f) Assessed the performance of Independent Directors;
- g) Discussed the character, experience, integrity and competence of the Directors, Chief Financial Officer and to ensure they have the time to discharge their respective roles;
- h) Reviewed the term of office and performance of Audit and Risk Management Committee and each of its members;
- i) Reviewed and recommended the re-election of Directors who were retiring and seeking for re-election at the 14th Annual General Meeting ("**AGM**");
- j) Discussed the directors' fees and benefits for each Directors;
- k) Reviewed the remuneration packages of Executive Director and key senior management of the Company.
- l) Reviewed and assessed the appointment of New Director before recommend the same to the Board.

The terms of reference of NRC are published on the Company's corporate website.

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

II. BOARD COMPOSITION (CONT'D)

New Appointments and Annual Assessments

The Company has in place, its procedures and criteria for identifying candidates for appointment of directors.

All candidates for appointment are first considered by the NRC, taking into account the mix of skills, competencies, experience, professionalism and other relevant qualities to manage the Company.

In FYE 2025, the Board, with the recommendation of the NRC, appointed the following Directors:

1. Dato' Paduka Ammar bin Dato' Shaikh Mahmood Naim - Deputy Executive Chairman
2. Guok Ngek Seong - Independent Non-Executive Director
3. Chan Hon Woo - Independent Non-Executive Director
4. Abdul Rahman bin Haji Din - Independent Non-Executive Director
5. Ju Siew Lee - Independent Non-Executive Director
6. Nur Bahiyah Azlinda binti Abu Bakar - Independent Non-Executive Director

The NRC carries out an assessment on the composition of the Board, contribution of each individual Directors and overall effectiveness of the Board as a whole, and the Board committees, on an annual basis, to ensure as far as possible, the Board is equipped with members of different mix of skill sets, competencies and gender diversity. The NRC also identifies areas of improvement for the Board and the purposes of reappointment of Directors of the Company.

Upon assessment of the Board's size and composition, the NRC is satisfied that the Board's size is appropriate given the scale of the Group's business and operations and the composition is well-balanced with mix of knowledge, skills and attributes in order to enable the Board to discharge its duties efficiently.

The NRC shall only recommend Directors who are due for retirement for re-election at the AGM upon satisfactory evaluation of their individual performance and contributions to the Board (including the independence of Independent Non-Executive Directors). The NRC also assesses whether the Directors meet the fit and proper criteria in accordance with the Directors' Fit and Proper Policy.

A statement that both the Board and NRC are satisfied with the performance and effectiveness of the retiring Directors standing for re-election at the AGM as well as the justification from the Board to support the re-election of Directors will be stated under the explanatory notes in the notice of AGM.

Continuing Development and Training

The Board takes cognisance of the importance of appropriate continuous training in keeping the Directors updated and informed on the changes and developments of operating environment and the corporate regulatory framework.

The Board has cultivated the following best practices:

- All newly appointed Directors are required to attend the Mandatory Accreditation Programme as prescribed by the Listing Requirements within the stipulated timeframe;
- All Directors are encouraged to attend talks, training programs, and seminars to update their knowledge on the latest regulatory and business environment;
- The Directors may be requested to attend additional training courses according to their individual needs as a Director or member of Board committees on which they serve; and
- The Directors are briefed by the Company Secretaries on the letters issued by regulatory bodies at each quarterly Board meeting.

All the Directors except Nur Bahiyah Azlinda binti Abu Bakar have attended and completed the Mandatory Accreditation Programme (MAP) Part I and MAP Part II: Leading for Impact.

Corporate Governance Overview Statement (Cont'd)

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

II. BOARD COMPOSITION (CONT'D)

Continuing Development and Training (Cont'd)

During the FYE 2025, the Directors had participated in the following training programmes:

Name of Director	Training Programme
Dato' Paduka Ammar bin Dato' Shaikh Mahmood Naim	<ul style="list-style-type: none"> Mandatory Accreditation Programme (MAP) Part I Mandatory Accreditation Programme Part II: Leading for Impact (LIP) Team Building and Leadership Program Understanding and Handling Full Sets of Accounts in SST Environment
Chan Hon Woo	<ul style="list-style-type: none"> Mandatory Accreditation Programme (MAP) Part I Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Guok Ngeok Seong	<ul style="list-style-type: none"> Mandatory Accreditation Programme (MAP) Part I Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Abdul Rahman bin Haji Din	<ul style="list-style-type: none"> Mandatory Accreditation Programme (MAP) Part I Mandatory Accreditation Programme Part II: Leading for Impact (LIP) Team Building and Leadership Program
Nur Bahiyah Azlinda binti Abu Bakar	<ul style="list-style-type: none"> Langkawi Digital Community Entrepreneurship Program Business Digitalisation Course

Time Commitment

The Directors are expected to devote sufficient time and attention to the affairs of the Group.

In FYE 2025, none of the Directors held more than five (5) directorships in listed issuers which is in accordance with the Bursa Securities' requirement. This is to ensure that each Director is able to devote sufficient time and commitment to the Group.

To facilitate the attendance and active participation of all of the Directors in Board meetings, Board committee meetings, and AGM, the Company establishes the annual meeting schedule ahead of each new financial year.

The Board met seventeen (17) times during FYE 2025. All Directors have actively participated in the meetings of Board and Board Committees in FYE 2025.

Corporate Governance Overview Statement (Cont'd)

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

II. BOARD COMPOSITION (CONT'D)

Time Commitment (Cont'd)

The Directors' meeting attendances are as follows:

No.	Name of Directors	Designation	Attendance of Meetings			
			Board	ARMC	NRC	SIS
1.	Dato' H'ng Choon Seng (Resigned on 28/06/2024)	Executive Chairman	3/3	-	-	-
2.	Ng Chin Nam (Resigned on 27/08/2024)	Executive Director	0/4	-	-	-
3.	Ho Whye Chong (Resigned on 13/02/2025)	Non-Independent Non-Executive Director	6/7	-	1/1	-
4.	Wong Wan Chin (Resigned on 10/05/2024)	Independent Non-Executive Director	2/2	-	-	-
5.	Cheah Swi Chun (Resigned on 21/05/2024)	Independent Non-Executive Director	2/2	-	-	-
6.	Lee Yee Wooi (Resigned on 28/06/2024)	Non-Independent Non-Executive Director	3/3	1/1	-	-
7.	Dato' Paduka Ammar bin Dato' Shaikh Mahmood Naim (Appointed on 21/06/2024)	Deputy Executive Chairman	14/14	-	-	-*
8.	Guok Ngek Seong (Appointed on 02/04/2024)	Independent Non-Executive Director	14/17	-	-	-
9.	Chan Hon Woo (Appointed on 21/05/2024)	Independent Non-Executive Director	13/15	5/6	1/1	2/2
10.	Abdul Rahman bin Haji Din (Appointed on 21/05/2024)	Independent Non-Executive Director	15/15	6/6	1/1	-
11.	Ju Siew Lee (Appointed on 01/11/2024; Resigned on 04/04/2025)	Independent Non-Executive Director	6/6	2/2	-	-
12.	Nur Bahiyah Azlinda binti Abu Bakar (Appointed on 02/07/2025)	Independent Non-Executive Director	3/3	1/1	-	-

Note:

- * Dato' Paduka Ammar being appointed as a member of SIS on 7 May 2025. No meeting has been scheduled subsequent to his appointment.

On 8 July 2025, the Board had established ESGSC and no meeting had been scheduled for the FYE 2025.

Remuneration Policy and Procedures for Director and Senior Management

The primary responsibilities of NRC on remuneration are as follows:

- Recommend to the Board the remuneration package of the Executive Director(s) and key senior management personnel in all its form, drawing from outside advice, if necessary;
- Recommend to the Board the remuneration of Non-Executive Directors which shall be a decision of the Board as a whole, save and except where the remuneration is in respect of any member or members of the NRC; and
- Assist the Board in discharging its responsibilities relating to, amongst others, compensation strategy, succession planning, management development and other compensation arrangements.

Corporate Governance Overview Statement (Cont'd)

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

II. BOARD COMPOSITION (CONT'D)

Remuneration Policy and Procedures for Director and Senior Management (Cont'd)

The principal objective of the Group's remuneration policy is to attract, retain and motivate the Directors with the necessary calibre and experience to lead and manage the Group effectively. For Executive Director(s), the remuneration package is structured to link with corporate and individual performance. For Independent Non-Executive Directors, the level of remuneration is based on their experience and responsibilities.

The framework of Executive Directors' remuneration package and the terms of their employment are recommended by the NRC for the Board's approval. The remuneration package of Independent Non-Executive Directors is determined by the Board as a whole. Directors are required to abstain from deliberations and voting on decisions concerning their own remuneration.

The details of the Directors' remuneration for FYE 2025 for individual Directors with a breakdown into fees, salaries and bonus, benefits-in-kind and other emoluments are disclosed under Practice 8.1 of the CG Report.

The Board is of the view that the disclosure of top (5) senior management's remuneration on named and in band basis may expose the senior management to unwarranted attention.

The Company also believes that non-disclosure of the remuneration information on top five (5) senior management will not affect the interest of its shareholders.

The terms of reference of NRC are published on the Company's corporate website.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT AND RISK MANAGEMENT COMMITTEE

In FYE 2025, the ARMC of the Company comprises exclusively Independent Non-Executive Directors, all of whom are financially literate and possess a wide range of necessary skills to effectively discharge their duties.

The ARMC was chaired by Nur Bahiyah Azlinda binti Abu Bakar, an Independent Non-Executive Director of the Company who is not the Chairman of the Board.

The Chairman is responsible for ensuring the overall effectiveness and independence of the ARMC in assisting the Board in discharging the statutory duties and responsibilities relating to corporate governance, system of internal controls, the administration of Whistleblowing Policy, as well as uphold integrity in financial reporting.

The terms of reference of ARMC provides the requirement for a former partner of the external audit firm of the Company to observe a cooling-off period of at least three (3) years before being appointed as a member of the ARMC. None of the ARMC members are former partners of the external audit firm of the Company within three (3) years preceding FYE 2025.

On an annual basis, the ARMC will assess the performance and suitability of the external auditors and the recommendation of the re-appointment of the external auditors at the AGM shall be upon satisfactory of the annual assessment based on the following:

- Quality and Credentials;
- Independence, Objectivity and Professional Skepticism;
- Involvement of the Audit Engagement Partner;
- Expertise and Adequate Resources; and
- Information in the Transparency Report.

The composition of the ARMC and key activities carried out by the ARMC in FYE 2025 are set out in the ARMC Report set out in this Annual Report.

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

II. RISK MANAGEMENT

The Board recognises the significance of sound risk management and internal control systems, which are necessary to safeguard the Group's assets and shareholders' investment. To this end, the Board affirms its overall responsibility in ensuring the adequacy, effectiveness, and integrity of the Group's risk management and internal control system which encompasses risk management practices as well as financial, operational and compliance controls. Nonetheless, it is important to note that such system, by its nature, manages but not eliminates risks and therefore can provide only reasonable and not absolute assurance against material misstatement, loss or fraud.

An overview of the state of risk management and internal control within the Group is available in the Statement on Risk Management and Internal Control set out in this Annual Report.

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

I. ENGAGEMENT WITH STAKEHOLDERS

Communication with Stakeholders

The Board is aware of the importance of maintaining proper corporate disclosure procedures with the aim of providing shareholders and investors with comprehensive, accurate, and quality information on a timely basis. Personnel and working team preparing the disclosure will conduct proper verification, as well as coordinate the efficient disclosure of material information to the investing public.

The Board, in its best efforts, always ensures that the financial results are released to the shareholders and the general public in a timely manner and that the financial statements are presented with accuracy and adequacy. The Board also, in its best efforts, ensures that the financial statements comply with all relevant regulatory reporting requirements and financial reporting standards.

The Board acknowledges the paramount importance of an active and constructive communication policy that enables effective communication between the Board, shareholders, stakeholders and the general public. The Board also acknowledges the importance of timely dissemination of information to shareholders, stakeholders and general public, as it is their rights to be updated of the Group's activities and performance in order to make informed evaluation and investment decision.

To this end, the Group relies on the following channels for effective communication with the shareholders and stakeholders:

- Interim financial reports to provide updates on the Group's operations and business developments on a quarterly basis;
- Annual audited financial statements and annual report to provide an overview of the Group's state of governance, state of affairs, financial performance and cash flows for the relevant financial year;
- Corporate announcements to Bursa Securities on material developments of the Group, as and when necessary and mandated by the Listing Requirements;
- AGMs; and
- Corporate website under www.hhrq.com.my.

While the Group strives to provide as much information as possible to the shareholders and stakeholders, the Board upholds strict standards of confidentiality with regard to undisclosed material information under all circumstances. The Board is also cognisant of the legal and regulatory framework governing the dissemination of information to shareholders and the general public, particularly the rules and regulations stipulated under Chapter 9 of the Listing Requirements.

Corporate Governance Overview Statement (Cont'd)

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

I. ENGAGEMENT WITH STAKEHOLDERS

Conduct of General Meetings

The notice of 13th AGM held on 27 August 2024 was sent to the shareholders at least twenty-eight (28) days prior to the meeting date and published in a major local newspaper. Items of special business included in the notice of 13th AGM were accompanied by explanation of the proposed resolutions.

All Directors attended the 13th AGM held on 27 August 2024.

All shareholders are invited and encouraged by the Board to attend the Company's general meeting, particularly the AGM, as it forms an important platform where the shareholders can engage directly with the Board and the Management and raise any questions and concerns, they may have on the Group. The Company is looking forward to solicit feedbacks and views from its shareholders and answer shareholders' question on all issues pertaining to the Company at the AGM.

The general meetings of the Company have always been held at a place which is accessible to all shareholders. Shareholders are entitled to appoint proxy to vote on their behalf in their absence.

Announcement of the detailed results of the poll voting had been announced to the public on the same day for the benefit of all shareholders. Minutes of the Extraordinary General Meeting ("EGM") and AGM proceedings are posted on the Company's website within 30 business days from the EGM and AGM, respectively.

Integrated Reporting

Integrated reporting is not applicable to the Group presently as the Group does not fall within the definition of "Large Companies".

KEY FUTURE CORPORATE GOVERNANCE PRIORITY FOR FYE 2026

The key priorities of the Board's corporate governance practices for FYE 2026 are as follows:

- Ensuring the integrity of the Group's financial accounting and reporting process be maintained;
- Ensuring the internal and external audit process as well as risk management oversight by the Board be duly maintained; and
- ESG initiatives be duly implemented and disclosed accordingly.

CORPORATE GOVERNANCE COMPLIANCE STATEMENT

The Board recognises the importance of good corporate governance towards long term sustainability of the Group. The Board always strives to adopt the principles and recommendations promoted by MCCG. Save as disclosed within this Annual Report, the Group has, and will continue to apply the principles and recommendations as set out in the MCCG where practical and appropriate.

This statement was made in accordance with a Board of Directors' resolution dated 26 January 2026.

Statement On Risk Management And Internal Control

The Board is cognisant of the necessity of establishing sound risk management and internal control systems in order to support the Group's objectives, as well as to safeguard the shareholders' investments and the Group's assets.

The Board is pleased to present the Statement on Risk Management and Internal Control ("Statement") pursuant to Rule 15.26(b) of the Listing Requirements. This Statement has been prepared in accordance with the *Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers* ("Guidelines").

It is essential to note that the systems of internal control and risk management are designed to manage, supervise, and control risks appropriately within a reasonable and practicable level, rather than to eliminate the risk of failure to achieve business objectives. Hence, these systems can only provide reasonable and not absolute assurance against material misstatement of management and financial information, or against financial losses and fraud or breaches of laws and regulations.

The effectiveness of risk management and internal control systems may vary over time due to the ever-changing circumstances and conditions of the Company and the Group. Nevertheless, the Board acknowledges the need for the systems of risk management and internal control to be continuously improved in line with the evolving business development.

OBJECTIVE

The objective of establishing a sound risk management framework and an adequate and effective system of internal control is to safeguard shareholders' investment as well as the Group's assets, pursuant to the Malaysian Code on Corporate Governance which has come into force in April 2017.

- Outline the Group's risk context which comprises the Group's philosophies, strategies, policies, and operating systems to better manage the business risks faced in today's adversity;
- Provide a guide to the Heads of Department as to how to govern the action of their operating personnel in relation to risk; and
- Provide assurance to the Board that a sound internal risk control is in place.

This Statement is a structured and disciplined approach that aligns strategies, processes, people, technology, and knowledge with the purpose of evaluating and managing the risk the Group faces as it creates value.

An integrated, future-focused, and process-oriented approach across functional, divisional and cultural barrier helps the Group manage all key business risks and opportunities with the intent of maximizing shareholders value for the Group as a whole.

DEFINITION OF RISK

Risk may be viewed as the threat of event, action or loss of opportunity that, if it occurs or becomes a reality, will adversely affect the Group's day-to-day business operation and reputation. The occurrence of the risk will also impede the Group's ability to implement our business strategies effectively, hence impeding our objective of maximizing shareholder value.

CRITICAL SUCCESS FACTOR FOR RISK MANAGEMENT

The successful management of risk within the Group depends upon limitation as set out below:

- The concept of risk management is incorporated into the overall strategies, projects, operational plans and activities throughout the Group;
- Risk management is openly accepted and supported by the Group's leadership as providing sound business value; and
- Risk management is to be incorporated into the daily activity and being viewed as helping the Group to achieve its vision and strategic goal.

Statement On Risk Management And Internal Control (Cont'd)

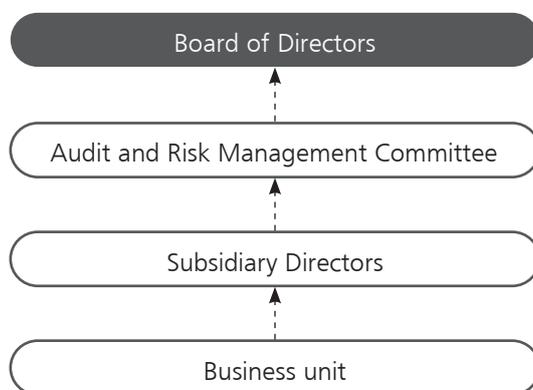
RISK STRUCTURE

Risk management cannot function in isolated silos. An appropriate framework has to be established within the Group to provide the control environment for risk management activities. This framework or structure embedded within the fabric of the Group. Key elements in the risk management structure include the following:

Risk management organization structure:

- Roles, responsibilities, and accountabilities of each individual especially the management team;
- Use of common terminology, which was communicated to the Executive Directors, Subsidiary Directors, Head of Departments, Executives and support staffs during the workshop and awareness session; and
- Reporting structure and the frequency of the reporting process, which allows red flags or high-risk areas to be immediately channeled to the appropriate level for action.

Risk Organisation Structure



RISK MANAGEMENT

Since the last AGM, the Group had via its Audit and Risk Management Committee ("**ARMC**") conducted few meetings to review the key risks which are faced by the Group. This helps to ensure that a sound risk management framework and internal control mechanism have been put in place. The mechanism remains relevant to the Group's business activities and is capable to reduce the risks to an acceptable level.

The ARMC will conduct half-yearly review and assessment on the key risks that are faced by the Group in its ordinary course of business. The assessment is essential to ensure that all of the principal risks are maintained at an acceptable level. Material findings, if any, together with additional control measures to be put in place, shall be reported to the Board for deliberation.

During the financial year under review, as an initiative to enhance awareness on corporate governance, training will be conducted for the Board and the management personnel as recommended by the ARMC. In addition, key risks and actions are discussed at Board meetings. The Board will ensure that Management implements all action plans within the agreed timeline. The management shall conduct a half-yearly review to ensure that all key risks are maintained at acceptable level, and material findings (if any) shall be submitted to the Board for deliberation.

The Board of Directors will assist in overseeing the internal control aspects of the Group.

Statement On Risk Management And Internal Control (Cont'd)

INTERNAL CONTROL

Maintaining a robust control structure and environment for the proper conduct of the Group's business operations and towards achieving a sound system of internal control has always been the Board's commitment. The key elements of the Group's system of internal control include:

- A well-defined organisational structure with well-defined scopes of responsibility, clear lines of accountability and appropriate levels of delegated authority. There is a process of hierarchical reporting which provides for a documented and auditable trail of accountability. Delegation of authorities with authorization limits being clearly defined to ensure accountability and responsibility;
- The Group's Management carries out the monitoring and reviewing of the financial results for all businesses within the Group, including reporting thereon, of performance against the operating plans. The Management then formulates action plans to address any areas of concerns;
- Regular Board and Management meetings are held where information is provided to the Board and Management covering financial performance and operations;
- The Board ensures that all recurrent related party transactions are dealt in accordance with the ACE Market Listing Requirements ("Listing Requirements "). These recurrent related party transactions are subject to review by the ARMC and the Board at their respective meetings;
- A fully independent ARMC consisting exclusively of Independent Non-Executive Directors that monitors and reviews internal control issues identified by the internal auditors, the external auditors and the Management, and evaluates the adequacy and effectiveness of the risk management and internal control systems; and
- Quarterly meetings for the ARMC and Board are held to discuss the quarterly financial reports and issues that warrant the ARMC's and the Board's attention.

The Board acknowledges and recognizes the importance of the internal audit function in assisting the Board to review the effectiveness of the risk management and internal control system within the Group, as well as safeguard the shareholders' investments and the Group's assets.

An independent professional internal audit firm has been engaged by the Group as the Internal Auditors to provide assurance on the effectiveness and the adequacy and integrity of the Group's internal control system. To ensure independence, the Internal Auditors report directly to the ARMC.

During the financial year under review, the internal audit of the Group will be carried out on a risk-based auditing approach in accordance with the 1-year audit plan and scope of works approved by the ARMC. The internal audit provides an assessment of the adequacy, efficiency, and effectiveness of the Group's internal control system. Recommendations for improvement are presented to the ARMC at its quarterly meetings, where necessary.

The internal audit reports are also circulated to the Management for implementation of the recommended improvement action plans. Follow-up reviews are conducted by the Internal Auditors to ascertain whether the recommendations are implemented within the stipulated time frame.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Rule 15.23 of the Listing Requirements, the External Auditors have reviewed this Statement. As set out in their terms of engagement, the procedures were performed in accordance with the Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants. Based on their procedures performed, 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 Guidelines, nor it is factually inaccurate.

CONCLUSION

The Board has considered the adequacy and effectiveness of the Group's system of risk management and internal control for the year under review, and up to the date of this Statement. The Board is of the view that there are no significant breakdowns or weaknesses in the system of internal control of the Group that may result in material losses incurred by the Group for the financial year ended 30 September 2025. The Board and the Management continuously take measures to enhance the control environment and monitor the risk management and internal control framework in order to meet the Group's business objectives. This statement was made in accordance with a Board of Directors' resolution dated 26 January 2026.

The Audit And Risk Management Terms of Reference are available for reference on the Company's corporate website at www.hhrg.com.my.

Audit And Risk Management Committee Report

Composition of Audit and Risk Management Committee ("Committee" or "ARMC")

The Committee members are nominated and appointed by the Board. Currently, the ARMC consists of three (3) members as of the date of this report:

Nur Bahiyah Azlinda binti Abu Bakar	Chairman/ Independent Non-Executive Director
Abdul Rahman Bin Haji Din	Member/ Independent Non-Executive Director
Chan Hon Woo	Member/ Independent Non-Executive Director

Objectives

The Committee is established to assist the Board in ensuring timely and accurate financial reporting, proper implementation of risk management policies and internal control, and regulatory compliance.

Authority

- (a) The Committee is authorised by the Board to carry out the duties mentioned below and the Board and Management shall give all assistance that is necessary to enable the Committee to discharge its duties.
- (b) The Committee shall, whenever necessary and reasonable for the performance of its duties and in accordance with a procedure to be determined by the Board and at the Company's cost:
- have explicit authority to investigate any matter within its terms of reference;
 - have the resources which are required to perform its duties;
 - have, at the expense of the Company, full/unrestricted access to all information and documents/ resources pertaining to the Company which are required to perform its duties;
 - have direct communication channels with the external auditors, person(s) carrying out the internal audit function or activity (if any) and senior management of the Company;
 - be able to obtain external and independent professional or other advice, and to invite outsiders with relevant experience to attend meetings, if necessary; and
 - be able to convene meetings with the external auditors, the internal auditors or both, excluding the attendance of other directors and employees of the Company, whenever deemed necessary
- (c) Procedure of the Committee

The Committee may regulate its own procedure, in particular:

- the calling of meetings;
- the notice to be given of such meetings;
- the voting and proceedings of such meetings;
- the keeping of minutes; and
- the custody, production and inspection of such minutes.

Audit And Risk Management Committee Report (Cont'd)

Attendance at Meetings

During the financial year under review, 6 meetings were held and the details of attendance of each member are as follows:

	Attendance of Meetings
<u>Chairman</u>	
Nur Bahiyah Azlinda binti Abu Bakar (Appointed 02.07.2025)	1/1 ⁽ⁱ⁾
<u>Members</u>	
Abdul Rahman Bin Haji Din (Appointed on 21.05.2024)	6/6 ⁽ⁱⁱ⁾
Chan Hon Woo (Appointed on 21.05.2024)	5/6

Notes

⁽ⁱ⁾ One meeting was held subsequent to her appointment and up to 30 September 2025.

⁽ⁱⁱ⁾ Redesignated from Chairman to Committee Member on 2 July 2025.

Summary of Activities of the Committee

In discharging its function, the Committee had carried out the following activities during the financial year ended 30 September 2025:

- Financial Reporting
 - (a) Reviewed the unaudited quarterly financial reports prior to recommending them to the Board for approval of announcement to Bursa Malaysia Securities Berhad ("Bursa Securities");
 - (b) Reviewed the annual audited financial statements of the Company and of the Group for the financial year ended 31 March 2024 prior to recommending it to the Board for approval of announcement to Bursa Securities;
 - (c) Reviewed the Committee Report, Statement of Corporate Governance and Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31 March 2024 ("Annual Report 2024") to ensure the contents therein are accurate and in compliance with the ACE Market Listing Requirements ("AMLR") of Bursa Securities;
 - (d) Reviewed the list of related party transaction undertaken by the Group during the financial year and confirmed that the transaction was undertaken at arm's length basis and that the terms are not more favourable than those generally available to the public, and that adequate and accurate disclosure was made in compliance with the AMLR; and
 - (e) Reviewed the Circular to Shareholders in relation to the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction ("**RRPT Circular**") to Shareholders dated 29 July 2024 before recommending them to the Board for consideration and approval.
- External Auditors
 - (a) Reviewed and assessed the suitability and independence of the external auditors. To this end, the Committee had obtained confirmation from the External Auditors on their independence and were not aware of any potential conflict of interest situation;
 - (b) Reviewed the performance appraisal of the External Auditors and recommended the Board for their re-appointment for financial year ended 2025;
 - (c) Reviewed and discussed the audit findings in relation to the audited financial statements for the financial year ended 31 March 2024 as well as few internal control areas that required improvement as recommended by the External Auditors. To this end, the Committee had reviewed the findings highlighted, deliberated on the Management's responses thereto and evaluated the recommended improvement action plans to ensure the areas of concern are adequately mitigated;

Audit And Risk Management Committee Report (Cont'd)

Summary of Activities of the Committee (Cont'd)

- External Auditors (Cont'd)
 - (d) Reviewed the scope of work and audit plan tabled by the External Auditors in relation to the statutory audit for the financial year ended 30 September 2025. The Committee had obtained updates from the External Auditors on the new accounting standards, auditing standards and other changes relating to the legal and regulatory requirements that came into effect during the financial year ended 30 September 2025; and
 - (e) Held private session (without the presence of the Executive Directors and Management) with the External Auditors twice during the financial year under review.
- Internal Auditors
 - (a) Reviewed the internal audit plans and scope of works submitted by the Internal Auditors engaged by the Group;
 - (b) Reviewed the internal audit reports submitted by the Internal Auditors, and discussed the findings and recommendations with the Management; and
 - (c) Reviewed the performance appraisal of the Internal Auditors and recommended the Board for their re-appointment.

The Committee confirmed that it has been allowed unrestricted communication with both the External and Internal Auditors during the financial year under review, and participations of the Executive Directors and Management in the Committee's meetings were strictly upon invitation.

Subsequent to the financial year end, the Committee had reviewed the following prior to recommending to the Board for approval:

- The audited financial statements of the Company and the Group for the financial year ended 30 September 2025;
- The Committee Report, Corporate Governance Overview Statement, Corporate Governance Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 30 September 2025;
- The RRPT Circular dated 30 January 2026; and
- The performance appraisal of the External Auditors for their re-appointment for the financial year ending 30 September 2025.

Internal Audit Function

The Group has outsourced its internal audit function to an external professional internal audit firm, JWC Consulting Sdn Bhd ("Internal Auditors").

The Internal Auditors report directly to the Committee. The primary role of the internal audit function is to review the effectiveness of the Group's systems on internal control and this is performed with impartiality, proficiency and due professional care. The internal audit function adopts a risk-based auditing approach by focusing on reviewing identified high risk areas for compliance with control policies and procedures, identifying business risk which have not been appropriately addressed and evaluating the adequacy and effectiveness of controls.

The internal audit function assists the Committee in discharging its duties and responsibilities with respect to the adequacy and effectiveness of the Group's internal control system. In order to maintain the integrity of the internal audit function, the Internal Auditors report directly to the Committee.

During the financial year under review, the Internal Auditors conducted a review of the Sales and Marketing Department and the Store Department. The findings and recommendations were reported to the Committee.

The Internal Audit Report was issued on 7 November 2025 and the scope of the review covered the following areas:

- i. Sales and marketing activities; and
- ii. Inventory management.

The total internal audit fees incurred for the above review during the financial year under review amounted to RM42,000.

Additional Compliance Information

UTILISATION OF PROCEED

Proposed 10% Private Placement Fund

On 24 July 2024, Company announced that the proposed private placement of up to 10% of the number of issued shares in the Company (excluding any treasury shares) pursuant to the general mandate obtained from the Company's shareholders ("**Proposed Private Placement**") has been completed. A total of 86,822,700 new shares were placed out with total gross proceeds raised amounted to RM12,396,792 under the Proposed Private Placement. The status of utilisation of the proceeds as per reporting date as follow:

Purpose	Intended Timeframe for Utilisation	Proposed Utilisation RM'000	Actual Utilisation As at [29.01.26] 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	-
Total		12,397	12,397	-

AUDIT AND NON-AUDIT FEES

	Financial Year Ended 30 Sept 2025	
	Group RM	Company RM
Audit fees paid and payable to the external auditors	438,750	49,500
Non-audit fees paid and payable to external auditors and its affiliate for corporate tax compliance services rendered	206,463	7,500
	645,213	57,000

MATERIAL CONTRACTS INVOLVING DIRECTORS' AND MAJOR SHAREHOLDERS' INTEREST

There were no material contract which had been entered into by the Company and its subsidiaries involving the interests of the directors and major shareholders of the Company, either still subsisting at the end of the financial year or entered into since the end of the previous financial year.

CONTRACT RELATING TO LOAN BY THE COMPANY

There was no contract relating to loan entered into by the Company and its subsidiaries involving the interest of the directors and major shareholders of the Company.

Additional Compliance Information (Cont'd)

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPTs")

Details on the RRPTs entered into by the Group during the financial year under review are disclosed under Note 36 to the Financial Statements on page 188 to 190 of this Annual Report. The Company is also seeking shareholders' approval for the proposed renewal of shareholders' mandate for RRPTs in the forthcoming annual general meeting. The details of the RRPTs to be entered into by the Group with the related party are included in the Circular to Shareholders.

SHARE ISSUANCE SCHEME ("SIS")

The Company's SIS is governed by the By-Laws which were approved by the shareholders at an Extraordinary General Meeting held on 2 December 2020. The SIS was in force for a period of five (5) years commencing from 7 May 2021 to 6 May 2026.

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 SIS.

Details of SIS is disclosed in the Directors' Report appearing on Page 101 and under Note 31 to the Financial Statements on page 183 to 185 of this Annual Report.

Directors' Responsibility Statement

In the course of preparing the annual financial statements for the Group and the Company, the Directors reaffirm that they are collectively responsible for ensuring that these financial statements are drawn up in accordance with the requirements of the applicable approved accounting standards in Malaysia, the provisions of the Companies Act 2016 and the Listing Requirements; and that the financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group for the financial year ended 30 September 2025.

To ensure that the financial statements are properly drawn up, the Directors have taken the following measures:

- adopted the relevant Malaysian Financial Reporting Standards and International Financial Reporting Standards;
- applied the appropriate and relevant accounting policies on consistent basis;
- where applicable, made judgements and estimates that are reasonable and prudent;
- prepared the financial statements on going concern basis; and
- ensured that proper accounting records are kept in accordance with the requirements of the Act so as to enable the preparation of the financial statements with reasonable accuracy.

The Directors have also made reasonable steps to prevent and detect fraud as well as other irregularities in safeguarding the assets of the Group.

This statement was made in accordance with a Board of Directors' resolution dated 26 January 2026.

Financial Statements

- 100** Directors' Report
- 106** Statement By Directors
- 106** Statutory Declaration
- 107** Independent Auditors' Report To The Members
- 111** Statements Of Financial Position
- 113** Statements Of Profit Or Loss And Other Comprehensive Income
- 114** Statement Of Changes In Equity
- 120** Statements Of Cash Flows
- 125** Notes To The Financial Statements



Directors' Report

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial period ended 30 September 2025.

Principal Activities

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements.

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

Change of Financial Year End

The financial year end of the Company was changed from 31 March to 30 September. Accordingly, the current financial statements are prepared for 18 months from 1 April 2024 to 30 September 2025. As a result, the comparative figures stated in the statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows and the related notes to financial statements are not comparable.

Financial Results

	Group RM	Company RM
Profit for the financial period	<u>9,531,496</u>	<u>10,716,256</u>
Attributable to:		
Owners of the parent	10,370,540	10,716,256
Non-controlling interests	<u>(839,044)</u>	<u>-</u>
	<u>9,531,496</u>	<u>10,716,256</u>

Reserves and Provisions

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

Dividends

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

Issue of Shares and Debentures

During the financial period, the Company issued:

- (a) 1,296,800 new ordinary shares at a weighted average exercise price of RM0.080 per ordinary share for total consideration of RM103,744 from the exercise of warrants; and
- (b) 92,411,000 new ordinary shares at a weighted average exercise price of RM0.105 per ordinary share for total consideration of RM9,703,155 from the exercise of Share Issuance Scheme ("SIS"); and

Directors' Report (Cont'd)

Issue of Shares and Debentures (Cont'd)

During the financial period, the Company issued: (Cont'd)

- (c) private placement of 86,822,700 new ordinary shares at a weighted average exercise price of RM0.143 per ordinary share for total consideration of RM12,396,792.

The new ordinary shares issued during the financial period shall rank pari passu in all respects with the existing ordinary shares of the Company.

There was no issuance of debentures during the financial period.

Treasury Shares

During the financial period, the Company repurchased 40,900,000 ordinary shares of its issued share capital from the open market. The average price paid for the shares repurchased was RM0.125 per share. The total consideration paid for the repurchase, including transaction costs, was RM5,105,895. The repurchased transactions were financed by internal generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127 of the Companies Act 2016.

As at 30 September 2025, the Company held 40,900,000 treasury shares out of the total 1,048,366,259 issued ordinary shares. Further relevant details are disclosed in Note 19 to the financial statements.

Options Granted Over Unissued Shares

Employees' Share Option Scheme - Share Issuance Scheme ("SIS")

The Company's SIS is governed by the By-Laws which was approved by the shareholders at an Extraordinary General Meeting held on 2 December 2020. The SIS is in force for a period of five years commencing from 7 May 2021 to 6 May 2026.

The salient features of the SIS are disclosed in the Note 31 to the financial statements.

As at 30 September 2025, the options offered to take up unissued ordinary shares and the exercise prices are as follows:

Grant date	Exercise price	Number of SIS over ordinary shares				Balance at 30.9.2025
		Balance at 1.4.2024	Granted	Exercised	forfeited	
25.10.2021	RM0.20*	39,376,418	-	-	(39,376,415)	3
6.11.2024	RM0.11	-	202,100,000	(92,411,000)	(650,000)	109,039,000

* Adjustment to the exercise price and number of options pursuant to the Company's Bonus Issue.

Warrants

The salient features of the Warrants are disclosed in Note 20(b) to the financial statements.

As at 30 September 2025, the total numbers of Warrants that remain unexercised were 71,806,007.

Directors' Report (Cont'd)

Directors

The Directors in office during the financial period until the date of this report are:

Guok Ngek Seong	(Appointed on 2.4.2024)
Abdul Rahman Bin Haji Din	(Appointed on 21.5.2024)
Chan Hon Woo	(Appointed on 21.5.2024)
Yang Berbahagia Dato' Paduka Ammar Bin Dato' Shaikh Mahmood Naim	(Appointed on 21.6.2024)
Ju Siew Lee	(Appointed on 1.11.2024 and resigned on 4.4.2025)
Nur Bahiyah Azlinda Binti Abu Bakar	(Appointed on 2.7.2025)
Wong Wan Chin	(Resigned on 10.5.2024)
Cheah Swi Chun	(Resigned on 21.5.2024)
Lee Yee Wooi	(Resigned on 28.6.2024)
Dato' H'ng Choon Seng	(Resigned on 28.6.2024)
Ng Chin Nam	(Retired on 27.8.2024)
Ho Whye Chong	(Resigned on 13.2.2025)

The Directors who held office in the subsidiary companies (excluding Directors who are also Directors of the Company) during the financial period up to the date of this report:

Cheng Pek Tong	
Ch'ng Chen Mong	
Ch'ng Su Yen	
Lee Meng Wei	
Muhammad Adib Bin Zailani	
Ruhani Binti Ismail	
Tan Poh Cheng	
Charmaine Goh Min Yee	(Appointed on 18.7.2024)
Ng Ying Ying	(Appointed on 18.7.2024)
Tay Mc' Way	(Appointed on 13.11.2024)
Roslizan Bin Nekmat	(Appointed on 30.12.2024)
Ang Choon Teik	(Appointed on 4.4.2025)
Pang Peng Huat	(Appointed on 12.6.2025)
Datin Khor Mooi Kim	(Resigned on 30.6.2024)
Teh Chai Luang	(Resigned on 30.6.2024)
Chuah Hang Chew	(Resigned on 5.8.2024)
Boo Chin Weng	(Retired on 31.10.2024)
Khor Teik Boon	(Resigned on 20.1.2025)
Wang, Yung-Chien	(Resigned on 13.3.2025)
Fong Chee Khuen	(Removed on 17.7.2025)

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

Directors' Report (Cont'd)

Directors' Interests in Shares

None of the other Directors in office at the end of the financial period had any interest in shares in the Company or its related corporations during the financial period.

Directors' Benefits

Since the end of the previous financial period, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown in below) 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, other than as disclosed in Note 36 to the financial statements.

The details of the Directors' remuneration for the financial period ended 30 September 2025 are set out below:

	Group RM	Company RM
Executive Directors:		
Salaries and other emoluments	3,993,554	946,804
Social security contributions	15,632	1,017
Defined contribution plans	455,248	30,009
	<u>4,464,434</u>	<u>977,830</u>
Estimated monetary value of benefit-in-kind	20,078	-
	<u>4,484,512</u>	<u>977,830</u>
Non-executive Directors:		
- Directors' fees	265,318	265,318
- Other emoluments	53,400	53,400
	<u>318,718</u>	<u>318,718</u>
	<u>4,803,230</u>	<u>1,296,548</u>

Neither during nor at the end of the financial period, was the Company a party to any arrangement whose object was to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Indemnity and Insurance Costs

During the financial period, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Company were RM5,000,000 and RM32,410. No indemnity was given to or insurance effected for auditors of the Company.

Directors' Report (Cont'd)

Other Statutory Information

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial period.
- (d) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial period which will or may affect the ability of the Group and of the Company to meet its obligations as and when they fall due;
 - (ii) the results of the operations of the Group and of the Company during the financial period were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (iii) there has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial period in which this report is made.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 7 to the financial statements.

Subsequent Events

The details of the subsequent events are disclosed in Note 40 to the financial statements.

Directors' Report (Cont'd)

Auditors

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

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

The auditors' remuneration of the Group and of the Company for the financial period ended 30 September 2025 are as follow:

	Group RM	Company RM
Auditors' remuneration:		
- Statutory audit	438,750	49,500
- Non-statutory audit	5,000	5,000
	<u>443,750</u>	<u>54,500</u>

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 26 January 2026.

YANG BERBAHAGIA DATO' PADUKA AMMAR BIN
DATO' SHAIKH MAHMOOD NAIM

NUR BAHYAH AZLINDA BINTI ABU BAKAR

PENANG

Statement By Directors

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

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2025 and of their financial performance and cash flows for the financial period then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 26 January 2026.

YANG BERBAHAGIA DATO' PADUKA AMMAR BIN
DATO' SHAIKH MAHMOOD NAIM

NUR BAHYAH AZLINDA BINTI ABU BAKAR

PENANG

Statutory Declaration

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

I, CHENG PEK TONG, NRIC No.: 790727-02-5663 (MIA Membership No.: 28935), being the officer primarily responsible for the financial management of HHRG Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the)
abovenamed at George Town in the State of)
Penang on 26 January 2026)

CHENG PEK TONG

Before me,

Commissioner for Oaths

Independent Auditors' Report

To The Members Of HHRG Berhad

[Company No.: 201101041555 (969678-D)] (Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HHRG Berhad, which comprise the statements of financial position as at 30 September 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 111 to 213.

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 30 September 2025, and of their financial performance and their cash flows for the financial period then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's 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 Requirements

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and 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 period. 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.

Key Audit Matters	How we addressed the key audit matters
Impairment of Trade Receivables The carrying amount of the Group's trade receivables was amounted to RM42,153,890. During the financial period, the Group assessed the impairment of trade receivables and the assessment of impairment involves significant estimation uncertainty subjective assumptions and the application of significant judgement.	 We assessed the reasonableness of the methods and assumptions used by management in estimating the recoverable amount and impairment loss, and tested the accuracy and completeness of the data used by the management. We enquired the management and assessed the rationale underling the relationship between forward-looking information and expected credit losses. We reviewed the adequacy of the amount of impairment loss and enquired the management regarding the recoverability of a sample of trade receivables that are pass due but not impaired accounts and reviewed the customers' correspondence.

Independent Auditors' Report (Cont'd)

To The Members Of HHRG Berhad

[Company No.: 201101041555 (969678-D)] (Incorporated in Malaysia)

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 annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard.

Responsibilities of Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Independent Auditors' Report (Cont'd)

To The Members Of HHRG Berhad

[Company No.: 201101041555 (969678-D)] (Incorporated in Malaysia)

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

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

- 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 auditor's 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 financial statements of the Group. 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 compiled 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 matter 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 period and are therefore the key audit matters. We describe these matters in our auditor's 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 communicate.

Report on Other Legal and Regulatory Requirements

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

Independent Auditors' Report (Cont'd)

To The Members Of HHRG Berhad

[Company No.: 201101041555 (969678-D)] (Incorporated in Malaysia)

Other Matters

1. The financial statements of the Group and of the Company for the financial year ended 31 March 2024 were audited by another auditor who expressed an unmodified opinion on the financial statements on 25 July 2024.
2. 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 purposes. We do not assume responsibility to any other person for the content of this report.

UHY Malaysia PLT
202406000040 (LLP0041391-LCA) & AF1411
Chartered Accountants

ANG KAI SING
Approved Number: 03605/10/2027 J
Chartered Accountant

PENANG
26 January 2026

Statements Of Financial Position

As At 30 September 2025

	Note	Group		Company	
		30.9.2025	31.3.2024	30.9.2025	31.3.2024
		RM	RM	RM	RM
Assets					
Non-Current Assets					
Property, plant and equipment	4	165,099,791	71,886,929	2,262,366	450,200
Right-of-use assets	5	8,333,797	3,638,156	675,150	-
Investment properties	6	11,188,220	27,249,388	-	-
Investment in subsidiary companies	7	-	-	198,068,571	168,741,432
Intangible assets	8	2,985,912	18,084,048	-	-
Inventories	9	26,083,114	26,083,114	-	-
Keyman insurance contracts	10	465,323	449,119	-	-
Deferred tax assets	11	573,963	953,889	-	-
		<u>214,730,120</u>	<u>148,344,643</u>	<u>201,006,087</u>	<u>169,191,632</u>
Current Assets					
Inventories	9	20,595,152	12,364,422	-	-
Trade receivables	12	42,153,890	33,016,937	-	-
Other receivables	13	8,251,756	10,769,871	1,928,976	2,550,783
Other investments	14	2,512,723	24,108,289	254,215	11,308,628
Amount due from subsidiary companies	15	-	-	47,077,147	24,861,158
Keyman insurance contracts	10	206,721	206,721	-	-
Tax recoverable		2,989,353	1,550,609	12,379	8,587
Deposits, bank and cash balances	16	28,741,511	28,348,963	1,014,205	2,789,251
		<u>105,451,106</u>	<u>110,365,812</u>	<u>50,286,922</u>	<u>41,518,407</u>
Non-current assets classified as held for sale	17	-	8,676,251	-	-
		<u>105,451,106</u>	<u>119,042,063</u>	<u>50,286,922</u>	<u>41,518,407</u>
Total Assets		<u>320,181,226</u>	<u>267,386,706</u>	<u>251,293,009</u>	<u>210,710,039</u>

Statements Of Financial Position (Cont'd)

As At 30 September 2025

	Note	Group		Company	
		30.9.2025	31.3.2024	30.9.2025	31.3.2024
		RM	RM	RM	RM
Equity					
Share capital	18	177,722,336	153,775,657	177,722,336	153,775,657
Treasury shares	19	(5,105,895)	-	(5,105,895)	-
Reserves	20	2,251,818	(406,660)	3,966,882	4,778,340
Retained earnings		37,661,875	29,664,894	58,058,290	44,415,439
Equity attributable to owners of the parent		212,530,134	183,033,891	234,641,613	202,969,436
Non-controlling interests		68,709,120	22,306,689	-	-
Total Equity		<u>281,239,254</u>	<u>205,340,580</u>	<u>234,641,613</u>	<u>202,969,436</u>
Liabilities					
Non-Current Liabilities					
Lease liabilities	21	4,143,214	1,315,927	374,453	228,198
Bank borrowings	22	8,329,145	20,198,447	-	-
Deferred tax liabilities	11	1,590,618	1,862,508	-	5,000
		<u>14,062,977</u>	<u>23,376,882</u>	<u>374,453</u>	<u>233,198</u>
Current Liabilities					
Lease liabilities	21	3,505,915	2,657,900	417,447	117,216
Bank borrowings	22	3,968,985	10,442,714	-	-
Trade payables	23	3,007,076	6,099,897	-	-
Other payables	24	14,121,716	17,874,027	5,759,398	1,743,966
Contract liabilities	25	275,303	1,594,196	-	-
Amount due to subsidiary companies	15	-	-	10,100,098	5,646,223
Tax payable		-	510	-	-
		<u>24,878,995</u>	<u>38,669,244</u>	<u>16,276,943</u>	<u>7,507,405</u>
Total Liabilities		<u>38,941,972</u>	<u>62,046,126</u>	<u>16,651,396</u>	<u>7,740,603</u>
Total Equity and Liabilities		<u>320,181,226</u>	<u>267,386,706</u>	<u>251,293,009</u>	<u>210,710,039</u>

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

Statements Of Profit Or Loss And Other Comprehensive Income

For The Financial Period Ended 30 September 2025

	Note	Group		Company	
		1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM
Revenue	26	182,813,881	124,321,568	25,973,000	12,577,800
Cost of sales		<u>(130,166,153)</u>	<u>(90,012,134)</u>	<u>-</u>	<u>-</u>
Gross profit		52,647,728	34,309,434	25,973,000	12,577,800
Other income		24,836,154	2,920,379	4,471,202	12,311,153
Administrative expenses		(52,517,581)	(20,246,453)	(18,290,256)	(6,061,121)
Selling and distribution expenses		(4,029,752)	(4,793,513)	-	-
Net (losses)/gains on impairment of financial instruments		<u>(6,098,815)</u>	<u>10,365</u>	<u>-</u>	<u>-</u>
Profit from operations		14,837,734	12,200,212	12,153,946	18,827,832
Finance costs	27	<u>(2,904,527)</u>	<u>(1,983,405)</u>	<u>(1,430,359)</u>	<u>(204,293)</u>
Profit before tax	28	11,933,207	10,216,807	10,723,587	18,623,539
Taxation	29	<u>(2,401,711)</u>	<u>(2,360,929)</u>	<u>(7,331)</u>	<u>(28,008)</u>
Profit for the financial period/year, representing total comprehensive income for the financial period/year		<u>9,531,496</u>	<u>7,855,878</u>	<u>10,716,256</u>	<u>18,595,531</u>
Profit for the financial period/year, representative total comprehensive income for the financial period/year attributable to:					
Owners of the parent		10,370,540	7,086,988	10,716,256	18,595,531
Non-controlling interests		<u>(839,044)</u>	<u>768,890</u>	<u>-</u>	<u>-</u>
		<u>9,531,496</u>	<u>7,855,878</u>	<u>10,716,256</u>	<u>18,595,531</u>
Earnings per share attributable to owners of the parent:					
Basic (sen)	30	<u>1.09</u>	<u>0.82</u>		
Diluted (sen)	30	<u>0.98</u>	<u>0.76</u>		

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

Statements Of Changes In Equity

For The Financial Period Ended 30 September 2025

		Attributable to Owners of the Company									
		Non-distributable					Distributable				
NOTE	Group	Capital									
		Share Capital	Treasury Shares	Contribution Reserve	Reorganisation Reserve	Warrant Reserve	SIS Reserve	Retained Earnings	Total	Controlling Interests	Total Equity
		RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
	At 1 April 2024	153,775,657	-	-	(5,185,000)	1,864,485	2,913,855	29,664,894	183,033,891	22,306,689	205,340,580
	30.9.2025										
	Profit for the financial period, representing total other comprehensive income for the financial period	-	-	-	-	-	-	10,370,540	10,370,540	(839,044)	9,531,496

Statements Of Changes In Equity (Cont'd)

For The Financial Period Ended 30 September 2025

Group	Transaction with owners:	Attributable to Owners of the Company																				
		Non-distributable					Distributable															
		Share Capital RM	Treasury Shares RM	Contribution Reserve RM	Reorganisation Reserve RM	Warrant Reserve RM	SIS Reserve RM	Retained Earnings RM	Total RM	Controlling Interests RM	Non-Controlling Interests RM	Total Equity RM										
NOTE																						
30.9.2025 (Cont'd)																						
	Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	47,362,060	-	47,362,060	-	-	-	-	47,362,060	
	Changes in ownership interests in subsidiary companies	-	-	-	-	-	-	-	-	-	-	(5,300,154)	(5,300,154)	(199,846)	-	(5,500,000)	-	-	-	-	(5,500,000)	
	Disposal of a subsidiary company	-	-	-	-	-	-	-	-	-	-	-	-	79,261	-	79,261	-	-	-	-	79,261	
	Issuance of new shares pursuant to:																					
	- Exercise of Warrants	103,744	-	-	-	-	-	-	-	-	-	-	103,744	-	-	103,744	-	-	-	-	103,744	
	- Exercise of SIS	9,703,155	-	-	-	-	-	-	-	-	-	-	9,703,155	-	-	9,703,155	-	-	-	-	9,703,155	
	- Private placement, net of transaction costs	12,294,808	-	-	-	-	-	-	-	-	-	-	-	-	-	12,294,808	-	-	-	-	12,294,808	
	Contribution of capital	-	-	3,469,936	-	-	-	-	-	-	-	-	3,469,936	-	-	3,469,936	-	-	-	-	3,469,936	

Statements Of Changes In Equity (Cont'd)

For The Financial Period Ended 30 September 2025

NOTE	Attributable to Owners of the Company											
	Non-distributable					Distributable						
	Share Capital RM	Treasury Shares RM	Contribution Reserve RM	Reorganisation Reserve RM	Warrant Reserve RM	SIS Reserve RM	Retained Earnings RM	Total RM	Controlling Interests RM	Non-Controlling Interests RM	Total Equity RM	
Group												
30.9.2025												
(Cont'd)												
Transaction with owners: (Cont'd)												
Share option forfeited under SIS	-	-	-	-	-	(2,926,595)	2,926,595	-	-	-	-	-
Share-based payment granted	-	-	-	-	-	3,960,109	-	3,960,109	-	-	3,960,109	-
Share repurchases	-	(5,105,895)	-	-	-	-	-	(5,105,895)	-	-	(5,105,895)	-
Transfer of warrant reserve upon exercise of Warrants	33,717	-	-	-	(33,717)	-	-	-	-	-	-	-
Transfer of SIS reserve upon exercise of SIS	1,811,255	-	-	-	-	(1,811,255)	-	-	-	-	-	-
	23,946,679	(5,105,895)	3,469,936	-	(33,717)	(777,741)	(2,373,559)	19,125,703	47,241,475	66,367,178		
At 30 September 2025	177,722,336	(5,105,895)	3,469,936	(5,185,000)	1,830,768	2,136,114	37,661,875	212,530,134	68,709,120	281,239,254		

Statements Of Changes In Equity (Cont'd)

For The Financial Period Ended 30 September 2025

		Attributable to Owners of the Company						Total Equity RM
		Non-distributable			Distributable			
NOTE	Share Capital RM	Reorganisation Reserve RM	Warrant Reserve RM	SIS Reserve RM	Retained Earnings RM	Total RM	Non- Controlling Interests RM	Total Equity RM
Group								
31.3.2024								
At 1 April 2023	140,078,436	(5,185,000)	2,090,490	6,319,138	22,577,906	165,880,970	23,389,999	189,270,969
Profit for the financial year, representing total other comprehensive income for the financial year	-	-	-	-	7,086,988	7,086,988	768,890	7,855,878
Transaction with owners:								
Dividend paid to non-controlling interests	-	-	-	-	-	-	(1,852,200)	(1,852,200)
Issuance of new shares pursuant to:								
- Exercise of Warrants	723,217	-	-	-	-	723,217	-	723,217
- Exercise of SIS	9,342,716	-	-	-	-	9,342,716	-	9,342,716
Transfer of warrant reserve upon exercise of Warrants	226,005	-	(226,005)	-	-	-	-	-
Transfer of SIS reserve upon exercise of SIS	3,405,283	-	-	(3,405,283)	-	-	-	-
	13,697,221	-	(226,005)	(3,405,283)	-	10,065,933	(1,852,200)	8,213,733
At 31 March 2024	153,775,657	(5,185,000)	1,864,485	2,913,855	29,664,894	183,033,891	22,306,689	205,340,580

Statements Of Changes In Equity (Cont'd)

For The Financial Period Ended 30 September 2025

NOTE	Non-distributable			Distributable			Total Equity RM
	Share Capital RM	Treasure Shares RM	Warrant Reserves RM	SIS Reserves RM	Retained Earnings RM		
	153,775,657	-	1,864,485	2,913,855	44,415,439	202,969,436	
	-	-	-	-	10,716,256	10,716,256	
	103,744	-	-	-	-	103,744	
	9,703,155	-	-	-	-	9,703,155	
	12,294,808	-	-	-	-	12,294,808	
	-	-	-	(2,926,595)	2,926,595	-	
	-	(5,105,895)	-	3,960,109	-	3,960,109	
	33,717	-	(33,717)	-	-	(5,105,895)	
	1,811,255	-	-	(1,811,255)	-	-	
	23,946,679	(5,105,895)	(33,717)	(777,741)	2,926,595	20,955,921	
	177,722,336	(5,105,895)	1,830,768	2,136,114	58,058,290	234,641,613	

Company
30.9.2025

At 1 April 2024

Profit for the financial period, representing total other comprehensive income for the financial period

Transactions with owners:

Issuance of shares pursuant to:

- Exercise of warrants

- Exercise of SIS

- Private placement, net of transaction costs

Reversal of SIS due to resignation of directors

Share based payments granted

Share repurchases

Transfer of warrant reserve upon exercise of warrants

Transfer of SIS reserve upon exercise of SIS

At 30 September 2025

Statements Of Changes In Equity (Cont'd)

For The Financial Period Ended 30 September 2025

NOTE	Non-distributable			Distributable			Total Equity RM
	Share Capital RM	Warrant Reserves RM	SIS Reserves RM	Retained Earnings RM			
	140,078,436	2,090,490	6,319,138	25,819,908			174,307,972
	-	-	-	18,595,531			18,595,531
18	723,217	-	-	-	-	-	723,217
18	9,342,716	-	-	-	-	-	9,342,716
18	226,005	(226,005)	-	-	-	-	-
18	3,405,283	-	(3,405,283)	-	-	-	-
	13,697,221	(226,005)	(3,405,283)	-	-	-	10,065,933
	153,775,657	1,864,485	2,913,855	44,415,439			202,969,436

Company

31.3.2024

At 1 April 2023

Profit for the financial year, representing total other comprehensive income for the financial year

Transactions with owners:

Issuance of new shares pursuant to:

- Exercise of Warrants

- Exercise of SIS

Transfer of warrant reserve upon exercise of Warrants

Transfer of SIS reserve upon exercise of SIS

At 31 March 2024

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

Statements Of Cash Flows

For The Financial Period Ended 30 September 2025

	Group		Company	
	1.4.2024 to 30.9.2025	1.4.2023 to 31.3.2024	1.4.2024 to 30.9.2025	1.4.2023 to 31.3.2024
Note	RM	RM	RM	RM
Cash flows from operating activities				
Profit before tax	11,933,207	10,216,807	10,723,587	18,623,539
Adjustments for:				
Allowance for inventories obsolescence	392,970	-	-	-
Amortisation of intangible assets:				
- customer relationship	1,935,599	1,290,400	-	-
- branding	14,312	8,744	-	-
- trademarks	37,021	24,680	-	-
Bargain purchase of subsidiaries	(9,295,204)	-	-	-
Deposit forfeited	-	(5,750)	-	-
Depreciation of:				
- property, plant and equipment	8,950,714	6,532,688	417,460	137,296
- investment properties	471,590	517,191	-	-
- right-of-use assets	4,278,964	2,699,765	390,219	-
Dividend income from other investments	(18,155)	(278,267)	(7,732)	(113,191)
Fair value gain on:				
- derivative financial instruments	-	(22,468)	-	-
- keyman insurance contracts	(16,204)	(35,150)	-	-
- other investments	(319,520)	(313,104)	(114,010)	(179,651)
Finance costs	2,904,527	1,983,405	1,430,359	204,293
Gain on modification of lease terms	(128,742)	-	-	-
(Gain)/Loss on disposal of:				
- investment in subsidiary	(92,496)	-	-	-
- investment properties	(6,219,496)	(212,156)	-	-
- other investments	-	493,396	-	-
- property, plant and equipment	326,566	(160,992)	(40,800)	-
- non-current assets classified as held for sale	(1,783,525)	-	-	-

Statements Of Cash Flows (Cont'd)

For The Financial Period Ended 30 September 2025

	Group		Company	
	1.4.2024 to 30.9.2025	1.4.2023 to 31.3.2024	1.4.2024 to 30.9.2025	1.4.2023 to 31.3.2024
Note	RM	RM	RM	RM
Cash flows from operating activities				
(Cont'd)				
Adjustments for: (Cont'd)				
Impairment losses on:				
- intangible assets	13,111,204	-	-	-
- other receivables	3,157,954	-	-	-
- property, plant and equipment	233,035	-	-	-
- trade receivables	2,940,861	63,412	-	-
Inventories written down:				
- addition	-	421,715	-	-
- reversal	-	(274,278)	-	-
Interest income	(542,266)	(675,833)	(2,319,303)	(518,312)
Reversal of impairment losses on:				
- investment in a subsidiary	-	-	-	(11,499,999)
- trade receivables	-	(73,777)	-	-
Share based payment	3,960,109	-	3,189,330	-
Unrealised loss/(gain) on foreign exchange				
	64,188	(12,282)	-	-
Written off of:				
- bad debts	36,977	-	18,976	-
- property, plant and equipment	760,405	610,041	-	-
Operating profit before working capital changes	37,094,595	22,798,187	13,688,086	6,653,975

Statements Of Cash Flows (Cont'd)

For The Financial Period Ended 30 September 2025

	Note	Group		Company	
		1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM
Cash flows from operating activities					
(Cont'd)					
Changes in working capital:					
Inventories		(8,619,650)	(237,011)	-	-
Trade and other receivables		130,128	(17,428,793)	602,831	(2,518,829)
Trade and other payables		(21,110,470)	1,971,082	(384,568)	828,664
Contract liabilities		(1,318,893)	700,131	-	-
Cash generated from operations		6,175,710	7,803,596	13,906,349	4,963,810
Tax paid		(3,431,907)	(4,499,852)	(23,761)	(36,315)
Tax refunded		453,122	60,890	7,638	-
Real property gains tax paid		(733,692)	(283,801)	-	-
Interest paid		(2,904,527)	(1,983,405)	(1,430,359)	(204,293)
Interest received		542,266	675,833	2,319,303	518,312
Net cash from operating activities		100,972	1,773,261	14,779,170	5,241,514
Cash flows from investing activities					
Acquisition of:					
- investment properties	6	(3,533)	(2,864,394)	-	-
- property, plant and equipment	4(e)	(11,551,767)	(5,502,215)	(2,431,826)	-
- subsidiary companies, net of cash	7(b)	(39,999,407)	(4,619,095)	(40,000,030)	(371,000)
- Convertible Redeemable Preference Shares	7(e)	-	-	(2,400,000)	-
Addition of other investments		(32,110,000)	(8,260,224)	(30,810,000)	(2,223,600)
Advances to subsidiary companies		-	-	(22,215,989)	(24,141,199)
Changes in fixed deposits with licensed banks		(3,923,310)	310,016	-	-
Changes in ownership interests in subsidiary companies	7(d)	(1,100,000)	-	(1,100,000)	-
Disposal of a subsidiary company	7(c)	(549,487)	-	-	-
Dividend received		18,155	278,267	7,732	113,191
Proceed from redemption of Convertible Redeemable Preference Shares	7(e)	-	-	19,343,670	-

Statements Of Cash Flows (Cont'd)

For The Financial Period Ended 30 September 2025

	Note	Group		Company	
		1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM
Cash flows from investing activities (Cont'd)					
Proceed from disposal of:					
- investment properties		14,724,636	8,145,078	-	-
- non-current assets classified as held for sale		10,459,776	-	-	-
- other investments		54,025,086	-	41,978,423	-
- property, plant and equipment		2,984,342	439,952	243,000	-
Net cash used in investing activities		<u>(7,025,509)</u>	<u>(12,072,615)</u>	<u>(37,385,020)</u>	<u>(26,622,608)</u>
Cash flows from financing activities					
Advance from subsidiary companies	33	-	-	4,453,875	5,646,223
Contribution of capital	20	3,469,936	-	-	-
Dividend paid to non-controlling interests	33	-	(1,852,200)	-	-
Repurchases of treasury shares	19	(5,105,895)	-	(5,105,895)	-
Proceeds from exercise of SIS	18	9,703,155	9,342,716	9,703,155	9,342,716
Proceeds from exercise of Warrants	18	103,744	723,217	103,744	723,217
Proceeds from private placement, net of transaction costs	18	12,294,808	-	12,294,808	-
Repayment of lease liabilities	33	(5,089,547)	(3,523,129)	(618,883)	(114,025)
Repayment of term loans	33	(6,223,869)	(8,539,693)	-	-
Net cash from/(used in) financing activities		<u>9,152,332</u>	<u>(3,849,089)</u>	<u>20,830,804</u>	<u>15,598,131</u>

Statements Of Cash Flows (Cont'd)

For The Financial Period Ended 30 September 2025

	Group		Company	
	1.4.2024 to 30.9.2025	1.4.2023 to 31.3.2024	1.4.2024 to 30.9.2025	1.4.2023 to 31.3.2024
Note	RM	RM	RM	RM
Net increase/(decrease) in cash and cash equivalents	2,227,795	(14,148,443)	(1,775,046)	(5,782,963)
Effect on currency translation difference	(1,097)	(4,494)	-	-
Cash and cash equivalents at the beginning of the financial period/year	13,866,737	28,019,674	2,789,251	8,572,214
Cash and cash equivalents at the end of the financial period/year	16,093,435	13,866,737	1,014,205	2,789,251
Cash and cash equivalents at the end of the financial period/year comprise:				
Cash and bank balances	19,078,251	15,407,549	1,014,205	1,242,392
Fixed deposits with licensed banks	9,663,260	11,741,414	-	1,546,859
Short term money market deposits	-	1,200,000	-	-
	28,741,511	28,348,963	1,014,205	2,789,251
Less: Bank overdrafts	(3,229,628)	(8,987,088)	-	-
Less: Fixed deposits pledged to licensed banks	(9,418,448)	(5,495,138)	-	-
	16,093,435	13,866,737	1,014,205	2,789,251

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

Notes To The Financial Statements

30 September 2025

1. Corporate Information

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

The financial year end of the Company was changed from 31 March to 30 September. Accordingly, the current financial statements are prepared for 18 months from 1 April 2024 to 30 September 2025. As a result, the comparative figures stated in the statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows and the related notes to financial statements are not comparable.

The registered office of the Company is located at 51-8-A Menara BHL, Jalan Sultan Ahmad Shah, 10050 George Town, Pulau Pinang. With effect from 12 September 2025, the registered office of the Company has been relocated to 3B-06-01, Level 6, Tower 3B, UOA Business Park, No. 1, Jalan Pengaturcara U1/51A, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia.

The principal place of business of the Company is located at Lot 2945 (Plot A2), Jalan Sungai Baong, Kawasan Perindustrian Perabut, Mukim 5, Sungai Baong, 14200 Sungai Bakap, Pulau Pinang. With effect from 20 June 2025, the principal place of business of the Company has been relocated to 3B-06-01, Level 6, Tower 3B, UOA Business Park, No. 1, Jalan Pengaturcara U1/51A, 40150 Shah Alam, Selangor Darul Ehsan, Malaysia.

The principal activity of the Company is investment holding. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial period.

2. Basis of Preparation

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and the Company have been prepared under the historical cost convention, unless otherwise indicated in the material account policies below.

Adoption of new and amended standards

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

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

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

Notes To The Financial Statements (Cont'd)

30 September 2025

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective

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

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

The Group and the Company intend to adopt the above new and amendments to MFRSs when they become effective.

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

MFRS 18 Presentation and Disclosure in Financial Statement

MFRS 18 will replace MFRS 101 *Presentation of Financial Statements*. It preserves the majority requirements of MFRS 101 while introducing additional requirements. In addition, narrow-scope amendments have been made to MFRS 107 *Statement of Cash Flows* and some requirements of MFRS 101 have been moved to MFRS 108 *Basis of Preparation of Financial Statements*.

MFRS 18 additional requirements are as follows:

(i) Statement of Profit or Loss and Other Comprehensive Income

MFRS 18 introduces newly defined "operating profit or loss" and "profit or loss before financing and income tax" subtotal which are to be presented in the statement of profit or loss, while the net profit or loss remains unchanged.

Statement of profit or loss to be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

2. Basis of Preparation (Cont'd)

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective (Cont'd)

The initial application of the above-mentioned new and amendments to MFRSs are not expected to have any significant impacts on the financial statements of the Group and the Company except as disclosed below: (Cont'd)

MFRS 18 Presentation and Disclosure in Financial Statement (Cont'd)

MFRS 18 additional requirements are as follows: (Cont'd)

(ii) Statement of Cash Flows

The standard modifies the starting point for calculating cash flows from operations using the indirect method, shifting from "profit or loss" to "operating profit or loss". It also provides guidance on classification of interest and dividend in statement of cash flows.

(iii) New disclosures of expenses by nature

Entities are required to present expenses in the operating category by nature, function or a mix of both. MFRS 18 includes guidance for entities to assess and determine which approach is most appropriate based on the facts and circumstances.

(iv) Management-defined Performance Measures (MPMs)

The standard requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to MPMs. MPMs are required to be reconciled to the most similar specified subtotal in MFRS Accounting Standards.

(v) Enhanced Guidance on Aggregation and Disaggregation

MFRS 18 provides enhanced guidance on grouping items based on shared characteristics and requires disaggregation when items have dissimilar characteristics or when such disaggregation is material.

The potential impact of the new standard on the financial statements of the Group and the Company have yet to be assessed.

(b) Functional and presentation currency

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

(c) Use of estimates and judgements

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

2. Basis of Preparation (Cont'd)

(c) Use of estimates and judgements

Judgements

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

Classification between investment properties and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 *Investment Property* in making judgement whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

If these portions could be sold separately (or leased out separately), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are significant that a property does not qualify as investment property.

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

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised.

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

The Group includes the renewal period as part of the lease term for lease of building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available.

Key sources of estimation uncertainty

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

Useful lives/depreciation of property, plant and equipment, investment properties and right-of-use ("ROU") assets

The Group and the Company regularly review the estimated useful lives of property, plant and equipment, investment properties and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment, investment properties and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment, investment properties and ROU assets.

The carrying amounts at the reporting date for property, plant and equipment, investment properties and ROU assets are disclosed in Notes 4, 5 and 6 respectively.

2. Basis of Preparation (Cont'd)

(c) Use of estimates and judgements (Cont'd)

Key sources of estimation uncertainty (Cont'd)

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

Impairment of property, plant and equipment

The Group assesses whether there is any indication that property, plant and equipment is impaired at the end of each reporting period. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. The recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use. The value in-use is the net present value of the projected future cash flow derived from that asset discounted at an appropriate discount rate. Projected future cash flows are calculated based on historical, sector and industry trends, general market and economic conditions, changes in technology and other available information. Changes to any of these assumptions would affect the amount of impairment. The key assumptions used to determine the recoverable amounts are disclosed in Note 4.

Impairment of goodwill on consolidation

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use amount requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The key assumptions used to determine the value-in-use is disclosed in Note 8.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 9.

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying value of recognised deferred tax assets is disclosed in Note 11.

Determination of transaction prices

The Group and the Company are required to determine the transaction price in respect of each of its contracts with customers. In making such judgment the Group and the Company assess the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods and services are based on invoiced values or retail price. Discounts are not considered as they are not only given in rare circumstances.

Discount rate used in leases

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

2. Basis of Preparation (Cont'd)

(c) Use of estimates and judgements (Cont'd)

Key sources of estimation uncertainty (Cont'd)

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

Provision for expected credit loss of financial assets at amortised cost

The Group reviews the recoverability of its financial assets at amortised cost at each reporting date to assess whether an impairment loss should be recognised.

The impairment provisions for trade receivables are determined using the simplified approach under MFRS 9, based on lifetime expected credit losses. The expected loss rates are derived from the Group's historical credit loss experience, adjusted for forward-looking information reflecting current and expected economic conditions.

The impairment assessment for loan receivables, which arise from money-lending activities carried out by a licensed subsidiary, is performed using the general approach under MFRS 9. Expected credit losses are measured based on the probability of default, loss given default, repayment behaviour of borrowers and forward-looking information. Loan receivables are assessed for significant increase in credit risk to determine whether a 12-month or lifetime expected credit loss is required.

The carrying amounts of trade receivables and loan receivables at the reporting date are disclosed in Note 12.

Employee share options

The Group and the Company measure the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also require determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. Details of assumptions made in respect of the share-based payment scheme are disclosed in Note 31.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 30 September 2025, the Group has tax recoverable and tax payable of RM2,989,353 (31.3.2024: RM1,550,609) and RMNIL (31.3.2024: RM510) respectively and the Company has tax recoverable of RM12,379 (31.3.2024: RM8,587).

Contingent liabilities

Determination of the treatment of contingent liabilities is based on management's view of the expected outcome of the contingencies after consulting legal counsel for litigation cases and internal and external experts to the Group for matters in the ordinary course of business. Details of contingent liabilities as disclosed in Note 35.

2. Basis of Preparation (Cont'd)

(c) Use of estimates and judgements (Cont'd)

Key sources of estimation uncertainty (Cont'd)

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

Fair value of financial instruments

Management uses valuation techniques in measuring the fair value of financial instruments where active market quotes are not available. Details of the assumptions used are given in the Note 38(d) regarding financial assets and liabilities. In applying the valuation techniques management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

3. Material Accounting Policies

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group and the Company, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiary companies

Subsidiary companies are all entities (including structured entities) over which the Group has control. 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. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amount of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

3. Material Accounting Policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(i) Subsidiary companies (Cont'd)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

(ii) Changes in ownership interest in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with the owner in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiary companies

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(iv) Goodwill on consolidation

The excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary company acquired (ie. a bargain purchase), the gain is recognised in profit or loss.

Following the initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment annually or more frequent when there is objective evidence that the carrying value may be impaired.

3. Material Accounting Policies (Cont'd)

(b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised in the profit or loss on straight line basis to write off the cost of each asset to its residual value over its estimated useful life. Freehold land and capital work-in-progress are not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for its intended use.

Property, plant and equipment are depreciated based on the estimated annual depreciation rates of the assets as follows:

Leasehold land	Over the remaining lease period
Buildings	Over the remaining lease period
Machinery and equipment	10%
Office equipment, furniture and fittings	10% - 40%
Electrical installation and renovation	10%
Motor vehicles	20%

(c) Leases

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated annual depreciation rates of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Land	Over the remaining lease period/term
Factory buildings	Over the remaining lease term
Office buildings	Over the remaining lease term
Hostel	Over the remaining lease term

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

(d) Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are measured at cost, including transaction costs, less any accumulated depreciation and impairment losses.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Freehold land is not depreciated. Other investment properties are depreciated on a straight-line basis to write down the cost of each asset to their residual values over their estimated useful lives. The estimated annual depreciation rates as follows:

Leasehold land	Over the remaining lease period
Buildings	Over the remaining lease period

3. Material Accounting Policies (Cont'd)

(e) Intangible assets

(i) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation methods are reviewed at the end of each reporting date, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(ii) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

(iii) Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(f) Financial assets

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

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

(a) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

3. Material Accounting Policies (Cont'd)

(f) Financial assets (Cont'd)

(b) Financial assets at fair value through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income ("FVOCI"), as described above, are measured at FVTPL. This includes derivative financial assets (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument). On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value with gains or losses recognised in the profit or loss.

All financial assets, except for those measured at FVTPL and equity investments measured at FVOCI, are subject to impairment.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received for financial instrument is recognised in profit or loss.

(g) Financial liabilities

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(h) Inventories

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

(i) Land held for property development

Land held for property development consists of purchase price of land, professional fees, stamp duties, commissions, conversion fees, other relevant levies and direct development cost incurred in preparing the land for development.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated cost necessary to make the sale. If net realisable value cannot be determined reliably, these inventories will be stated at the lower of cost or fair value costs to see. Fair value is the amount the inventory can be sold in an arm's length transaction.

3. Material Accounting Policies (Cont'd)

(h) Inventories (Cont'd)

(i) Land held for property development (Cont'd)

Land held for property development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as non-current asset.

Land held for property development is transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

(ii) Property development costs

Property development costs comprise cost of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities, including common costs such as the cost of constructing mandatory infrastructure, amenities and other related costs. The asset is subsequently recognised as an expense in profit or loss when and as the control of the asset is transferred to the customer.

Properties development costs attributable to unsold properties, upon completion, are transferred to completed properties held for sale.

The cost of completed properties includes costs of land and related development cost or its purchase costs and incidental cost of acquisition. Cost is determined on a specific identification basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and applicable selling expenses.

(iii) Other inventories

Cost of raw materials comprise cost of purchase and other costs incurred in bringing it to their present location and condition are determined on a first-in-first-out basis. Cost of finished goods and work-in-progress consist of direct material, direct labour and an appropriate proportion of production overheads (based on normal operating capacity) are stated on a first-in-first-out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Keyman Insurance Contracts

The keyman insurance contract is initially recognised at the amount of the premium paid and subsequently carried at fair value at the end of each reporting period, with changes in fair value recognised in profit or loss.

(j) Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 15-months ("a 18-month ECL"). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default ("a lifetime ECL").

3. Material Accounting Policies (Cont'd)

(j) Impairment of financial assets (Cont'd)

Notwithstanding the above, the Group applies the simplified approach under MFRS 9 for trade receivables, whereby lifetime expected credit losses are recognised from initial recognition. For loan receivables arising from money-lending activities, the Group applies the general approach and assesses whether there has been a significant increase in credit risk to determine whether a 12-month or lifetime expected credit loss is required.

(k) Employee benefits – Share-based payment transactions

Equity-settled share-based payment transaction

The Group operates an equity-settled, share-based compensation plan for the employees of the Group. Employee services received in exchange for the grant of the share options is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity.

For options granted to the employees of the subsidiary companies, the fair value of the options granted is recognised as cost of investment in the subsidiary companies over the vesting period with a corresponding adjustment to equity in the Company's financial statements.

The total amount to be expensed over the vesting period is determined by reference to the fair value of the share options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to be vested. At the end of each reporting date, the Group revises its estimates of the number of share options that are expected to be vested. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. When options are not exercised and lapsed, the share option reserve is transferred to retained earnings.

(l) Revenue recognition

(i) Revenue from contracts with customers

Revenue is recognised when the Group and the Company satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

The Group recognises revenue from Sale of goods

Revenue from sale of goods is recognised when control of the products has transferred, being the products are delivered to the customer. Revenue is recognised based on the price specified in the contract, net of the rebates, discounts and taxes. A receivable is recognised by Group when the goods are delivered at this represents the point in time at which the right to consideration is unconditional, because only the passage of time is required before payment is due.

(ii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iii) Interest income

Interest income is recognised on accruals basis using the effective interest method.

(iv) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

Notes To The Financial Statements (Cont'd)

30 September 2025

3. Material Accounting Policies (Cont'd)

(m) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

(n) Statement of cash flows

The Group and the Company adopt the indirect method in the preparation of the statement of cash flows. Cash and cash equivalents comprise cash and bank balances, Short term money market deposits and fixed deposits with licensed bank that are readily convertible into cash with insignificant risk of changes in value against which fixed deposit pledged to licensed banks and bank overdraft, if any, are deducted.

Notes To The Financial Statements (Cont'd)

30 September 2025

4. Property, Plant and Equipment

Group 30.9.2025 Cost	Freehold land	Leasehold land	Buildings	Machinery and equipment	Office equipment, furniture and fittings	Electrical installation and renovation	Motor vehicles	Capital work-in-progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1 April 2024	13,558,014	10,096,233	35,774,644	83,518,517	2,983,050	6,021,115	15,126,741	732,952	167,811,266
Acquisition through business combination (Note 7)	-	97,145,050	-	-	-	-	124,120	4,050	97,273,220
Additions	-	1,572,820	-	1,329,372	633,144	2,557,279	3,519,616	1,939,536	11,551,767
Disposals	(2,383,727)	-	-	(1,957,717)	(36,992)	(554,477)	(2,877,249)	-	(7,810,162)
Disposals of a subsidiary company (Note 7)	-	-	-	-	-	-	(284,230)	-	(284,230)
Reclassification	-	-	693,564	1,116,683	45,108	-	-	(1,855,355)	-
Transfer to investment property (Note 6)	(1,443,236)	-	-	-	-	(133,497)	-	-	(1,576,733)
Transfer to inventories (Note 9)	-	-	-	-	-	-	-	(4,050)	(4,050)
Written off	-	-	-	(10,498,575)	(428,801)	(47,464)	(1,525,019)	(672,356)	(13,172,215)
At 30 September 2025	9,731,051	108,814,103	36,468,208	73,508,280	3,195,509	7,842,956	14,083,979	144,777	253,788,863

Notes To The Financial Statements (Cont'd)

30 September 2025

4. Property, Plant and Equipment (Cont'd)	Freehold land RM	Leasehold land RM	Buildings RM	Machinery and equipment RM	Office equipment, furniture and fittings RM	Electrical installation and renovation RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
Group (Cont'd)									
30.9.2025									
Accumulated depreciation									
At 1 April 2024	-	1,299,359	4,757,829	48,707,990	2,266,224	4,696,502	11,801,094	-	73,528,998
Acquisition through business combination (Note 7)	-	571,499	-	-	-	-	21,721	-	593,220
Charge for the financial period	-	1,069,286	1,332,749	4,023,587	314,229	313,373	1,897,490	-	8,950,714
Disposals	-	-	-	(713,182)	(13,158)	(93,373)	(2,110,591)	-	(2,930,304)
Disposals of a subsidiary company (Note 7)	-	-	-	-	-	-	(52,109)	-	(52,109)
Transfer to investment property (Note 6)	-	-	-	-	-	(49,061)	-	-	(49,061)
Written off	-	-	-	(8,602,129)	(325,285)	(44,802)	(1,479,213)	-	(10,451,429)
At 30 September 2025	-	2,940,144	6,090,578	43,416,266	2,242,010	4,822,639	10,078,392	-	69,590,029

Notes To The Financial Statements (Cont'd)
30 September 2025

4. Property, Plant and Equipment (Cont'd)	Freehold land RM	Leasehold land RM	Buildings RM	Machinery and equipment RM	Office equipment, furniture and fittings RM	Electrical installation and renovation RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
Group (Cont'd)									
30.9.2025									
Accumulated impairment losses									
At 1 April 2024	-	-	375,883	20,583,266	116,412	1,015,926	303,852	-	22,395,339
Charge for the financial period	-	-	-	233,035	-	-	-	-	233,035
Disposals	-	-	-	(1,087,230)	(11,016)	(461,104)	(9,600)	-	(1,568,950)
Written off	-	-	-	(1,914,943)	-	-	(45,438)	-	(1,960,381)
At 30 September 2025	-	-	375,883	17,814,128	105,396	554,822	248,814	-	19,099,043
Carrying amount									
At 30 September 2025	9,731,051	105,873,959	30,001,747	12,277,886	848,103	2,465,495	3,756,773	144,777	165,099,791

Notes To The Financial Statements (Cont'd)
30 September 2025

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

Group 31.3.2024 Cost	Freehold land	Leasehold land	Buildings	Machinery and equipment	Office equipment, furniture and fittings	Electrical installation and renovation	Motor vehicles	Capital work-in-progress	Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1 April 2023	13,822,589	10,096,233	35,774,644	78,046,947	2,819,573	5,895,645	13,938,433	2,806,140	163,200,204
Additions	-	-	-	673,502	96,608	125,470	561,269	4,397,666	5,854,515
Disposals	(264,575)	-	-	(60,155)	-	-	(258,380)	-	(583,110)
Reclassification	-	-	-	4,858,223	70,420	-	885,419	(5,814,062)	-
Transfer to intangible assets (Note 8)	-	-	-	-	-	-	-	(47,701)	(47,701)
Written off	-	-	-	-	(3,551)	-	-	(609,091)	(612,642)
At 31 March 2024	13,558,014	10,096,233	35,774,644	83,518,517	2,983,050	6,021,115	15,126,741	732,952	167,811,266
Accumulated depreciation									
At 1 April 2023	-	1,048,738	2,916,623	45,560,723	2,079,706	4,598,430	11,096,305	-	67,300,525
Charge for the financial year	-	250,621	1,841,206	3,193,041	186,583	98,072	963,165	-	6,532,688
Disposals	-	-	-	(45,774)	-	-	(258,376)	-	(304,150)
Written off	-	-	-	-	(65)	-	-	-	(65)
At 31 March 2024	-	1,299,359	4,757,829	48,707,990	2,266,224	4,696,502	11,801,094	-	73,528,998

Notes To The Financial Statements (Cont'd)
30 September 2025

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

	Freehold land RM	Leasehold land RM	Buildings RM	Machinery equipment and fittings RM	Office equipment, furniture and fittings RM	Electrical installation and renovation RM	Motor vehicles RM	Capital work-in-progress RM	Total RM
Group (Cont'd)									
31.3.2024									
Accumulated impairment losses									
At 1 April 2023	-	-	375,883	20,583,266	118,948	1,015,926	303,852	-	22,397,875
Written off	-	-	-	-	(2,536)	-	-	-	(2,536)
At 31 March 2024	-	-	375,883	20,583,266	116,412	1,015,926	303,852	-	22,395,339
Carrying amount									
At 31 March 2024	13,558,014	8,796,874	30,640,932	14,227,261	600,414	308,687	3,021,795	732,952	71,886,929

Notes To The Financial Statements (Cont'd)

30 September 2025

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

	Office equipment, furniture and fittings RM	Motor Vehicles RM	Renovation RM	Total RM
Company				
30.9.2025				
Cost				
At 1 April 2024	21,750	793,805	-	815,555
Additions	402,414	161,857	1,867,555	2,431,826
Disposals	-	(327,332)	-	(327,332)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2025	424,164	628,330	1,867,555	2,920,049
Accumulated depreciation				
At 1 April 2024	20,679	344,676	-	365,355
Charge for the financial period	51,511	170,561	195,388	417,460
Disposals	-	(125,132)	-	(125,132)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2025	72,190	390,105	195,388	657,683
Carrying amount				
At 30 September 2025	<hr/>	<hr/>	<hr/>	<hr/>
	351,974	238,225	1,672,167	2,262,366

	Office equipment, furniture and fittings RM	Motor Vehicles RM	Total RM
Company			
31.3.2024			
Cost			
At 1 April 2023/31 March 2024	<hr/>	<hr/>	<hr/>
	21,750	793,805	815,555
Accumulated depreciation			
At 1 April 2023	18,381	209,678	228,059
Charge for the financial year	2,298	134,998	137,296
	<hr/>	<hr/>	<hr/>
At 31 March 2024	20,679	344,676	365,355
Carrying amount			
At 31 March 2024	<hr/>	<hr/>	<hr/>
	1,071	449,129	450,200

Notes To The Financial Statements (Cont'd)

30 September 2025

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

(a) Assets held under finance leases

The carrying amount of lease assets of the Group and the Company pledged as securities for the related lease liabilities as disclosed in Note 21 are as follows:

	Group		Company	
	30.9.2025	31.3.2024	30.9.2025	31.3.2024
	RM	RM	RM	RM
Machine and equipment	314,040	790,622	-	-
Motor vehicles	427,169	1,340,545	116,832	449,129
	<u>741,209</u>	<u>2,131,167</u>	<u>116,832</u>	<u>449,129</u>

(b) Assets pledged as securities to financial institutions

The carrying amount of property, plant and equipment of the Group pledged as securities for bank borrowings as disclosed in Note 22 are as follows:

	Group	
	30.9.2025	31.3.2024
	RM	RM
Freehold land	7,879,843	9,701,263
Leasehold land	692,670	707,338
Buildings	7,592,071	11,805,505
Machine and equipment	314,040	790,622
Motor vehicles	427,169	1,340,545
	<u>16,905,793</u>	<u>24,345,273</u>

(c) Impairment losses of property, plant and equipment

During the financial period, an impairment loss of RM233,035 was recognised in other operating expenses in respect of certain property, plant and equipment within the biomass materials and value-added products business segments. The impairment was recognised due to technological obsolescence and weaker-than-expected economic performance of these assets, which resulted in their recoverable amounts being lower than their carrying amounts.

(d) Right-of-use assets

Included in the net carrying amount of leasehold land is right-of-use assets amounted to RM105,873,959 (31.3.2024: RM8,796,874).

Notes To The Financial Statements (Cont'd)

30 September 2025

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

(e) Acquisition of property, plant and equipment

The aggregate costs for the property, plant and equipment of the Group and the Company under lease financing and cash payments are as follows:

	Group		Company	
	30.9.2025	31.3.2024	30.9.2025	31.3.2024
	RM	RM	RM	RM
Aggregate cost	11,551,767	5,854,515	2,431,826	-
Less: Lease liabilities financing	-	(352,300)	-	-
	<u>11,551,767</u>	<u>5,502,215</u>	<u>2,431,826</u>	<u>-</u>

(f) Leasehold land

The remaining period of the lease term of leasehold land is 26 years to 81 years (31.3.2024: 27 years to 82 years).

5. Right-of-Use Assets

	Land	Factory buildings	Office buildings	Hostel	Total
	RM	RM	RM	RM	RM
Group					
30.9.2025					
Cost					
At 1 April 2024	3,788,926	4,412,256	-	278,358	8,479,540
Additions	-	8,759,608	1,065,369	58,867	9,883,844
Modification of lease term	(1,988,926)	(3,182,123)	-	-	(5,171,049)
Derecognition arising from lease expiration	-	(1,230,133)	-	(278,358)	(1,508,491)
At 30 September 2025	<u>1,800,000</u>	<u>8,759,608</u>	<u>1,065,369</u>	<u>58,867</u>	<u>11,683,844</u>
Accumulated depreciation					
At 1 April 2024	1,321,140	3,275,706	-	244,538	4,841,384
Charge for the financial period	1,181,336	2,661,325	390,219	46,084	4,278,964
Modification of lease term	(1,546,942)	(2,714,868)	-	-	(4,261,810)
Derecognition arising from lease expiration	-	(1,230,133)	-	(278,358)	(1,508,491)
At 30 September 2025	<u>955,534</u>	<u>1,992,030</u>	<u>390,219</u>	<u>12,264</u>	<u>3,350,047</u>
Carrying amount					
At 30 September 2025	<u>844,466</u>	<u>6,767,578</u>	<u>675,150</u>	<u>46,603</u>	<u>8,333,797</u>

Notes To The Financial Statements (Cont'd)

30 September 2025

5. Right-of-Use Assets (Cont'd)

	Land RM	Factory buildings RM	Office buildings RM	Total RM
Group				
31.3.2024				
Cost				
At 1 April 2023	3,788,926	4,313,661	277,055	8,379,642
Additions	-	98,595	1,303	99,898
				<hr/>
At 31 March 2024	3,788,926	4,412,256	278,358	8,479,540
				<hr/>
Accumulated depreciation				
At 1 April 2023	572,450	1,366,456	202,713	2,141,619
Charge for the financial year	748,690	1,909,250	41,825	2,699,765
				<hr/>
At 31 March 2024	1,321,140	3,275,706	244,538	4,841,384
				<hr/>
Carrying amount				
At 31 March 2024	2,467,786	1,136,550	33,820	3,638,156
				<hr/>
			Office buildings RM	
Company				
30.9.2025				
Cost				
At 1 April 2024				-
Additions				1,065,369
				<hr/>
At 30 September 2025				1,065,369
				<hr/>
Accumulated depreciation				
At 1 April 2024				-
Charge for the financial period				390,219
				<hr/>
At 30 September 2025				390,219
				<hr/>
Carrying amount				
At 30 September 2025				675,150
				<hr/>

Notes To The Financial Statements (Cont'd)

30 September 2025

5. Right-of-Use Assets (Cont'd)

Additions of right-of-use assets

The aggregate cost of the right-of-use assets of the Group and the Company under lease financing and cash payments are as follows:

	Group		Company	
	30.9.2025	31.3.2024	30.9.2025	31.3.2024
	RM	RM	RM	RM
Aggregate costs	9,883,844	99,898	1,065,369	-
Less: Lease financing	(9,883,844)	(99,898)	(1,065,369)	-
Cash payments	-	-	-	-

6. Investment Properties

	Freehold	Leasehold	Buildings	Total
	land	land		
	RM	RM	RM	RM
Group				
30.9.2025				
Cost				
At 1 April 2024	5,401,987	6,734,765	16,452,136	28,588,888
Additions	-	-	3,533	3,533
Disposals	(1,169,498)	-	(8,207,702)	(9,377,200)
Disposal of a subsidiary company (Note 7)	-	(2,548,260)	(6,487,999)	(9,036,259)
Transfer from property, plant and equipment (Note 4)	1,443,236	-	133,497	1,576,733
At 30 September 2025	5,675,725	4,186,505	1,893,465	11,755,695
Accumulated depreciation				
At 1 April 2024	-	265,613	1,073,887	1,339,500
Charge for the financial period	-	192,230	279,360	471,590
Disposals	-	-	(872,060)	(872,060)
Disposal of a subsidiary company (Note 7)	-	(93,174)	(327,442)	(420,616)
Transfer from property, plant and equipment (Note 4)	-	-	49,061	49,061
At 30 September 2025	-	364,669	202,806	567,475
Carrying amount				
At 30 September 2025	5,675,725	3,821,836	1,690,659	11,188,220
Fair value of investment properties	8,510,207	5,730,478	2,534,982	16,775,667

Notes To The Financial Statements (Cont'd)

30 September 2025

6. Investment Properties (Cont'd)

	Freehold land RM	Leasehold land RM	Buildings RM	Total RM
Group				
31.3.2024				
Cost				
At 1 April 2023	8,276,242	9,407,934	25,898,431	43,582,607
Additions	2,485,713	-	378,681	2,864,394
Disposals	(4,917,466)	-	(3,098,193)	(8,015,659)
Reclassified to non-current assets held for sale (Note 17)	(442,502)	(2,673,169)	(6,726,783)	(9,842,454)
At 31 March 2024	5,401,987	6,734,765	16,452,136	28,588,888
Accumulated depreciation				
At 1 April 2023	-	457,573	1,613,676	2,071,249
Charge for the financial year	-	151,518	365,673	517,191
Disposals	-	-	(82,737)	(82,737)
Reclassified to non-current assets held for sale (Note 17)	-	(343,478)	(822,725)	(1,166,203)
At 31 March 2024	-	265,613	1,073,887	1,339,500
Carrying amount				
At 31 March 2024	5,401,987	6,469,152	15,378,249	27,249,388
Fair value of investment properties	8,600,843	10,299,944	24,484,678	43,385,465

Fair value of investment properties was estimated by Directors based on internal appraisal of market values of comparable properties. The fair values are within Level 3 of the fair value hierarchy.

(a) Investment properties pledged as securities to financial institutions

The carrying amount of investment properties of the Group pledged as securities for bank borrowings as disclosed in Note 22 are as follows:

	Group	
	30.9.2025 RM	31.3.2024 RM
Freehold land	95,700	573,202
Leasehold land	-	2,486,857
Buildings	172,313	8,170,849
	268,013	11,230,908

6. Investment Properties (Cont'd)

(b) Income and expenses recognised in profit or loss

The following are recognised in profit or loss in respect of investment properties:

	Group	
	30.9.2025	31.3.2024
	RM	RM
Rental income	1,261,210	1,743,274
Direct operating expenses:		
- Income generating investment properties	131,606	541,660
- Non-income generating investment properties	1,856	81,549
	<u>1,856</u>	<u>81,549</u>

7. Investments in Subsidiary Companies

	Company	
	30.9.2025	31.3.2024
	RM	RM
In Malaysia		
At cost		
Unquoted shares	154,984,571	97,841,432
Unquoted cumulative redeemable convertible preferences shares	43,084,000	70,900,000
	<u>198,068,571</u>	<u>168,741,432</u>

Movements in the allowance for impairment losses of investment in subsidiary companies are as follows:

	Company	
	30.9.2025	31.3.2024
	RM	RM
At 1 April 2024/2023	-	11,499,999
Impairment losses reversed	-	(11,499,999)
	<u>-</u>	<u>-</u>
At 30 September 2025/31 March 2024	-	-

Notes To The Financial Statements (Cont'd)

30 September 2025

7. Investments in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows:

Name of Company	Place of business /Country of incorporation	Effective interest		Principal activities
		30.9.2025 %	31.3.2024 %	
Direct holding:				
Alam Fibre Sdn. Bhd. ("AFSB")	Malaysia	100	100	Processing of coconut fibre, fibre sheet and peat.
Fibre Star (M) Sdn. Bhd. ("FSM")	Malaysia	100	100	Manufacturing and marketing of mattress and related products.
Heng Huat Industries Holdings Sdn. Bhd. ("HHIH")	Malaysia	100	100	Investment holding.
HH Land and Development Sdn. Bhd. ("HHLD")	Malaysia	100	100	Property developer, trading in real estate property and investment holding.
HH Properties Kulim Sdn. Bhd. ("HHPK")	Malaysia	100	100	Real property, property development, property management, property trading and investment holding. The Company has not commence operation during the financial period.
HHRG Capital Sdn. Bhd. ("HHC")	Malaysia	100	100	Licensed money lending activities.
HK Gua Musang Sdn. Bhd. ("HKGM")	Malaysia	100	100	Manufacturing and trading of oil palm biomass materials and value-added products.
HK Power Sdn. Bhd. ("HKP")	Malaysia	100	100	Operator of power plant and boiler turbine system for electricity generation and steam production.
MG Furniture Sdn. Bhd. ("MGF")	Malaysia	51	51	Manufacturing sale of furniture.
Open Sea (Langkawi) Sdn. Bhd. ("OSL")	Malaysia	100	-	Investment holdings.

Notes To The Financial Statements (Cont'd)

30 September 2025

7. Investments in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows: (Cont'd)

Name of Company	Place of business /Country of incorporation	Effective interest		Principal activities
		30.9.2025 %	31.3.2024 %	
Direct holding: (Cont'd)				
Open Road (SP Circuit) Sdn. Bhd. (formerly known as PKB Open Road (SP Circuit) Sdn. Bhd.) ("ORSPC")	Malaysia	61	-	Engaged in trading and export-import of a general goods, investment holding and management of indoor and outdoor sports events.
ORIC Development (SP) Sdn. Bhd. ("ORICD(SP)")	Malaysia	51	-	Buying, selling, renting and operating of self-owned or leased real estate, non-residential buildings.
Open Road (East Coast) Sdn. Bhd. ("OREC")	Malaysia	100	-	Buying, selling, renting and operating of self owned or leased real estate nonresidential selling, renting and selfowned or leased residential buildings, other specialized construction.
Open Road Prestige Auto Sdn. Bhd. ("ORPA")	Malaysia	100	-	Engaged in the wholesale and retail of new and used motor vehicles, as well as the sale of other motor vehicles.
Indirect holding:				
Subsidiary companies of Heng Huat Industries Holdings Sdn. Bhd.				
HK Fibre Sdn. Bhd. ("HKF")	Malaysia	97	97	Manufacturing and trading of cocunut biomass materials and value-added products.
HK Kitaran Sdn. Bhd. ("HKK")	Malaysia	100	100	Manufacturing and trading of oil palm biomass materials and value-added products.
Sabut Kelapa Terengganu Sdn. Bhd. ("SKT")	Malaysia	97	97	Dormant.
Subsidiary companies of MG Furniture Sdn. Bhd.				
MG Furniture Innovation Sdn. Bhd. ("MGFI")	Malaysia	51	51	Dormant.

Notes To The Financial Statements (Cont'd)

30 September 2025

7. Investments in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows: (Cont'd)

Name of Company	Place of business /Country of incorporation	Effective interest		Principal activities
		30.9.2025 %	31.3.2024 %	
Indirect holding: (Cont'd)				
Subsidiary companies of HH Properties Kulim Sdn. Bhd.				
Kulim Property Sdn. Bhd. ("KPSB") *	Malaysia	100	100	Investment holding.
Subsidiary companies of HH land and Development Sdn. Bhd.				
KNG Resources Enterprise Sdn. Bhd. ("KNG")	Malaysia	-	51	Property developer, trading in real estated property and investment holding.
HH Eastern Realty Sdn. Bhd. ("HHER")	Malaysia	100	100	Investment holding.
HH Supreme Realty Sdn. Bhd. ("HHSR")	Malaysia	100	100	Real estate activities with own or leased property and investment holding.
HH Northern Point Sdn. Bhd. ("HHNP") *	Malaysia	100	100	Dormant.
Subsidiary companies of HK Gua Musang Sdn. Bhd.				
HHRG Biotech Sdn. Bhd. ("HHBT")	Malaysia	100	100	Manufacture and trading in bio-compost and agrochemical products.

* Subsidiary companies are not audited by UHY Malaysia PLT.

(a) Material partly-owned subsidiary companies

Set out below are the Group's subsidiary companies that have material non-controlling interests:

Name of Company	Proportion of ownership interests and voting rights held by non-controlling interests		Profit allocated to non-controlling interests		Accumulated non-controlling interests	
	30.9.2025	31.3.2024	30.9.2025	31.3.2024	30.9.2025	31.3.2024
	%	%	RM	RM	RM	RM
MGF	49	49	(1,463,982)	782,943	20,873,772	22,337,754
ORSPC	39	-	958,770	-	29,414,552	-
ORICD (SP)	49	-	(280,386)	-	18,434,624	-
Individually immaterial subsidiary companies with non-controlling interests			(53,446)	(14,053)	(13,828)	(31,065)
Total non-controlling interests			(839,044)	768,890	68,709,120	22,306,689

Notes To The Financial Statements (Cont'd)

30 September 2025

7. Investments in Subsidiary Companies (Cont'd)

(a) Material partly-owned subsidiary companies (Cont'd)

Summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations.

(i) Summarised statements of financial position

	ORICD (SP)	ORSPC	MGF	Total
	RM	RM	RM	RM
30.9.2025				
Non-current assets	12,281,327	10,848,772	18,681,724	41,811,823
Current assets	-	12,279,852	25,604,558	37,884,410
Non-current liabilities	-	-	(8,186,055)	(8,186,055)
Current liabilities	(13,175,718)	(30,879,180)	(3,917,972)	(47,972,870)
Net (liabilities)/assets	<u>(894,391)</u>	<u>(7,750,556)</u>	<u>32,182,255</u>	<u>23,537,308</u>
31.3.2024				
Non-current assets	-	-	20,467,345	20,467,345
Current assets	-	-	22,498,327	22,498,327
Non-current liabilities	-	-	(10,233,575)	(10,233,575)
Current liabilities	-	-	(6,385,613)	(6,385,613)
Net assets	<u>-</u>	<u>-</u>	<u>26,346,484</u>	<u>26,346,484</u>

(ii) Summarised statements of profit or loss and other comprehensive income

	ORICD (SP)	ORSPC	MGF	Total
	RM	RM	RM	RM
30.9.2025				
Revenue	-	-	55,203,694	55,203,694
(Loss)/Profit for the financial period, representing total comprehensive (loss)/ profit for the financial period	<u>(572,216)</u>	<u>(10,644,478)</u>	<u>2,677,817</u>	<u>(8,538,877)</u>
31.3.2024				
Revenue	-	-	44,886,627	44,886,627
Profit for the financial year, representing total comprehensive profit for the financial year	<u>-</u>	<u>-</u>	<u>271,611</u>	<u>271,611</u>

Notes To The Financial Statements (Cont'd)

30 September 2025

7. Investments in Subsidiary Companies (Cont'd)

(a) Material partly-owned subsidiary companies (Cont'd)

Summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group is set out below. The summarised financial information below represents amounts before inter-company eliminations. (Cont'd)

(iii) Summarised statements of cash flows

	ORICD (SP)	ORSPC	MGF	Total
	RM	RM	RM	RM
30.9.2025				
Net cash (used in)/from operating activities	(90)	(8,857,780)	6,220,645	(2,637,225)
Net cash from/(used in) investing activities	90	(38,000)	(1,447,640)	(1,485,550)
Net cash from/(used in) financing activities	-	8,896,272	(2,318,283)	6,577,989
Net increase in cash and cash equivalent	-	492	2,454,722	2,455,214
31.3.2024				
Net cash from operating activities	-	-	2,753,361	2,753,361
Net cash from investing activities	-	-	3,009,736	3,009,736
Net cash used in financing activities	-	-	(8,206,911)	(8,206,911)
Net decrease in cash and cash equivalent	-	-	(2,443,814)	(2,443,814)

(b) Acquisition of subsidiary companies

During the financial period

- (i) On 18 April 2024, the Company had acquired 51,000 ordinary shares in total cash consideration of RM22,400,000 representing 51% of total issued and paid-up capital of Open Road (SP Circuit) Sdn. Bhd. (formerly known as PKB Open Road (SP Circuit) Sdn. Bhd.).
- (ii) On 18 April 2024, the Company had acquired 51 ordinary shares in total cash consideration of RM17,600,000 representing 51% of total issued and paid-up capital of ORIC Development (SP) Sdn. Bhd..
- (iii) On 7 August 2024, the Company incorporated a wholly-owned subsidiary Open Sea (Langkawi) Sdn. Bhd. for a total cash consideration of RM10 by subscribing for 10 ordinary shares in the capital of the subsidiary.
- (iv) On 21 January 2025, the Company incorporated a wholly-owned subsidiary Open Road Prestige Auto Sdn. Bhd. for a total cash consideration of RM10 by subscribing for 10 ordinary shares in the capital of the subsidiary.
- (v) On 5 May 2025, the Company incorporated a wholly-owned subsidiary Open Road (East Coast) Sdn. Bhd. for a total cash consideration of RM10 by subscribing for 10 ordinary shares in the capital of the subsidiary.

Notes To The Financial Statements (Cont'd)

30 September 2025

7. Investments in Subsidiary Companies (Cont'd)

(b) Acquisition of subsidiary companies (Cont'd)

During the financial period (Cont'd)

The following summarises the consideration transferred and major classes of assets acquired and liabilities assumed at the acquisition date:

Fair value of identifiable assets acquired and liabilities assumed

	ORICD (SP) RM	ORSPC RM	Total RM
Property, plant and equipment (Note 4)	51,562,667	45,117,333	96,680,000
Trade and other receivables	-	12,959,971	12,959,971
Cash and bank balances	-	593	593
Trade and other payables	<u>(12,978,427)</u>	<u>(4,873)</u>	<u>(12,983,300)</u>
Total identifiable assets and liabilities	<u>38,584,240</u>	<u>58,073,024</u>	<u>96,657,264</u>

Net cash outflow arising from acquisition of subsidiary companies

	ORICD (SP) RM	ORSPC RM	Total RM
Purchase consideration settled in cash	17,600,000	22,400,000	40,000,000
Cash and cash equivalents acquired	-	(593)	(593)
	<u>17,600,000</u>	<u>22,399,407</u>	<u>39,999,407</u>

Bargain purchase arising from business combination

	ORICD (SP) RM	ORSPC RM	Total RM
Fair value of consideration transferred	17,600,000	22,400,000	40,000,000
Non-controlling interest, based on their proportionate interest in the recognised amounts of the assets and liabilities of the acquiree	18,906,278	28,455,782	47,362,060
Fair value of identifiable assets acquired and liabilities assumed	<u>(38,584,240)</u>	<u>(58,073,024)</u>	<u>(96,657,264)</u>
	<u>(2,077,962)</u>	<u>(7,217,242)</u>	<u>(9,295,204)</u>

In the previous financial year

- (i) On 12 September 2023, the Company had acquired 100,000 ordinary shares, representing 100% equity interest, in HHRG Capital Sdn. Bhd. for a total cash consideration of RM130,000.
- (ii) On 6 October 2023, a wholly-owned subsidiary of the Company, HK Gua Musang Sdn. Bhd., had incorporated a wholly-owned subsidiary HHRG Biotech Sdn. Bhd. for a total cash consideration of RM10.
- (iii) On 17 November 2023, a wholly-owned subsidiary of the Company, HH Properties Kulim Sdn. Bhd., had acquired 1,176,471 ordinary shares, representing 100% equity interests, in Kulim Property Sdn. Bhd. for a total cash consideration of RM4,500,000.

Notes To The Financial Statements (Cont'd)

30 September 2025

7. Investments in Subsidiary Companies (Cont'd)

(b) Acquisition of subsidiary companies (Cont'd)

In the previous financial year (Cont'd)

Fair value of identifiable assets acquired and liabilities assumed

The following summarises the consideration transferred and major classes of assets acquired and liabilities assumed at the acquisition date:

	HHC RM	KPSB RM	Total RM
Inventory properties	-	4,498,000	4,498,000
Cash and bank balances	8,905	2,000	10,905
Tax payables	(2,784)	-	(2,784)
Trade and other payables	(30,439)	-	(30,439)
Total identifiable assets and liabilities	<u>(24,318)</u>	<u>4,500,000</u>	<u>4,475,682</u>

Net cash outflow arising from acquisition of subsidiary companies

	HHC RM	KPSB RM	Total RM
Purchase consideration settled in cash	130,000	4,500,000	4,630,000
Cash and cash equivalents acquired	(8,905)	(2,000)	(10,905)
	<u>121,095</u>	<u>4,498,000</u>	<u>4,619,095</u>

Goodwill arising from business combination

	HHC RM	KPSB RM	Total RM
Fair value of consideration transferred	130,000	4,500,000	4,630,000
Fair value of identifiable assets acquired and liabilities assumed	<u>24,318</u>	<u>(4,500,000)</u>	<u>(4,475,682)</u>
Goodwill	<u>154,318</u>	<u>-</u>	<u>154,318</u>

(c) Disposal of subsidiary companies

On 24 October 2024, a wholly-owned subsidiary of the Company, HH Land and Development Sdn. Bhd. disposal 51% equity interest in KING Resource Enterprise Sdn. Bhd.. The cash consideration of RM10,000, which has result a gain of RM92,496. The subsidiary company was previously report as part of the investment holding and others segment.

Notes To The Financial Statements (Cont'd)

30 September 2025

7. Investments in Subsidiary Companies (Cont'd)

(c) Disposal of subsidiary companies (Cont'd)

The effect of the disposal of a subsidiary company on the financial position of the Group as at the date of disposal was as follows:

	RM
Property, plant and equipment (Note 4)	232,121
Investment properties (Note 6)	8,615,643
Other receivables	12,122
Deposit, cash and bank balances	559,487
Other payables	(3,117,962)
Bank borrowings	(6,361,702)
Tax payable	(12,670)
Lease liabilities (Note 21)	(81,014)
Deferred tax liabilities (Note 11)	(7,782)
Net liabilities	(161,757)
Less: Non-controlling interests	79,261
Total net liabilities disposed	(82,496)
Proceeds from disposal	(10,000)
Gain on disposal	(92,496)
Proceeds from disposal	10,000
Less: Cash and cash equivalents disposed	(559,487)
Net cash outflows from disposal	(549,487)

(d) Changes in ownership interest

- (i) On 30 May 2024, a wholly-owned subsidiary of the Company, HK Gua Musang Sdn. Bhd. subscribed additional 129,990 ordinary shares out of 199,990 new ordinary shares in HHRG Biotech Sdn. Bhd. for a total purchase consideration of RM129,990, while the remaining 70,000 ordinary shares of RM70,000 were subscribed by non-controlling interest. The Group's equity interest in HHRG Biotech Sdn. Bhd. has decreased from 100% to 65% and resulting an increase in non-controlling interest of RM70,000.
- (ii) On 17 July 2025, a wholly-owned subsidiary of the Company, HK Gua Musang Sdn. Bhd. acquired additional 35% equity interest in HHRG Biotech Sdn. Bhd. for a total purchase consideration of RM70,000, increasing its ownership interest from 65% to 100%. The carrying amount of HHRG Biotech Sdn. Bhd.'s net assets in the financial statements of the Group on the date of acquisition was RM224,508. The Group recognised a decrease in non-controlling interest of RM78,578.

	RM
Carrying amount of non-controlling interest acquired	78,578
Consideration paid for non-controlling interest	(70,000)
Increase in parent's equity	8,578

Notes To The Financial Statements (Cont'd)

30 September 2025

7. Investments in Subsidiary Companies (Cont'd)

(d) Changes in ownership interest (Cont'd)

- (iii) On 24 September 2025, the Company acquired additional 10% equity interest in Open Road (SP Circuit) Sdn. Bhd. for a total purchase consideration of RM5,500,000, increasing its ownership interest from 51% to 61%. The carrying amount of Open Road (SP Circuit) Sdn. Bhd.'s net assets in the financial statements of the Group on the date of acquisition was RM1,912,675. The Group recognised a decrease in non-controlling interest of RM191,268.

RM

Carrying amount of non-controlling interest acquired	191,268
Consideration paid for non-controlling interest	(5,500,000)
Decrease in parent's equity	<u>(5,308,732)</u>

As at the end of the financial period, the remaining consideration payable for the acquisition of non-controlling interest amounting to RM4,400,000 remained outstanding. The outstanding amount was fully settled in the month following the financial period.

(e) Subscription and redemption of Convertible Redeemable Preference Shares ("CRPS")

During the financial period

- (i) On 1 December 2024, the Company has subscribed 2,400,000 CRPS issued by Open Sea (Langkawi) Sdn. Bhd. for a total cash consideration of RM2,400,000.
- (ii) On 21 February 2025, the Company has redeemed 810,000 CRPS issued by Alam Fibre Sdn. Bhd. for a total cash consideration of RM810,000.
- (iii) On 21 February 2025, the Company has redeemed 2,000,000 CRPS issued by HH Eastern Realty Sdn. Bhd. for a total cash consideration of RM2,000,000.
- (iv) On 21 February 2025, the Company has redeemed 2,090,000 CRPS issued by HH Land and Development Sdn. Bhd. for a total cash consideration of RM2,090,000.
- (v) On 21 February 2025, the Company has redeemed 2,977,000 CRPS issued by HH Land and Development Sdn. Bhd. for a total cash consideration of RM2,977,000.
- (vi) On 21 February 2025, the Company has redeemed 614,000 CRPS issued by Fibre Star (M) Sdn. Bhd. for a total cash consideration of RM614,000.
- (vii) On 21 February 2025, the Company has redeemed 1,215,000 CRPS issued by HH Properties Kulim Sdn. Bhd. for a total cash consideration of RM1,215,000.
- (viii) On 21 February 2025, the Company has redeemed 5,469,000 CRPS issued by HH Supreme Realty Sdn. Bhd. for a total cash consideration of RM5,469,000.
- (ix) On 21 February 2025, the Company has redeemed 538,000 CRPS issued by HH Supreme Realty Sdn. Bhd. for a total cash consideration of RM538,000.
- (x) On 17 July 2025, the Company has redeemed 3,630,670 CRPS issued by Fibre Star (M) Sdn. Bhd. for a total cash consideration of RM3,630,670.
- (xi) On 17 July 2025, the Company has converted 10,872,330 CRPS issued by Fibre Star (M) Sdn. Bhd. into ordinary shares in Fibre Star (M) Sdn. Bhd.

Notes To The Financial Statements (Cont'd)

30 September 2025

7. Investments in Subsidiary Companies (Cont'd)

- (e) Subscription and redemption of Convertible Redeemable Preference Shares ("CRPS") (Cont'd)

The Company had subscribing to the CRPS issued by the respective subsidiaries which shown as follows:

Subsidiaries	Number of CRPS Units	Amount of CRPS RM
HHLD	12,497,000	12,497,000
HHPK	26,863,000	26,863,000
ALSB	1,324,000	1,324,000
OSL	2,400,000	2,400,000
	<u>43,084,000</u>	<u>43,084,000</u>

In the previous financial year

- (i) On 10 April 2023, the Company has subscribed 6,741,000 CRPS issued by HH Land and Development Sdn. Bhd. for a total cash consideration of RM6,741,000.
- (ii) On 16 January 2024, the Company has redeemed 6,500,000 CRPS issued by HH Land and Development Sdn. Bhd. for a total cash consideration of RM6,500,000.

The Company had subscribing to the CRPS issued by the respective subsidiaries which shown as follows:

Subsidiaries	Number of CRPS Units	Amount of CRPS RM
FSM	15,117,000	15,117,000
HHLD	17,564,000	17,564,000
HHPK	28,078,000	28,078,000
HHER	2,000,000	2,000,000
ALSB	2,134,000	2,134,000
HHSR	6,007,000	6,007,000
	<u>70,900,000</u>	<u>70,900,000</u>

Notes To The Financial Statements (Cont'd)

30 September 2025

8. Intangible Assets

	Goodwill on consolidation RM	Customer relationship RM	Branding RM	Trademarks RM	Total RM
Group					
30.09.2025					
Cost					
At 1 April 2024/ 30 September 2025	7,643,074	12,903,994	47,701	193,209	20,787,978
Accumulated amortisation					
At 1 April 2024	-	2,580,800	8,744	114,386	2,703,930
Charge for the financial period	-	1,935,599	14,312	37,021	1,986,932
At 30 September 2025	-	4,516,399	23,056	151,407	4,690,862
Accumulated impairment loss					
At 1 April 2024	-	-	-	-	-
Charge for the financial period	4,657,162	8,387,595	24,645	41,802	13,111,204
At 30 September 2025	4,657,162	8,387,595	24,645	41,802	13,111,204
Carrying amount					
At 30 September 2025	2,985,912	-	-	-	2,985,912
Group					
31.3.2024					
Cost					
At 1 April 2023	7,488,756	12,903,994	-	193,209	20,585,959
Acquisition through business combination (Note 7)	154,318	-	-	-	154,318
Transfer from property, plant and equipment (Note 4)	-	-	47,701	-	47,701
At 31 March 2024	7,643,074	12,903,994	47,701	193,209	20,787,978
Accumulated amortisation					
At 1 April 2023	-	1,290,400	-	89,706	1,380,106
Charge for the financial year	-	1,290,400	8,744	24,680	1,323,824
At 31 March 2024	-	2,580,800	8,744	114,386	2,703,930
Carrying amount					
At 31 March 2024	7,643,074	10,323,194	38,957	78,823	18,084,048

Notes To The Financial Statements (Cont'd)

30 September 2025

8. Intangible Assets (Cont'd)

- (a) Key assumptions used in value-in-use calculations

The key assumptions on which the management has based on for the computation of value-in-use are as follows:

- (i) Cash flow projections and growth rate - The five-year cash flow projections are prepared based on management's experience. The revenue for the first year of the five-year cash flow projections is prepared based on the most recent approved financial budget by the Board of Directors. Thereafter, annual growth rate is applied to the remaining years of the cash flow projections of the respective CGUs.
- (ii) Discount rate - The pre-tax discount rate of 9.50% (2024: 6.90% to 11.24%) is applied to the cash flow projections, which is based on the weighted average cost of capital of the Group for the financial period/year.

- (b) Sensitivity to changes in key assumptions

The management believes that a reasonably possible changes in the key assumptions on which management has based on its determination of the CGU's recoverable amount would not cause the CGU's carrying amount to exceed its recoverable amount.

- (c) Customer relationship represents acquired intangible assets which was established based on long-term business relationship with the customer and is expected to bring in future economic benefits to the Group. Customer relationship is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of customer relationship over its estimated useful life of 10 years.
- (d) Branding has finite useful life and is carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of branding over their estimated useful life of 5 years.
- (e) Acquired trademarks have finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of trademarks over their estimated useful life of 10 years.

9. Inventories

	Note	Group	
		30.9.2025	31.3.2024
		RM	RM
Non-current			
Land held for development	(a)	<u>26,083,114</u>	<u>26,083,114</u>
Current			
Property development cost	(b)	12,277,081	-
Other inventories	(c)	<u>8,318,071</u>	<u>12,364,422</u>
		<u>20,595,152</u>	<u>12,364,422</u>

Notes To The Financial Statements (Cont'd)

30 September 2025

9. Inventories (Cont'd)

- (a) Land held for development

	Group	
	30.9.2025	31.3.2024
	RM	RM
Cost		
At 1 April 2024/30 September 2025	<u>26,083,114</u>	<u>26,083,114</u>

- (b) Property development cost

	Development costs	
	RM	
30.9.2025		
Cumulative property development costs		
At 1 April 2024		-
Cost incurred during the financial period		12,273,031
Transfer from property, plant and equipment (Note 4)		<u>4,050</u>
At 30 September 2025		<u>12,277,081</u>

- (c) Other Inventories

	Group	
	30.9.2025	31.3.2024
	RM	RM
At cost		
Raw material	4,640,314	3,815,728
Work-in-progress	329,836	1,002,938
Finished goods	2,983,094	6,568,415
Packing materials	181,661	202,997
Spare parts	479,364	323,135
Trading goods	94,909	87,251
At net realisable value		
Finished goods	<u>1,863</u>	<u>363,958</u>
	8,711,041	12,364,422
Less: Allowance for inventories obsolescence	<u>(392,970)</u>	<u>-</u>
	<u>8,318,071</u>	<u>12,364,422</u>

Notes To The Financial Statements (Cont'd)

30 September 2025

9. Inventories (Cont'd)

(c) Other Inventories (Cont'd)

	Group	
	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM
Recognised in profit or loss:		
Allowance for inventories obsolescence	392,970	-
Inventories recognised as cost of sales	101,365,949	89,864,697
Inventories written down	-	421,715
Reversal of inventories written down	-	(274,278)
	-	(274,278)

The reversal of inventories written down was made in the previous financial year when the related inventories were sold.

(c) Other Inventories

Movements in the allowance for inventories obsolescence are as follows:

	Group	
	30.9.2025 RM	31.3.2024 RM
At 1 April 2024/2023	-	-
Allowance for inventories obsolescence	392,970	-
At 30 September 2025/31 March 2024	392,970	-

10. Keyman Insurance Contracts

	Group	
	30.9.2025 RM	31.3.2024 RM
At fair value through profit or loss ("FVTPL"):		
Non-current	465,323	449,119
Current	206,721	206,721
	672,044	655,840

Keyman insurance contracts relate to the insurance policies insured for the directors of a subsidiary of the Company. The keyman insurance contracts are denominated in Ringgit Malaysia.

The keyman insurance contracts represent the expected cash value from the life insurance policies which have been assigned to licensed banks as security for banking facilities granted to a subsidiary as disclosed in Note 22.

Upon maturity of the life insurance policies (between 2024 to 2030), the expected cash value shall be withdrawn by the directors and returned to the subsidiary.

Notes To The Financial Statements (Cont'd)

30 September 2025

11. Deferred Tax (Assets)/Liabilities

	Group		Company	
	30.9.2025	31.3.2024	30.9.2025	31.3.2024
	RM	RM	RM	RM
At 1 April 2024/2023	908,619	1,551,984	5,000	5,000
Disposal of a subsidiary company (Note 7)	(7,782)	-	-	-
Recognised in profit or loss (Note 29)	(106,986)	(800,046)	(5,000)	-
Under provisions in prior year (Note 29)	222,804	156,681	-	-
	<u>1,016,655</u>	<u>908,619</u>	<u>-</u>	<u>5,000</u>
At 30 September 2025/ 31 March 2024				
	<u>1,016,655</u>	<u>908,619</u>	<u>-</u>	<u>5,000</u>

The recognised deferred tax (assets)/liabilities, after appropriate offsetting, are as follows:

	Group		Company	
	30.9.2025	31.3.2024	30.9.2025	31.3.2024
	RM	RM	RM	RM
Deferred tax assets	(573,963)	(953,889)	-	-
Deferred tax liabilities	1,590,618	1,862,508	-	5,000
	<u>1,016,655</u>	<u>908,619</u>	<u>-</u>	<u>5,000</u>

The deferred tax (assets)/liabilities at the end of the reporting period are made up of the temporary differences arising from:

	Group		Company	
	30.9.2025	31.3.2024	30.9.2025	31.3.2024
	RM	RM	RM	RM
Property, plant and equipment	2,997,729	3,483,523	-	5,000
Unabsorbed capital allowances	(968,846)	(1,301,050)	-	-
Unutilised tax losses	(1,196,754)	(1,010,911)	-	-
Right-of-use assets	1,178,983	600,386	-	-
Inventories	(89,000)	-	-	-
Trade receivables	(29,000)	-	-	-
Lease liabilities	(876,457)	(260,058)	-	-
Contract liabilities	-	(369,998)	-	-
Other deductible temporary differences	-	(233,273)	-	-
	<u>1,016,655</u>	<u>908,619</u>	<u>-</u>	<u>5,000</u>

Notes To The Financial Statements (Cont'd)

30 September 2025

11. Deferred Tax (Assets)/Liabilities (Cont'd)

The amounts of temporary differences for which no deferred tax assets have been recognised are as follows:

	Group		Company	
	30.9.2025	31.3.2024	30.9.2025	31.3.2024
	RM	RM	RM	RM
Unutilised tax losses	17,817,559	17,587,213	-	-
Unabsorbed capital allowances	3,617,757	7,715,765	-	-
Other deductible temporary differences	7,080,779	967,538	-	4,865
At 30 June	<u>28,516,095</u>	<u>26,270,516</u>	<u>-</u>	<u>4,865</u>

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient taxable profits to be used to offset or they have arisen in subsidiary companies that have a recent history of losses.

12. Trade Receivables

	Note	Group	
		30.9.2025	31.3.2024
		RM	RM
Trade receivables			
Third parties	(a)	6,300,009	9,879,035
Loan receivables			
- Secured	(b)	23,340,478	15,951,452
- Unsecured	(c)	15,666,934	7,561,975
		<u>45,307,421</u>	<u>33,392,462</u>
Less: Accumulated impairment losses		<u>(3,153,531)</u>	<u>(375,525)</u>
		<u>42,153,890</u>	<u>33,016,937</u>

(a) Trade receivables are non-interest bearing and are generally on 30 to 90 days (31.3.2024: 30 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

(b) The secured loan receivables of the Group are interest bearing at 7% to 12% (31.3.2024: 12%) per annum, with repayment periods ranging from 3 months to 6 months (31.3.2024: 3 months to 6 months) and secured by residential properties and agricultural lands.

(c) The unsecured loan receivables of the Group are interest bearing at the range from 7% to 18% (31.3.2024: 7% to 18%) per annum, with repayment periods ranging from 3 months to 12 months (31.3.2024: 3 months to 12 months).

Notes To The Financial Statements (Cont'd)

30 September 2025

12. Trade Receivables (Cont'd)

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

	Group	
	30.9.2025	31.3.2024
	RM	RM
At 1 April 2024/2023	375,525	408,480
Amount written off	(162,855)	(22,590)
Impairment losses recognised	2,940,861	63,412
Impairment losses reversed	-	(73,777)
At 30 September 2025/31 March 2024	3,153,531	375,525

The loss allowance account in respect of trade receivables is used to record loss allowance. Unless the Group are satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

In the previous financial year, the reversal of impairment losses on trade receivables was mainly due to collection from receivables previously provided for doubtful debts.

The aged analysis of trade receivables as at the end of the reporting period:

	Gross amount RM	Loss allowance RM	Net amount RM
Group			
30.9.2025			
Neither past due nor impaired	40,618,038	(585,768)	40,032,270
<i>Past due but not impaired:</i>			
1 to 30 days	942,543	(12,453)	930,090
31 to 60 days	493,354	(10,278)	483,076
60 to 90 days	220,186	(5,548)	214,638
More than 90 days	607,732	(113,916)	493,816
	2,263,815	(142,195)	2,121,620
	42,881,853	(727,963)	42,153,890
Individual impaired	2,425,568	(2,425,568)	-
	45,307,421	(3,153,531)	42,153,890

Notes To The Financial Statements (Cont'd)

30 September 2025

12. Trade Receivables (Cont'd)

	Gross amount RM	Loss allowance RM	Net amount RM
Group (Cont'd)			
31.3.2024			
Neither past due nor impaired	29,329,831	(10,238)	29,319,593
<i>Past due but not impaired:</i>			
1 to 30 days	2,591,425	(9,537)	2,581,888
31 to 60 days	390,129	(4,030)	386,099
60 to 90 days	789,965	(248,010)	541,955
More than 90 days	208,972	(21,570)	187,402
	<u>3,980,491</u>	<u>(283,147)</u>	<u>3,697,344</u>
	33,310,322	(293,385)	33,016,937
Individual impaired	82,140	(82,140)	-
	<u>33,392,462</u>	<u>(375,525)</u>	<u>33,016,937</u>

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

As at 30 September 2025, trade receivables of RM2,121,620 (31.3.2024: RM3,697,344) were past due but not impaired. These relate to a number of independent customers from whom there is no recent history of default.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM2,425,568 (31.3.2024: RM82,140), related to customers that are in financial difficulties, have defaulted on payments and/or have disputed on the billings. These balances are expected to be recovered through the debts recovery process.

13. Other Receivables

	Note	Group		Company	
		30.9.2025 RM	31.3.2024 RM	30.9.2025 RM	31.3.2024 RM
Current					
Other receivables		1,105,835	309,703	180,832	8,483
Related parties	(a)	3,157,954	3,157,954	-	-
Deposits	(b)	6,021,805	5,634,600	1,607,710	2,516,256
Prepayments		1,124,116	1,667,614	140,434	26,044
		<u>11,409,710</u>	<u>10,769,871</u>	<u>1,928,976</u>	<u>2,550,783</u>
Less: Accumulated impairment losses					
- Related parties		(3,157,954)	-	-	-
		<u>8,251,756</u>	<u>10,769,871</u>	<u>1,928,976</u>	<u>2,550,783</u>

Notes To The Financial Statements (Cont'd)

30 September 2025

13. Other Receivables

- (a) Amount due from related parties are non-interest bearing, unsecured and repayable on demand.
- (b) Included in the deposits of the Group and the Company is an amount of RM1,425,000 (31.3.2024: RM2,500,000) which paid for the acquisition of a vacant industrial leasehold land pursuant to the Option Agreement ("OA") with Jeenuat Foodstuffs Industries Sdn. Bhd. ("Jeenuat"). Subsequently, the OA has been extended for another six months commencing from 14 February 2024 and ending on 13 August 2024.

However, on 9 April 2024, the Company has served notice to Jeenuat to terminate the OA and demanded for the refund of deposit including the first liquidated damages due to the non-fulfillment of certain terms and conditions in the OA.

On 24 April 2024, the Company has commenced the legal action herein by filing a writ to Jeenuat. The related legal action have been disclosed in Note 41.; and

Included in the deposits of the Group is an amount of RM1,300,000 (31.3.2024: RMNIL) paid in relation to the acquisition of two pieces of leasehold land. The related commitments and subsequent event have been disclosed in Notes 34 and 40 respectively.

Movements in the allowance for impairment losses of the other receivables are as follows:

	Group		Company	
	30.9.2025	31.3.2024	30.9.2025	31.3.2024
	RM	RM	RM	RM
At 1 April 2024/2023	-	-	-	-
Impairment losses recognised	3,157,954	-	-	-
At 30 September 2025/ 31 March 2024	3,157,954	-	-	-

The loss allowance account in respect of other receivables is used to record loss allowance. Unless the Group are satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

14. Other Investments

	Group		Company	
	30.9.2025	31.3.2024	30.9.2025	31.3.2024
	RM	RM	RM	RM
At Fair Value Through Profit or Loss ("FVTPL"):				
Short term funds with a licensed financial institution	2,512,723	24,108,289	254,215	11,308,628

It is primarily invested in mixture of money market with different mature periods. The funds can be redeemed at any point in time upon one day prior notice given to the financial institution.

Notes To The Financial Statements (Cont'd)

30 September 2025

15. Amount Due From/(To) Subsidiary Companies

	Note	Group	
		30.9.2025 RM	31.3.2024 RM
Amount due from subsidiary companies			
Non-trade related			
- Interest bearing	(a)	46,717,147	24,861,158
- Non-interest bearing	(b)	360,000	-
		<u>47,077,147</u>	<u>24,861,158</u>

Amount due to subsidiary companies

Non-trade related			
- Interest bearing	(a)	<u>(10,100,098)</u>	<u>(5,646,223)</u>

(a) Amount due from/(to) subsidiary companies with interest bearing are unsecured, bear interest ranged from 5.43% to 6.09% (31.3.2024: 7.70% to 9.50%) per annum and repayable on demand.

(b) Amount due from subsidiary companies representing dividends declared but not yet received during the financial period.

16. Deposits, Bank and Cash Balances

	Group		Company	
	30.9.2025 RM	31.3.2024 RM	30.9.2025 RM	31.3.2024 RM
Cash and bank balances	19,078,251	15,407,549	1,014,205	1,242,392
Fixed deposits placed with licensed bank	9,663,260	11,741,414	-	1,546,859
Short term money market deposits	-	1,200,000	-	-
Total deposits, cash and bank balances	<u>28,741,511</u>	<u>28,348,963</u>	<u>1,014,205</u>	<u>2,789,251</u>
Less: Bank overdrafts (Note 22)	(3,229,628)	(8,987,088)	-	-
Less: Fixed deposits pledged with licensed bank	<u>(9,418,448)</u>	<u>(5,495,138)</u>	<u>-</u>	<u>-</u>
Total cash and cash equivalents	<u>16,093,435</u>	<u>13,866,737</u>	<u>1,014,205</u>	<u>2,789,251</u>

The interest rates and maturities of the fixed deposits placed with licensed banks of the Group and the Company range from 2.15% to 4.00% (31.3.2024: 0.25% to 3.70%) per annum and 3 months (31.3.2024: 1 month to 60 months) respectively.

Fixed deposits placed with licensed banks of the Group amounting to RM9,418,448 (31.3.2024: RM5,495,138) are pledged as securities for bank borrowings as disclosed in Note 22.

Notes To The Financial Statements (Cont'd)

30 September 2025

17. Non-current assets classified as held for sale

	Group	
	30.9.2025	31.3.2024
	RM	RM
Details of assets classified as held for sale are as follows:		
<u>Freehold land, leasehold land and buildings</u>		
At 1 April 2024/2023	8,676,251	-
Disposal	(8,676,251)	-
Transfer from investment properties (Note 6)	-	8,676,251
At 30 September 2025/31 March 2024	-	8,676,251

During the financial period, the Group disposed non-current assets classified as held for sale of RM8,676,251 for a cash consideration of RM10,459,776, which had resulted a gain of RM1,783,525.

18. Share Capital

	Group and Company			
	Number of shares		Amount	
	30.9.2025	31.3.2024	30.9.2025	31.3.2024
	RM	RM	RM	RM
Issued and fully paid:				
<u>Ordinary shares</u>				
At 1 April 2024/2023	867,835,759	812,081,974	153,775,657	140,078,436
Issuance of new share pursuant to:				
- Exercise of Warrants	1,296,800	9,040,203	103,744	723,217
- Exercise of SIS	92,411,000	46,713,582	9,703,155	9,342,716
- Private placement	86,822,700	-	12,396,792	-
Share issuance expenses	-	-	(101,984)	-
Transfer of warrant reserve upon exercise of Warrants	-	-	33,717	226,005
Transfer of SIS reserve upon exercise of SIS	-	-	1,811,255	3,405,283
At 30 September 2025/31 March 2024	1,048,366,259	867,835,759	177,722,336	153,775,657

During the financial period, the Company issued:

- (a) 1,296,800 new ordinary shares at a weighted average exercise price of RM0.080 per ordinary share for total consideration of RM103,744 from the exercise of warrants; and
- (b) 92,411,000 new ordinary shares at a weighted average exercise price of RM0.105 per ordinary share for total consideration of RM9,703,155 from the exercise of Share Issuance Scheme ("SIS"); and
- (c) private placement of 86,822,700 new ordinary shares at a weighted average exercise price of RM0.143 per ordinary share for total consideration of RM12,396,792.

Notes To The Financial Statements (Cont'd)

30 September 2025

18. Share Capital (Cont'd)

In the previous financial year, the Company issued:

- (a) 9,040,203 new ordinary shares at a weighted average exercise price of RM0.080 per ordinary share for total consideration of RM723,217 from the exercise of warrants; and
- (b) 46,713,582 new ordinary shares at a weighted average exercise price of RM0.20 per ordinary share for total consideration of RM9,342,716 from the exercise of Share Issuance Scheme ("SIS"); and

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

19. Treasury Shares

The shareholders of the Company, by a resolution passed in the last Annual General Meeting held on 27 August 2024, renewed their approval for the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

	Group and Company			
	Number of shares		Amount	
	30.9.2025	31.3.2024	30.9.2025	31.3.2024
	Units	Units	Units	Units
At 1 April 2024/2023	-	-	-	-
Purchase of own shares	<u>(40,900,000)</u>	<u>-</u>	<u>(5,105,895)</u>	<u>-</u>
At 30 September 2025 /31 March 2024	<u>(40,900,000)</u>	<u>-</u>	<u>(5,105,895)</u>	<u>-</u>

During the financial period, the Company repurchased 40,900,000 of its issued share capital from the open market at an average price of RM0.125 per share including transaction costs. The purchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares.

20. Reserves

		Group		Company	
		30.9.2025	31.3.2024	30.9.2025	31.3.2024
	Note	RM	RM	RM	RM
Reorganisation reserve	(a)	(5,185,000)	(5,185,000)	-	-
Warrant reserve	(b)	1,830,768	1,864,485	1,830,768	1,864,485
SIS reserve	(c)	2,136,114	2,913,855	2,136,114	2,913,855
Capital contribution reserve	(d)	3,469,936	-	-	-
		<u>2,251,818</u>	<u>(406,660)</u>	<u>3,966,882</u>	<u>4,778,340</u>

20. Reserves (Cont'd)

The nature of reserves of the Group and of the Company are as follows:

(a) Reorganisation reserve

The reorganisation reserve represents the difference between the consideration paid over share capital and capital reserves of HHHH and its subsidiaries pursuant to a business combination under common control.

(b) Warrants reserve

On 10 May 2021, the Company issued 69,353,589 5-year free detachable warrants 2021/2026 ("Warrants"). The Warrants are constituted by a deed poll dated 30 March 2021 and listed on the ACE Market of Bursa Malaysia Securities Berhad on 17 May 2021. The Warrants will expire on 6 May 2026.

On 18 April 2022, the Company had adjusted the number of outstanding Warrants from 67,397,164 to 168,492,910 Warrants on the basis of 3 additional Warrants for every 2 existing Warrants held and the exercise price adjusted from RM0.20 to RM0.08 pursuant to the Bonus Issue.

The fair value of the Warrants was determined using the relative fair value method based on the 5 days volume-weighted average price and the theoretical ex-rights price of the Company's share on 17 May 2021.

The movement of warrants reserve during the financial period:

	Group and Company			
	Number of Warrants		Amount	
	30.9.2025	31.3.2024	30.9.2025	31.3.2024
	Units	Units	RM	RM
At 1 April 2024/2023	73,102,807	82,143,010	1,864,485	2,090,490
Transfer of warrant reserve upon exercise of Warrants	<u>(1,296,800)</u>	<u>(9,040,203)</u>	<u>(33,717)</u>	<u>(226,005)</u>
At 30 September 2025/31 March 2024	<u>71,806,007</u>	<u>73,102,807</u>	<u>1,830,768</u>	<u>1,864,485</u>

The main features of the Warrants are as follows:

- Each Warrant entitles the registered holder at any time during the exercise period to subscribe for one new ordinary share each in the Company at an exercise price of RM0.08 per ordinary share.
- The exercise price and the number of Warrants are subject to adjustment in the event of alteration to the share capital of the Company in accordance with the provisions set out in the deed poll.
- The Warrants shall be exercisable at any time within the period commencing on and including the date of issue of the Warrants until the last market day prior to the fifth anniversary of the date of issue of the Warrants.
- Upon exercise of the Warrants into new ordinary shares, such shares shall rank pari passu in all respects with the ordinary shares of the Company in issue at the time of exercise except that they shall not be entitled to any dividends, rights, allotments and other distributions on or prior to the date of allotment of the new ordinary shares arising from the exercise of the Warrants.
- The Warrants holders are not entitled to any voting right or to participate in any form of distribution and/or offer of further securities in the Company until and unless such Warrants holders exercise their Warrants and new ordinary shares have been allotted and issued to the holders.
- At the expiry of the exercise period, any Warrants which have not been exercised will lapse and cease to be valid for any purpose.

Notes To The Financial Statements (Cont'd)

30 September 2025

20. Reserves (Cont'd)

The nature of reserves of the Group and of the Company are as follows: (Cont'd)

(c) Share Issuance Scheme ("SIS") Reserve

SIS reserve represents the equity-settled share options granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options. Employee share options are disclosed in Note 31.

(d) Capital contribution reserve

Capital contribution reserve represents contributions credited directly to equity and does not form part of the Group's distributable retained earnings. The reserve is classified as non-distributable under the Companies Act 2016 and Bursa Malaysia Listing Requirements.

21. Lease Liabilities

	Group		Company	
	30.9.2025	31.3.2024	30.9.2025	31.3.2024
	RM	RM	RM	RM
At 1 April 2024/2023	3,973,827	7,044,758	345,414	459,439
Additions	9,883,844	452,198	1,065,369	-
Disposal of a subsidiary company (Note 7)	(81,014)	-	-	-
Payments	(5,089,547)	(3,523,129)	(618,883)	(114,025)
Modification of lease terms	(1,037,981)	-	-	-
At 30 September 2025/31 March 2024	<u>7,649,129</u>	<u>3,973,827</u>	<u>791,900</u>	<u>345,414</u>
Presented as:				
Non-current	4,143,214	1,315,927	374,453	228,198
Current	<u>3,505,915</u>	<u>2,657,900</u>	<u>417,447</u>	<u>117,216</u>
	<u>7,649,129</u>	<u>3,973,827</u>	<u>791,900</u>	<u>345,414</u>

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

	Group		Company	
	30.9.2025	31.3.2024	30.9.2025	31.3.2024
	RM	RM	RM	RM
Within one year	3,909,214	2,780,446	470,612	130,428
Later than one year and not later than two years	3,806,682	832,056	391,600	130,428
Later than two years and not later than five years	504,103	554,585	-	108,826
	<u>8,219,999</u>	<u>4,167,087</u>	<u>862,212</u>	<u>369,682</u>
Less: Future finance charges	<u>(570,870)</u>	<u>(193,260)</u>	<u>(70,312)</u>	<u>(24,268)</u>
Present value of lease liabilities	<u>7,649,129</u>	<u>3,973,827</u>	<u>791,900</u>	<u>345,414</u>

The Group and the Company leases various land, factory buildings, office buildings and hostel. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Notes To The Financial Statements (Cont'd)

30 September 2025

21. Lease Liabilities (Cont'd)

As at 30 September 2025, included in the lease liabilities of the Group and the Company amounting to RM472,224 (31.3.2024: RM1,659,449) and RM42,727 (31.3.2024: RM345,414) is under hire purchase arrangement and is secured by a charge over the leased assets as disclosed in Note 4. The interest rates of the Group and the Company for the lease liabilities of the reporting date ranging from 2.35% to 7.12% (31.3.2024: 2.35% to 4.09%) and 2.35% (31.3.2024: 2.35 to 2.53%) per annum.

22. Bank Borrowings

	Group	
	30.9.2025	31.3.2024
	RM	RM
Secured		
Bank overdrafts	3,229,628	8,987,088
Term loans	9,068,502	21,654,073
	<u>12,298,130</u>	<u>30,641,161</u>

Analysed as:

Repayable within twelve months

Secured

Bank overdrafts	3,229,628	8,987,088
Term loans	739,357	1,455,626
	<u>3,968,985</u>	<u>10,442,714</u>

Repayable after twelve months

Secured

Term loans	8,329,145	20,198,447
	<u>12,298,130</u>	<u>30,641,161</u>

The bank borrowings of the Group are secured by the following:

- (i) Legal charge over the Group's freehold and factory buildings as disclosed in Notes 4 and 6 respectively;
- (ii) Legal charge over freehold land and buildings belonging to a director of the subsidiaries;
- (iii) First party specific debenture by way of fixed charge to be created over the Group's plant and machinery;
- (iv) Pledge of keyman insurance contracts of the Group as disclosed in Note 10;
- (v) Pledge of fixed deposits of the Group as disclosed in Note 16;
- (vi) Jointly and severally guarantee by certain directors of the Group;
- (vii) Corporate guarantee by certain subsidiaries; and
- (viii) Corporate guarantee of the Company.

Notes To The Financial Statements (Cont'd)

30 September 2025

22. Bank Borrowings (Cont'd)

The average effective interest rates per annum are as follows:

	Group	
	30.9.2025	31.3.2024
	%	%
Bank overdrafts	7.70	7.70 - 9.50
Term loans	2.10 - 6.89	4.20 - 7.14

23. Trade Payables

	Group	
	30.9.2025	31.3.2024
	RM	RM
Trade payables	3,007,076	6,099,897

Credit terms of trade payables of the Group ranged from 30 to 90 days (31.3.2024: 30 to 90 days) depending on the terms of the contracts.

24. Other Payables

	Note	Group		Company	
		30.9.2025	31.3.2024	30.9.2025	31.3.2024
		RM	RM	RM	RM
Other payables		6,226,605	2,080,777	4,606,015	1,078
Loan interest received in advance	(a)	132,000	942,961	-	-
Deposits received	(b)	1,125,726	6,008,963	-	-
Amount due to directors	(c)	-	884,084	-	-
Amount due to related parties	(c)	93,749	-	-	-
Amount due to shareholders	(c)	-	611,115	-	-
Accruals		6,190,040	6,531,137	1,153,383	1,742,888
SST payable		48,338	120,867	-	-
Provision for warranty	(d)	305,258	694,123	-	-
		<u>14,121,716</u>	<u>17,874,027</u>	<u>5,759,398</u>	<u>1,743,966</u>

(a) It represents the loan interest income received in advance from the loan receivables of the Group as disclosed in Note 12.

(b) Included in the deposits received of the Group are an amount of RM747,600 (31.3.2024: RM1,638,128) which is the security deposit received from customers.; and

In the previous financial year, included in the deposits received of the Group are an amount of RM4,291,281 which is the deposit received in relation to the disposal of non-current assets held for sale as disclosed to Note 17.

(c) The amount due to directors, amount due to related parties and amount due to shareholders are unsecured, non-interest bearing and repayable on demand.

Notes To The Financial Statements (Cont'd)

30 September 2025

24. Other Payables (Cont'd)

(d) Provision for warranty

	Group	
	30.9.2025	31.3.2024
	RM	RM
At 1 April 2024/2023	694,123	798,873
Less: Reversal of provision for warranties	<u>(388,865)</u>	<u>(104,750)</u>
At 30 September 2025/31 March 2024	<u>305,258</u>	<u>694,123</u>

The provision for warranty relates to mattress products sold. The provision is based on estimates made from historical warranty data associated with similar products.

25. Contract Liabilities

	Group	
	30.9.2025	31.3.2024
	RM	RM
At 1 April 2024/2023	1,594,196	894,065
Deposit received	248,567	7,836,766
Decrease on recognition of revenue	<u>(1,567,460)</u>	<u>(7,136,635)</u>
At 30 September 2025/31 March 2024	<u>275,303</u>	<u>1,594,196</u>

Contract liabilities comprised of deposits received from customers for sales orders. When the Group receives a deposit before the production activity commences, this will give rise to contract liabilities at the start of a contract. The deposit will be reversed and recognised as revenue upon satisfying the performance obligation within the contract. All deposits received are expected to be settled within one year.

Notes To The Financial Statements (Cont'd)

30 September 2025

26. Revenue

	Group		Company	
	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM
Revenue from contracts with customers:				
- Sales of goods	177,177,839	122,469,499	-	-
	<u>177,177,839</u>	<u>122,469,499</u>	<u>-</u>	<u>-</u>
Revenue from other sources:				
- Rental income	804,781	1,351,074	-	-
- Loan interest income	4,831,261	500,995	-	-
- Dividend income	-	-	25,973,000	12,577,800
	<u>182,813,881</u>	<u>124,321,568</u>	<u>25,973,000</u>	<u>12,577,800</u>
Timing of revenue recognition:				
At a point in time	177,177,839	122,469,499	-	-
Total revenue from contracts with customers	<u>177,177,839</u>	<u>122,469,499</u>	<u>-</u>	<u>-</u>

Revenue information based on geographical location of customers and business segments are disclosed in Note 37.

27. Finance Costs

	Group		Company	
	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM
Interest expenses of:				
- Amount owing to subsidiary companies	-	-	1,327,890	-
- Bank overdrafts	1,047,715	289,663	-	185,511
- Bankers' acceptance	18,862	9,360	-	-
- Term loan	1,160,007	1,367,550	-	-
- Lease liabilities	651,413	286,268	102,469	18,782
- Letter of credit	26,220	-	-	-
- Others	310	30,564	-	-
	<u>2,904,527</u>	<u>1,983,405</u>	<u>1,430,359</u>	<u>204,293</u>

Notes To The Financial Statements (Cont'd)

30 September 2025

28. Profit Before Tax

Profit before tax is determined after charging/(crediting) amongst other, the following items:

	Group		Company	
	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM
Auditors' remuneration:				
- Statutory audit				
- UHY Malaysia PLT	427,500	-	49,500	-
- Other auditors				
- current year	11,250	274,500	-	35,000
- (over)/under provision in prior years	(2,280)	500	-	-
- Non-statutory audits				
- UHY Malaysia PLT	5,000	-	5,000	-
- Other auditors				
- current year	-	153,850	-	9,000
- under provision in prior years	-	10,405	-	-
Allowance for inventories obsolescence	392,970	-	-	-
Amortisation of intangible assets:				
- customer relationship	1,935,599	1,290,400	-	-
- branding	14,312	8,744	-	-
- trademarks	37,021	24,680	-	-
Bargain purchase of a subsidiary company	(9,295,204)	-	-	-
Deposit forfeited	-	(5,750)	-	-
Depreciation of:				
- investment properties	471,590	517,191	-	-
- property, plant and equipment	8,950,714	6,532,688	417,460	137,296
- right-of-use assets	4,278,964	2,699,765	390,219	-
Dividend income from other investments	(18,155)	(278,267)	(7,732)	(113,191)
Fair value gain on:				
- derivative financial instruments	-	(22,468)	-	-
- keyman insurance contracts	(16,204)	(35,150)	-	-
- other investments	(319,520)	(313,104)	(114,010)	(179,651)

Notes To The Financial Statements (Cont'd)

30 September 2025

28. Profit Before Tax (Cont'd)

Profit before tax is determined after charging/(crediting) amongst other, the following items: (Cont'd)

	Group		Company	
	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM
Gain on modification of lease terms	(128,742)	-	-	-
(Gain)/Loss on disposal of:				
- investment in subsidiary	(92,496)	-	-	-
- investment properties	(6,219,496)	(212,156)	-	-
- other investments	-	493,396	-	-
- property, plant and equipment	326,566	(160,992)	(40,800)	-
- non-current assets classified as held for sale	(1,783,525)	-	-	-
(Gain)/Loss on foreign exchange:				
- Realised	(858,162)	(395,113)	86,102	-
- Unrealised	64,188	(12,282)	-	-
Impairment losses on:				
- intangible assets	13,111,204	-	-	-
- other receivables	3,157,954	-	-	-
- property, plant and equipment	233,035	-	-	-
- trade receivables	2,940,861	63,412	-	-
Inventories written down:				
- addition	-	421,715	-	-
- reversal	-	(274,278)	-	-
Interest income	(542,266)	(675,833)	(2,319,303)	(518,312)
Lease expenses relating to low-value assets	37,075	16,165	-	3,765
Lease expenses relating to short-term leases	1,881,910	1,120,162	143,892	45,600
Non-executive Directors' remuneration				
- Directors' fees	265,318	96,000	265,318	96,000
- Other emoluments	53,400	3,000	53,400	3,000
Rental income	(1,037,541)	(503,335)	-	-
Reversal of impairment losses on:				
- investment in a subsidiary	-	-	-	(11,499,999)
- trade receivables	-	(73,777)	-	-
Share based payment	3,960,109	-	3,189,330	-
Written off of:				
- bad debts	36,977	-	18,976	-
- property, plant and equipment	760,405	610,041	-	-

Notes To The Financial Statements (Cont'd)

30 September 2025

29. Taxation

	Group		Company	
	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM
Tax expenses recognised in profit or loss				
Current tax provision	2,246,977	2,822,990	25,092	36,315
Over provision in prior years	(694,776)	(102,497)	(12,761)	(8,307)
	<u>1,552,201</u>	<u>2,720,493</u>	<u>12,331</u>	<u>28,008</u>
Deferred tax				
Origination and reversal of temporary differences	(106,986)	(800,046)	(5,000)	-
Under provision in prioryear	222,804	156,681	-	-
	<u>115,818</u>	<u>(643,365)</u>	<u>(5,000)</u>	<u>-</u>
Real property gains tax	733,692	283,801	-	-
	<u>2,401,711</u>	<u>2,360,929</u>	<u>7,331</u>	<u>28,008</u>

Malaysian income tax is calculated at the statutory tax rate of 24% (31.3.2024: 24%) of the estimated assessable profits for the financial period/year.

A reconciliation of income tax expenses applicable to profit before tax at the statutory tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM
Profit before tax	<u>11,933,207</u>	<u>10,216,807</u>	<u>10,723,587</u>	<u>18,623,539</u>
Tax at Malaysian statutory tax rate of 24% (31.3.2024: 24%)	2,863,970	2,452,034	2,573,661	4,469,649
Expenses not deductible for tax purposes	9,905,893	3,124,252	4,516,268	1,226,861
Income not subject to tax	(3,955,691)	(268,670)	(7,068,669)	(5,848,954)
Utilisation of previous year deferred tax assets not recognised	(777,402)	(1,308,518)	(1,168)	-
Deferred tax assets not recognised during the period/year	1,316,341	330,639	-	188,759
Pioneer income notsubject to tax	(7,213,120)	(2,306,793)	-	-
	<u>2,139,991</u>	<u>2,022,944</u>	<u>20,092</u>	<u>36,315</u>
Over provision of income tax expenses in prior years	(694,776)	(102,497)	(12,761)	(8,307)
Real property gains tax	733,692	283,801	-	-
Under provision of deferred tax liabilities in prior years	222,804	156,681	-	-
	<u>2,401,711</u>	<u>2,360,929</u>	<u>7,331</u>	<u>28,008</u>

Notes To The Financial Statements (Cont'd)

30 September 2025

29. Taxation (Cont'd)

Pursuant to Section 8 of the Finance Act 2021 (Act 833), the amendments to Section 44(5F) of Income Tax Act 1967, the time limit of the carried forward unutilised tax losses has been extended to maximum of 10 consecutive years of assessment. This amendment is deemed to have effect from the year of assessment 2019 and subsequent years of assessment.

Any unutilised business losses brought forward from year of assessment 2018 can be carried forward for another 10 consecutive years of assessment (i.e. from year of assessments 2019 to 2028).

	Group		Company	
	30.9.2025	31.3.2024	30.9.2025	31.3.2024
	RM	RM	RM	RM
Unabsorbed capital allowances	7,654,615	13,154,375	-	-
Unutilised tax losses, expiring on:				
- year assessment 2028	2,291,939	3,262,438	-	-
- year assessment 2029	4,374,923	4,374,923	-	-
- year assessment 2030	12,192,882	12,192,882	-	-
- year assessment 2031	58,214	58,214	-	-
- year assessment 2032	27,974	27,974	-	-
- year assessment 2033	120,299	120,299	-	-
- year assessment 2034	2,536,956	2,536,956	-	-
- year assessment 2035	1,200,847	-	-	-
	<u>30,458,649</u>	<u>35,728,061</u>	<u>-</u>	<u>-</u>

30. Earnings Per Share

(a) Basic earnings per share

The basic earnings per share are calculated based on the consolidated profit for the financial period/year attributable to the owners of the parent and the weighted average number of ordinary shares in issue during the financial period/year as follows:

	Group	
	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM
Profit attributable to owners of the parent	<u>10,370,540</u>	<u>7,086,988</u>
Weighted average number of ordinary shares in issue		
Weighted average number of ordinary shares as at 1 April 2024/2023	867,835,759	812,081,974
Effect of ordinary shares issued during the financial period/year	<u>87,632,828</u>	<u>50,083,467</u>
Weighted average number of ordinary shares as at 30 September 2025/31 March 2024	<u>955,468,587</u>	<u>862,165,441</u>
Basic earnings per ordinary share (in sen)	<u>1.09</u>	<u>0.82</u>

Notes To The Financial Statements (Cont'd)

30 September 2025

30. Earnings Per Share (Cont'd)

(b) Diluted earnings per share

Diluted earnings per share are calculated based on the adjusted consolidated profit for the financial period/year attributable to the Owners of the Company and the weighted average number of ordinary shares in issue during the financial period/year which have been adjusted for the dilutive effect of all potential ordinary shares as follows:

	Group	
	30.9.2025	31.3.2024
	RM	RM
Profit attributable to owners of the parent	<u>10,370,540</u>	<u>7,086,988</u>
Weighted average number of ordinary shares used in the calculation of basic earnings per share	955,468,587	862,165,441
Effect of dilution of warrants	86,445,623	54,139,661
Effect of dilution of SIS	<u>15,014,502</u>	<u>13,840,436</u>
Weighted average number of ordinary shares at 30 September/31 March (diluted)	<u>1,056,928,712</u>	<u>930,145,538</u>
Diluted earnings per shares (in sen)	<u>0.98</u>	<u>0.76</u>

31. Employees' Share Option Scheme-Share Issuance Scheme ("SIS")

The Company's SIS is governed by the By-Laws which was approved by the shareholders at an Extraordinary General Meeting held on 2 December 2020. The SIS is in force for a period of five years commencing from 7 May 2021 to 6 May 2026.

The salient features of the SIS are as follows:

- (a) The total number of new ordinary shares pursuant to the exercise of the SIS options under the SIS shall not in aggregate exceed 30% of the total number of issued and paid-up capital of the Company (excluding any treasury shares) at any point in time during the duration of the SIS.
- (b) The number of new ordinary shares of the Company allocated to any employee or director ("Eligible Persons") of the Group, either singly or collectively through persons connected with such Eligible Persons who holds 20% or more of the issued and paid-up share capital of the Company (excluding any treasury shares) does not exceed 10% of the total number of new ordinary shares to be issued under the SIS.
- (c) The new ordinary shares of the Company allocated to the directors and senior management of the Company and of its subsidiaries (excluding dormant subsidiaries) shall not exceed 80% of the total number of new ordinary shares to be issued under the SIS.
- (d) The director and senior management of the Group shall not participate in the deliberation or discussion of their respective allocation.
- (e) Any employee or director of the Group shall be eligible to participate in the SIS if, as at the date of offer, the employee is at least eighteen (18) years of age or above; and is not an undischarged bankrupt or subject to any bankruptcy proceedings and is employed or a director of any company within the Group (excluding companies which are dormant).

Notes To The Financial Statements (Cont'd)

30 September 2025

31. Employees' Share Option Scheme-Share Issuance Scheme ("SIS") (Cont'd)

- (f) The option price shall be determined at a discount of not more than 10% or such lower or higher limit in accordance with any prevailing guidelines issued by Bursa Malaysia Securities Berhad for the five (5) market days immediately preceding the date of the offer.
- (g) The new ordinary shares of the Company shall, upon allotment and issuance, rank pari passu in all respects with the existing shares of the Company, save and except that they will not be entitled to any dividends, rights, allotments and/or any other distributions prior to the date of allotment and issuance of new ordinary shares arising from the exercise of the SIS.

During the financial period

The details of the outstanding SIS granted to the Group and the Company's employees and directors and its exercise price are as follows:

Grant date	Exercise price	Number of SIS over ordinary shares				Balance at 30.9.2025
		Balance at 1.4.2024	Granted	Exercised	forfeited	
25.10.2021	RM0.20*	39,376,418	-	-	(39,376,415)	3
6.11.2024	RM0.11	-	202,100,000	(92,411,000)	(650,000)	109,039,000

* Adjustment to the exercise price and number of options pursuant to the Company's Bonus Issue.

The fair value of the SIS granted was estimated at the grant date using Trinomial Option Pricing model, taking into account the terms and conditions upon which the instruments were granted.

The following table are inputs relevant in deriving the fair value of the SIS:

6.11.2024

Fair value (RM)	0.0218
Expected volatility (%)	63 - 68
Risk-free interest rate (% p.a)	3.4218
Expected life of option (years)	3
Weighted average share price (RM)	0.136

25.10.2021

Fair value (RM)	0.1875
Expected volatility (%)	60 - 100
Risk-free interest rate (% p.a)	3.0379
Expected life of option (years)	5
Weighted average share price (RM)	0.528

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

Notes To The Financial Statements (Cont'd)

30 September 2025

31. Employees' Share Option Scheme-Share Issuance Scheme ("SIS") (Cont'd)

In the previous financial year

The details of the outstanding SIS granted to the Group's employees and directors and its exercise price are as follows:

Grant date	Exercise price*	Number of SIS over ordinary shares				Balance at 30.9.2025
		Balance at 1.4.2024	Granted	Exercised	forfeited	
25.10.2021	RM0.20	86,090,000	-	(46,713,582)	-	39,376,418

* Adjustment to the exercise price and number of options pursuant to the Company's Bonus Issue.

The fair value of the SIS granted was estimated at the grant date using Trinomial Option Pricing model, taking into account the terms and conditions upon which the instruments were granted.

The following table are inputs relevant in deriving the fair value of the SIS:

25.10.2021

Fair value (RM)	0.1875
Expected volatility (%)	60 - 100
Risk-free interest rate (% p.a)	3.0379
Expected life of option (years)	5
Weighted average share price (RM)	0.528

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

32. Staff Costs

	Group		Company	
	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM
Salaries and other emoluments	37,709,246	26,796,397	7,497,070	4,403,716
Directors fees	265,318	96,000	265,318	96,000
Social security contributions	408,596	346,514	34,637	12,901
Defined contributions plans	2,608,382	1,689,472	799,080	253,257
Share option granted under SIS	3,960,109	-	3,189,330	-
	<u>41,951,651</u>	<u>28,928,383</u>	<u>11,785,435</u>	<u>4,765,874</u>

Notes To The Financial Statements (Cont'd)

30 September 2025

32. Staff Costs (Cont'd)

Included in staff costs is aggregate amount of remuneration received and receivable by the Executive Directors of the Company and of the subsidiary companies during the financial period/year as below:

	Group		Company	
	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM
Executive Directors				
<u>Existing Directors of the Company</u>				
Salaries and other emoluments	2,842,115	2,014,177	750,208	-
Social security contributions	12,281	7,099	1,017	-
Defined contribution plans	340,729	266,825	30,009	-
	<u>3,195,125</u>	<u>2,288,101</u>	<u>781,234</u>	<u>-</u>
Estimated monetary value of benefit-in-kind	8,250	80,013	-	-
	<u>3,203,375</u>	<u>2,368,114</u>	<u>781,234</u>	<u>-</u>
<u>Past Directors of the Company*</u>				
Salaries and other emoluments	1,151,439	1,293,902	196,596	-
Social security contributions	3,351	4,908	-	-
Defined contribution plans	114,519	202,294	-	-
	<u>1,269,309</u>	<u>1,501,104</u>	<u>196,596</u>	<u>-</u>
Estimated monetary value of benefit-in-kind	11,828	15,500	-	-
	<u>1,281,137</u>	<u>1,516,604</u>	<u>196,596</u>	<u>-</u>
Total Directors remunerations	<u>4,484,512</u>	<u>3,884,718</u>	<u>977,830</u>	<u>-</u>

* This represents the remuneration paid to the Directors during the financial period until their resignation.

Notes To The Financial Statements (Cont'd)

30 September 2025

33. Reconciliation of Liabilities Arising From Financing Activities

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	At 1		Non-cash changes			At 30
	April	Financing	New lease	Disposal of a	Modification	
	2024	cash flows (i)	(Note 21)	subsidiary	of lease term	September
	RM	RM	RM	company	(Note 21)	2025
				(Note 7)	(Note 21)	RM
				RM	RM	
Group						
Lease liabilities (Note 21)	3,973,827	(5,089,547)	9,883,844	(81,014)	(1,037,981)	7,649,129
Term loans (Note 22)	21,654,073	(6,223,869)	-	(6,361,702)	-	9,068,502
Company						
Amount due to subsidiary companies (Note 15)	5,646,223	4,453,875	-	-	-	10,100,098
Lease liabilities (Note 21)	345,414	(618,883)	1,065,369	-	-	791,900

	At 1		Non-cash changes			At 31
	April	Financing	New lease	Modification	Other	
	2023	cash flows (i)	(Note 21)	of lease term	changes (ii)	March
	RM	RM	RM	(Note 21)	RM	2024
				RM	RM	RM
Group						
Dividend payables	-	(1,852,200)	-	-	1,852,200	-
Lease liabilities (Note 21)	7,044,758	(3,523,129)	452,198	-	-	3,973,827
Term loans (Note 22)	30,193,766	(8,539,693)	-	-	-	21,654,073
Company						
Amount due to subsidiary companies (Note 15)	-	5,646,223	-	-	-	5,646,223
Lease liabilities (Note 21)	459,439	(114,025)	-	-	-	345,414

(i) The cash flows from dividend payables, lease liabilities, term loans and amount due to subsidiary companies make up the net amount of proceeds from or repayment or payment in the statements of cash flows.

(ii) Other changes included dividend payable to non-controlling interests.

Notes To The Financial Statements (Cont'd)

30 September 2025

34. Commitments

	Group	
	30.9.2025	31.3.2024
	RM	RM
Capital expenditure		
Authorised and contracted for:		
- Property, plant and equipment	11,700,000	-
Authorised and not contracted for:		
- Property, plant and equipment	-	48,770

35. Contingencies

	Group	
	30.9.2025	31.3.2024
	RM	RM
Corporate guarantees given by the Company to banks and financial institutions for credit facilities granted to certain subsidiary companies		
- limit	4,200,000	13,200,000
- maximum exposure	922,058	11,425,518

36. Related Party Disclosures

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

Notes To The Financial Statements (Cont'd)

30 September 2025

36. Related Party Disclosures (Cont'd)

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM
(i) Transaction with subsidiary companies				
- Acquisition of property, plant and equipment	-	-	165,357	-
- Disposal of property, plant and equipment	-	-	243,000	-
- Dividend income	-	-	25,973,000	12,577,800
- Interest expenses	-	-	1,327,890	-
- Interest income	-	-	2,301,083	280,172
(ii) Transactions with related parties				
- Acquisition of a subsidiary company, Kulim Property Sdn. Bhd.	-	4,500,000	-	-
- Interest income	420	-	420	-
- Purchase of freehold land	-	2,420,000	-	-
- Purchase of goods	3,109,582	5,735,964	-	-

(c) Compensation of key management personnel

Remuneration of Executive Directors and other members of key management of the Company and of the subsidiary companies are as follows:

	Group		Company	
	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM
Executive Directors				
Salaries and other emoluments	3,993,554	3,308,079	946,804	-
Social security contributions	15,632	12,007	1,017	-
Defined contributions plans	455,248	469,119	30,009	-
	4,464,434	3,789,205	977,830	-
Estimated monetary value of benefit- in-kind	20,078	95,513	-	-
	4,484,512	3,884,718	977,830	-

Notes To The Financial Statements (Cont'd)

30 September 2025

36. Related Party Disclosures (Cont'd)

(c) Compensation of key management personnel (Cont'd)

Remuneration of Executive Directors and other members of key management of the Company and of the subsidiary companies are as follows: (Cont'd)

	Group		Company	
	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM	1.4.2024 to 30.9.2025 RM	1.4.2023 to 31.3.2024 RM
<u>Key Management Personnel</u>				
Salaries and other emoluments	2,759,401	2,757,240	2,759,401	2,757,240
Social security contributions	5,452	4,220	5,452	4,220
Defined contributions plans	331,164	269,560	331,164	269,560
Share option granted under SIS	3,960,109	-	3,189,330	-
	<u>7,056,126</u>	<u>3,031,020</u>	<u>6,285,347</u>	<u>3,031,020</u>
Estimated monetary value of benefit- in-kind	25,013	35,860	25,013	35,860
	<u>7,081,139</u>	<u>3,066,880</u>	<u>6,310,360</u>	<u>3,066,880</u>
	<u>11,565,651</u>	<u>6,951,598</u>	<u>7,288,190</u>	<u>3,066,880</u>

37. Segment Information

Segment information is primarily presented in respect of the Group's business segment which is based on the Group's management and internal reporting structure.

Biomass materials and value-added products	Manufacturing and trading of coconut fibre and related products, bio-oil and oil palm EFB (empty fruit bunches) fibre and related products
Furniture products	Manufacturing and trading of furniture products
Money lending services	Licensed money lending activities
Investment holdings and others	Investment holdings and property investment.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

Notes To The Financial Statements (Cont'd)

30 September 2025

37. Segment Information (Cont'd)

	Biomass materials and value- added products RM	Furniture products RM	Money lending services RM	Investment holdings and others RM	Elimination RM	Total RM
1.4.2024 to 30.9.2025						
Revenue						
External revenue	104,317,046	72,860,793	4,831,261	804,781	-	182,813,881
Inter-segment revenue	11,773,576	-	-	28,348,000	(40,121,576)	-
Total revenue	116,090,622	72,860,793	4,831,261	29,152,781	(40,121,576)	182,813,881
Results						
Segment result	30,420,909	9,377,078	1,326,491	(2,893,659)	(23,935,351)	14,295,468
Interest income	1,171,238	901,734	12,737	3,268,059	(4,811,502)	542,266
Interest expenses	(1,194,742)	(1,542,280)	(3,049,195)	(1,929,812)	4,811,502	(2,904,527)
Profit before tax	30,397,405	8,736,532	(1,709,967)	(1,555,412)	(23,935,351)	11,933,207
Taxation	250,890	(1,893,006)	(294,017)	(461,578)	(4,000)	(2,401,711)
Profit for the financial period	30,648,295	6,843,526	(2,003,984)	(2,016,990)	(23,939,351)	9,531,496
Assets						
Segment assets	70,987,592	60,319,703	36,436,223	346,679,957	(197,805,565)	316,617,910
Deferred tax assets	573,963	-	-	-	-	573,963
Tax recoverable	1,828,247	1,192,402	23,516	(50,812)	(4,000)	2,989,353
Total assets	73,389,802	61,512,105	36,459,739	346,629,145	(197,809,565)	320,181,226
Liabilities						
Segment liabilities	19,098,625	13,744,882	38,237,039	63,933,706	(97,662,898)	37,351,354
Deferred tax liabilities	573,247	425,000	-	-	592,371	1,590,618
Total liabilities	19,671,872	14,169,882	38,237,039	63,933,706	(97,070,527)	38,941,972
Other information						
Addition to non-current assets	5,514,739	563,949	-	5,476,612	-	11,555,300
Depreciation and amortisation	8,511,895	2,527,717	-	2,501,007	2,147,581	15,688,200
Non-cash item other than depreciation and amortisation	180,682	(5,954,909)	2,741,647	(3,651,055)	9,852,608	3,168,973

Notes To The Financial Statements (Cont'd)

30 September 2025

37. Segment Information (Cont'd)

	Biomass materials and value- added products RM	Furniture products RM	Money lending services RM	Investment holdings and others RM	Elimination RM	Total RM
1.4.2023 to 31.3.2024						
Revenue						
External revenue	62,466,618	60,002,881	500,995	1,351,074	-	124,321,568
Inter-segment revenue	2,753,606	1,540	-	12,577,800	(15,332,946)	-
Total revenue	65,220,224	60,004,421	500,995	13,928,874	(15,332,946)	124,321,568
Results						
Segment result	3,187,549	2,379,563	462,869	18,072,198	(12,577,800)	11,524,379
Interest income	69,805	322,445	1,550	537,440	(255,407)	675,833
Interest expenses	(307,917)	(1,013,961)	(204,686)	(712,248)	255,407	(1,983,405)
Profit before tax	2,949,437	1,688,047	259,733	17,897,390	(12,577,800)	10,216,807
Taxation	(238,987)	(1,522,230)	(8,730)	(590,982)	-	(2,360,929)
Profit for the financial year	2,710,450	165,817	251,003	17,306,408	(12,577,800)	7,855,878
Assets						
Segment assets	61,349,699	90,273,648	24,219,851	89,039,010	-	264,882,208
Deferred tax assets	953,889	-	-	-	-	953,889
Tax recoverable	893,552	623,606	-	33,451	-	1,550,609
Total assets	63,197,140	90,897,254	24,219,851	89,072,461	-	267,386,706
Liabilities						
Segment liabilities	16,756,101	27,610,651	713,452	15,102,904	-	60,183,108
Deferred tax liabilities	754,247	1,095,479	-	12,782	-	1,862,508
Tax payable	-	-	510	-	-	510
Total liabilities	17,510,348	28,706,130	713,962	15,115,686	-	62,046,126
Other information						
Addition to non-current assets	5,405,463	212,523	-	3,148,624	-	8,766,610
Depreciation and amortisation	6,932,988	3,520,970	-	619,510	-	11,073,468
Non-cash item other than depreciation and amortisation	753,745	(110,154)	-	12,899	-	656,490

Notes To The Financial Statements (Cont'd)

30 September 2025

37. Segment Information (Cont'd)

Adjustments and eliminations

Inter-segment revenues and balances are eliminated on consolidation.

Additions to non-current assets consist of total cost incurred to acquire property, plant and equipment, investment properties and intangible assets (excluding goodwill on consolidation). It excludes the additions of right-of-use assets, inventories, keyman insurance contracts and deferred tax assets.

Other non-cash expenses/(income)(excluding depreciation) consist of the following items:

	Group	
	1.4.2024	1.4.2023
	to	to
	30.9.2025	31.3.2024
	RM	RM
Accretion of interest on lease liabilities	-	177,883
Allowance for inventories obsolescence	392,970	-
Bargain purchase of subsidiary	(9,295,204)	-
Deposit forfeited	-	(5,750)
Fair value gain on derivative financial instruments	-	(22,468)
Fair value gain on keyman insurance contracts	(16,204)	(35,150)
Fair value gain on other investment	(319,520)	(313,104)
(Gain)/Loss on disposal of:		
- property, plant and equipment	326,566	(160,992)
- non-current assets classified as held for sale	(1,783,525)	-
- investment properties	(6,219,496)	(212,156)
- investment in subsidiary	(92,496)	-
- other investments	-	493,396
Gain on modification of lease terms	(128,742)	-
Impairment losses on:		
- intangible assets	13,111,204	-
- other receivables	3,157,954	-
- property, plant and equipment	233,035	-
- trade receivables	2,940,861	63,412
Inventories written down	-	421,715
Reversal of impairment losses on trade receivables	-	(73,777)
Reversal of inventories written down	-	(274,278)
Unrealised loss/(gain) on foreign exchange	64,188	(12,282)
Written off of:		
- Bad debts	36,977	-
- property, plant and equipment	760,405	610,041
	<u>3,168,973</u>	<u>656,490</u>

Notes To The Financial Statements (Cont'd)

30 September 2025

37. Segment Information (Cont'd)

Geographic information

The manufacturing facilities and sales office of the Group are primarily based in Malaysia.

In presenting information on the basis of geographical areas, segment revenue is based on the geographical location of the customers from which the sales transactions originated as disclosed as follows:

	Group	
	1.4.2024	1.4.2023
	to	to
	30.9.2025	31.3.2024
	RM	RM
<u>Revenue</u>		
Malaysia	129,948,569	80,457,527
United Kingdom	32,597,562	27,246,486
Japan	10,637,861	12,924,482
China	138,168	465,532
Others	9,491,721	3,227,541
	<u>182,813,881</u>	<u>124,321,568</u>

Major customer

None of major customers with total revenue which individually contributed to 10% or more of Group revenue.

38. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair values gains and losses, are recognised.

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

	At amortised	At	Total
	cost	FVTPL	
	RM	RM	RM
30.9.2025			
Group			
Financial assets			
Keyman insurance contracts	-	672,044	672,044
Trade receivables	42,153,890	-	42,153,890
Other receivables (excluding prepayments)	7,127,640	-	7,127,640
Other investments	-	2,512,723	2,512,723
Deposits, bank and cash balances	28,741,511	-	28,741,511
	<u>78,023,041</u>	<u>3,184,767</u>	<u>81,207,808</u>

Notes To The Financial Statements (Cont'd)

30 September 2025

38. Financial Instruments (Cont'd)

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

	At amortised cost RM	At FVTPL RM	Total RM
Financial liabilities			
Lease liabilities	7,649,129	-	7,649,129
Bank borrowings	12,298,130	-	12,298,130
Trade payables	3,007,076	-	3,007,076
Other payables (excluding SST payable and provision for warranty)	13,768,120	-	13,768,120
	<u>36,722,455</u>	<u>-</u>	<u>36,722,455</u>
31.3.2024			
Group			
Financial assets			
Keyman insurance contracts	-	655,840	655,840
Trade receivables	33,016,937	-	33,016,937
Other receivables (excluding prepayments)	9,102,257	-	9,102,257
Other investments	-	24,108,289	24,108,289
Deposits, bank and cash balances	28,348,963	-	28,348,963
	<u>70,468,157</u>	<u>24,764,129</u>	<u>95,232,286</u>
Financial liabilities			
Lease liabilities	3,973,827	-	3,973,827
Bank borrowings	30,641,161	-	30,641,161
Trade payables	6,099,897	-	6,099,897
Other payables (excluding SST payable and provision for warranty)	17,059,037	-	17,059,037
	<u>57,773,922</u>	<u>-</u>	<u>57,773,922</u>

Notes To The Financial Statements (Cont'd)

30 September 2025

38. Financial Instruments (Cont'd)

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

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

	At amortised cost RM	At FVTPL RM	Total RM
30.9.2025			
Company			
Financial assets			
Other receivables (excluding prepayments)	1,788,542	-	1,788,542
Other investment	-	254,215	254,215
Amount due from subsidiary companies	47,077,147	-	47,077,147
Deposits, bank and cash balances	1,014,205	-	1,014,205
	<u>49,879,894</u>	<u>254,215</u>	<u>50,134,109</u>
Financial liabilities			
Lease liabilities	791,900	-	791,900
Other payables	5,759,398	-	5,759,398
Amount due to subsidiary companies	10,100,098	-	10,100,098
	<u>16,651,396</u>	<u>-</u>	<u>16,651,396</u>
31.3.2024			
Company			
Financial assets			
Other receivables (excluding prepayments)	2,524,739	-	2,524,739
Other investment	-	11,308,628	11,308,628
Amount due from subsidiary companies	24,861,158	-	24,861,158
Deposits, bank and cash balances	2,789,251	-	2,789,251
	<u>30,175,148</u>	<u>11,308,628</u>	<u>41,483,776</u>
Financial liabilities			
Lease liabilities	345,414	-	345,414
Other payables	1,743,966	-	1,743,966
Amount due to subsidiary companies	5,646,223	-	5,646,223
	<u>7,735,603</u>	<u>-</u>	<u>7,735,603</u>

Notes To The Financial Statements (Cont'd)

30 September 2025

38. Financial Instruments (Cont'd)

- (b) Net (losses)/gains arising from financial instruments

	Group	
	1.4.2024	1.4.2023
	to	to
	30.9.2025	31.3.2024
	RM	RM
Net (losses)/gains on impairment of financial instruments:		
<u>Financial assets at amortise cost</u>		
Impairment losses on:		
- other receivables	(3,157,954)	-
- trade receivables	(2,940,861)	(63,412)
Reversal of impairment on trade receivables	-	73,777
	<u>(6,098,815)</u>	<u>10,365</u>

- (c) Financial risk management objectives and policies

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

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

- (i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers, other receivables and deposits with banks and financial institutions. The Company's exposure to credit risk arises principally from loans and advances to subsidiary companies, other receivables, deposits with banks and financial institutions and financial guarantees given to banks and financial institutions for credit facilities granted to certain subsidiary companies. There are no significant changes as compared to prior periods.

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

The Group's exposure to credit risk also arises from loan receivables granted to third-party customers in the ordinary course of money-lending activities carried out by a licensed subsidiary. Credit risk relating to loan receivables is managed through credit assessment procedures, setting of credit limits and continuous monitoring of borrowers' repayment behaviour. Overdue balances are monitored closely and appropriate recovery actions are taken where necessary.

The Company provides unsecured loans and advances to subsidiary companies. It also provides unsecured financial guarantees to banks and financial institutions for credit facilities granted to certain subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

At each reporting date, the Group and the Company assess whether any of the receivables and contract assets are credit impaired.

38. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

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

Loan receivables are subject to expected credit loss assessment under the general approach in accordance with MFRS 9, as described in the Group's accounting policy on impairment of financial assets at amortised cost.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial period represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks and financial institutions for credit facilities granted to certain subsidiary companies.

The Company's maximum exposure in this respect is RM922,058 (31.3.2024: RM11,425,518), representing the outstanding credit facilities to the subsidiary companies at the end of the reporting period. There was no indication that any subsidiary company would default on repayment as at the end of the reporting period.

There are no significant changes as compared to previous financial year.

The Group has no significant concentration of credit risk as its exposure is spread over a large number of customers. The Group also has no significant concentration of credit risk arising from loan receivables, as the exposure is diversified across a number of borrowers with different credit profiles. The Company has no significant concentration of credit risk except for loans and advances to its subsidiary companies where risks of default have been assessed to be low.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirements and liquidity risks are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

Notes To The Financial Statements (Cont'd)

30 September 2025

38. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	After 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group						
30.9.2025						
<u>Non-derivative financial liabilities</u>						
Lease liabilities	3,909,214	3,806,682	504,103	-	8,219,999	7,649,129
Bank borrowings	4,445,949	1,216,321	3,267,670	5,835,754	14,765,694	12,298,130
Trade payables	3,007,076	-	-	-	3,007,076	3,007,076
Other payables (excluding SST payable and provision for warranty)	13,768,120	-	-	-	13,768,120	13,768,120
	<u>25,130,359</u>	<u>5,023,003</u>	<u>3,771,773</u>	<u>5,835,754</u>	<u>39,760,889</u>	<u>36,722,455</u>

Group						
31.3.2024						
<u>Non-derivative financial liabilities</u>						
Lease liabilities	2,780,446	832,056	554,585	-	4,167,087	3,973,827
Bank borrowings	11,457,542	2,439,409	6,755,200	17,925,722	38,577,873	30,641,161
Trade payables	6,099,897	-	-	-	6,099,897	6,099,897
Other payables (excluding SST payable and provision for warranty)	17,059,037	-	-	-	17,059,037	17,059,037
	<u>37,396,922</u>	<u>3,271,465</u>	<u>7,309,785</u>	<u>17,925,722</u>	<u>65,903,894</u>	<u>57,773,922</u>

Notes To The Financial Statements (Cont'd)

30 September 2025

38. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. (Cont'd)

	On demand or within 1 year RM	1 - 2 years RM	Total contractual cash flows RM	Total carrying amount RM
Company				
30.9.2025				
<u>Non-derivative financial liabilities</u>				
Lease liabilities	470,612	391,600	862,212	791,900
Other payables	5,759,398	-	5,759,398	5,759,398
Amount due to subsidiary companies	10,100,098	-	10,100,098	10,100,098
Financial guarantee liabilities*	922,058	-	922,058	-
	<u>17,252,166</u>	<u>391,600</u>	<u>17,643,766</u>	<u>16,651,396</u>

	On demand or within 1 year RM	1 - 2 years RM	2 - 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Company					
31.3.2024					
Financial Liabilities					
Lease liabilities	130,428	130,428	108,826	369,682	345,414
Other payables	1,743,966	-	-	1,743,966	1,743,966
Amount due to subsidiary companies	5,646,223	-	-	5,646,223	5,646,223
Financial guarantee liabilities*	11,425,518	-	-	11,425,518	-
	<u>18,946,135</u>	<u>130,428</u>	<u>108,826</u>	<u>19,185,389</u>	<u>7,735,603</u>

* Based on the maximum amount that can be called for under the financial guarantee contract.

The Company provides unsecured financial guarantees to banks and financial institutions in respect of credit facilities granted to certain subsidiary companies and monitors on an ongoing basis the performance of the subsidiary companies. At end of the financial period, there was no indication that the subsidiary companies would default on repayment.

Financial guarantee has not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiary companies defaulting on their credit facilities is remote.

Notes To The Financial Statements (Cont'd)

30 September 2025

38. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risk

(a) Foreign currency exchange risk

The Group incurs foreign currency risk on transactions that are denominated in foreign currencies. The currencies giving rise to this risk are primarily the United States Dollar ("USD") and others.

The Group has not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

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

	Denominated in		Total RM
	USD RM	Others RM	
Group			
30.9.2025			
Financial assets			
Trade receivables	345,577	-	345,577
Cash and bank balances	1,925,676	-	1,925,676
Other receivables	64,086	-	64,086
	<u>2,335,339</u>	<u>-</u>	<u>2,335,339</u>
31.3.2024			
Financial assets			
Trade receivables	2,682,906	-	2,682,906
Cash and bank balances	5,058	107,229	112,287
Other receivables	-	-	-
	<u>2,687,964</u>	<u>107,229</u>	<u>2,795,193</u>
Financial liabilities			
Trade payables	<u>(7,962)</u>	<u>-</u>	<u>(7,962)</u>
	<u>2,680,002</u>	<u>107,229</u>	<u>2,787,231</u>

Notes To The Financial Statements (Cont'd)

30 September 2025

38. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(a) Foreign currency exchange risk (Cont'd)

Foreign currency sensitivity analysis

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of the Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

The following table demonstrates the sensitivity of the Group's profit before tax, to a reasonably possible change in the major foreign currencies' exchange rates against the functional currency of the Group, with all other variables held constant.

		Effect on profit before tax 1.4.2024 to 30.09.2025 RM	Effect on profit before tax 1.4.2023 to 31.3.2024 RM
	Change in currency rate		
USD	Strengthened 10%	233,534	268,000
	Weakened 10%	(233,534)	(268,000)
Others	Strengthened 10%	-	10,723
	Weakened 10%	-	(10,723)

(b) Interest rate risk

The Group's fixed rate deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate deposits placed with licensed banks and borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed financial institutions by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a short-term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

Notes To The Financial Statements (Cont'd)

30 September 2025

38. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

The interest rate profile of the Group's and of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	30.9.2025	31.3.2024
	RM	RM
Group		
Fixed rate instruments		
<u>Financial assets</u>		
Loan receivables	39,007,412	23,513,427
Fixed deposits placed with licensed bank	9,663,260	11,741,414
Short term money market deposits	-	1,200,000
	<u>48,670,672</u>	<u>36,454,841</u>
<u>Financial liabilities</u>		
Lease liabilities	(7,649,129)	(3,973,827)
	<u>41,021,543</u>	<u>32,481,014</u>
Group		
Floating rate instruments		
<u>Financial liabilities</u>		
Bank overdrafts	(3,229,628)	(8,987,088)
Term loans	(9,068,502)	(21,654,073)
	<u>(12,298,130)</u>	<u>(30,641,161)</u>
Company		
Fixed rate instruments		
<u>Financial assets</u>		
Fixed deposits placed with licensed bank	-	1,546,859
<u>Financial liabilities</u>		
Lease liabilities	(791,900)	(345,414)
Company		
Floating rate instruments		
<u>Financial assets</u>		
Amount due from subsidiary companies	46,717,147	24,861,158
<u>Financial liabilities</u>		
Amount due to subsidiary companies	(10,100,098)	(5,646,223)
	<u>36,617,049</u>	<u>19,214,935</u>

38. Financial Instruments (Cont'd)

(c) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's and the Company profit before tax by RM122,981 (31.3.2024: RM306,412) and RM366,170 (31.3.2024: RM192,149) respectively, arising mainly as a result of lower/higher interest income/(expense) on floating rate loans and advances. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(d) Fair values of financial instruments

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

The carrying amounts of the long term borrowings at the reporting date reasonably approximate their fair values.

It was not practicable to estimate the fair value of investment in unquoted equity due to the lack of comparable quoted prices in an active market and the fair value cannot be reliably measured.

Notes To The Financial Statements (Cont'd)

30 September 2025

38. Financial Instruments (Cont'd)

(d) Fair values of financial instruments (Cont'd)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

Group	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		
30.9.2025										
Financial assets										
Other investment	2,512,723	-	-	2,512,723	-	-	-	-	2,512,723	2,512,723
Keyman insurance contracts	-	-	672,044	672,044	-	-	-	-	672,044	672,044
	2,512,723	-	672,044	3,184,767	-	-	-	-	3,184,767	3,184,767
31.3.2024										
Financial assets										
Other investment	24,108,289	-	-	24,108,289	-	-	-	-	24,108,289	24,108,289
Keyman insurance contracts	-	-	655,840	655,840	-	-	-	-	655,840	655,840
	24,108,289	-	655,840	24,764,129	-	-	-	-	24,764,129	24,764,129

Notes To The Financial Statements (Cont'd)

30 September 2025

38. Financial Instruments (Cont'd)

(d) Fair values of financial instruments (Cont'd)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position. (Cont'd)

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		
Company										
30.9.2025										
Financial assets										
Other investment	254,215	-	-	254,215	-	-	-	-	254,215	254,215
31.3.2024										
Financial assets										
Other investment	11,308,628	-	-	11,308,628	-	-	-	-	11,308,628	11,308,628

38. Financial Instruments (Cont'd)

(d) Fair values of financial instruments (Cont'd)

(i) Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between levels during current financial period and previous financial years.

(ii) Level 1 fair value

Level 1 fair value is derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

(iii) Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Non-derivative financial instruments

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

(iv) Level 3 fair value

Level 3 fair values for the financial assets and liabilities are estimated using unobservable inputs.

The fair value of the keyman insurance contracts is derived based on the cash surrender value in accordance with the keyman insurance contracts which are not an observable input. Management estimates fair value based on the insurance policy of the keyman insurance contracts provided by the insurance Company.

The unobservable input is the cash surrender value quoted by the insurance company according to the keyman insurance contracts. When the cash surrender value is higher, the fair value of the keyman insurance contracts will be higher.

39. Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Notes To The Financial Statements (Cont'd)

30 September 2025

39. Capital Management (Cont'd)

The Company monitors capital using a gearing ratio. The Company's policy is to maintain a prudent level of gearing ratio that complies with regulatory requirements. The gearing ratios at end of the reporting period are as follows:

	Group		Company	
	30.9.2025	31.3.2024	30.9.2025	31.3.2024
	RM	RM	RM	RM
Lease liabilities (Note 21)	7,649,129	3,973,827	791,900	345,414
Bank borrowings (Note 22)	12,298,130	30,641,161	-	-
Less: Deposits, bank and cash balances (Note 16)	<u>(28,741,511)</u>	<u>(28,348,963)</u>	<u>(1,014,205)</u>	<u>(2,789,251)</u>
Net debts	<u>(8,794,252)</u>	<u>6,266,025</u>	<u>(222,305)</u>	<u>(2,443,837)</u>
Total equity attributable to owners of the parent	<u>212,530,134</u>	<u>183,033,891</u>	<u>234,641,613</u>	<u>202,969,436</u>
Gearing ratio (times)	<u>N/A</u>	<u>0.03</u>	<u>N/A</u>	<u>N/A</u>

N/A - The gearing ratio is not applicable as the Group and the Company has sufficient deposits, bank and cash balances to settle the liabilities as at financial period end. The gearing ratio may not provide a meaningful indicator of the risk of borrowings.

There were no changes in the Group's approach to capital management during the financial period.

The Company is not subject to any externally imposed capital requirements.

40. Subsequent Events

- On 1 October 2025, the Company accepted an offer letter from FS Motorsports Sdn. Bhd. for the proposed disposal of its entire equity interest in Fibre Star (M) Sdn. Bhd. at the cash consideration of RM7,500,000.
- The shareholders of the Company, at an Extraordinary General Meeting held on 16 December 2025, approved a bonus issue of up to 491,684,507 new Warrants ("Warrants B"), to be issued on the basis of 2 Warrants B for every 5 existing ordinary shares held by entitled shareholders. Subsequently, on 17 December 2025, the Company announced that the entitlement date for the bonus issue would be 14 January 2026. The exercise price of each Warrant B has been fixed at RM0.045.

On 20 January 2026, the Company announced that the 424,778,675 Warrants issued pursuant to the Bonus Issue of Warrants will be admitted to the Official List of Bursa Securities and the listing and quotation of the Warrants on the ACE Market will be granted with effect from 22 January 2026.

- On 19 December 2025, a wholly-owned subsidiary of the Company, Open Road (East Coast) Sdn. Bhd. had entered into a sale and purchase agreement with Tregon Construction Sdn. Bhd. for the acquisition of two pieces of leasehold land located within Mukim Pulau Kerangga, Daerah Marang, Negeri Terengganu for a total consideration of RM13,000,000. The acquisition has not completed as at the date of this report.

The related commitments and deposits have been disclosed in Notes 13 and 34 respectively.

41. Material Litigation

- (a) Ooi Chieng Sim ("1st Plaintiff") and Skylitech Resources Sdn. Bhd. ("2nd Plaintiff") vs H'ng Choon Seng, Kee Swee Lai, HHRG Berhad, HK Kitaran Sdn. Bhd., HK Gua Musang Sdn. Bhd. and Fibre Star (M) Sdn. Bhd. ("1st to 6th Defendants")

On 23 April 2024, Ooi Chieng Sim ("OCS") and Skylitech Resources Sdn. Bhd. ("SRSB") have filed the Suit against H'ng Choon Seng ("HCS"), Kee Swee Lai ("KSL"), HHRG Berhad ("HHRG"), and its wholly-owned subsidiaries, HK Kitaran Sdn. Bhd. ("HKK"), HK Gua Musang Sdn. Bhd. ("HKGM") and Fibre Star (M) Sdn. Bhd. ("FSM"), for inter alia, breach of contract, breach of personal guarantee and undertaking, fraud, conspiracy and unlawful conversion of loans into shares. The Suit is based on an alleged loan allegedly given by a director of the Company HCS to the HKK, HKGM and FSM.

Pursuant to the Suit, the OCS was seeking the following claims against the HSC, KSL, HHRG, HKK, HKGM and FSM, both jointly and severally:

- (i) declarations of fraud and conversion;
- (ii) declarations that RM1,414,125 being the value of the 3,750,000 ordinary shares of the Company held by OCS and RM557,062 being the value of the 1,875,000 Warrants held by OCS should be compensated to OCS;
- (iii) declaration that the 84,605,250 ordinary shares of the Company and 42,302,625 Warrants which held by HCS and KSL to be transferred to OCS; and
- (iv) general damages, punitive and aggravated damages, interests and costs.

Pursuant to the Suit, the SRSB was seeking the following claims against the HSC, KSL, HHRG, HKK, HKGM and FSM, both jointly and severally:

- (i) declarations of fraud and conversion;
- (ii) declarations that RM8,393,303 being the value of the 22,257,500 ordinary shares of the Company held by SRSB and RM3,342,375 being the value of the 11,250,000 Warrants held by SRSB should be compensated to SRSB; and
- (iii) general damages, punitive and aggravated damages, interests and costs.

On 18 June 2024, High Court had decided that the inter partes against the Company, HKK, HKGM and FSM have been dismissed with no order as to cost. Therefore, the ex-parte injunction has been lapsed on 18 June 2024 and there is no more injunction against the HKK, HKGM and FSM from 18 June 2024 onwards.

Subsequently, HHRG, HKK, HKGM and FSM filed a striking-out applications to strike out this case however, on 7 November 2024, the High Court dismissed the striking-out applications with costs of RM5,000 each to be paid by HHRG, HKK, HKGM and FSM.

The High Court issued pre-trial directions for parties to exchange documents and agree on common bundles of documents for purposes of trial and the parties are in the midst of preparing the same. The matter is fixed for trial on 5 to 8 October 2026 and 12 to 13 October 2026.

- (b) HHRG Berhad, HHRG Capital Sdn. Bhd., Fibre Star (M) Sdn. Bhd. and HK Kitaran Sdn. Bhd. ("1st to 4th Plaintiffs") vs Fong Chee Khuen ("Defendant") - Shah Alam High Court Suit No.: BA-22NCvC-408-09/2025

On 18 September 2025, HHRG Berhad ("HHRG") and its wholly-owned subsidiaries, HHRG Capital Sdn. Bhd. ("HHC"), Fibre Star (M) Sdn. Bhd. ("FSM") and HK Kitaran Sdn. Bhd. ("HKK") jointly claim against Fong Chee Khuen ("FCK") for a declaration that FCK has breached his duties as Chief Executive Officer of HHRG, and director of HHC, FSM and HKK, a declaration that FCK has contravened section 317A of the Capital Markets and Services Act 2007 and damages.

During the case management on 16 October 2025, the court directed FCK to file its defence on 3 November 2025, HHRG, HHC, FSM and HKK to file reply to FCK's defence on 17 November 2025. During the case management on 24 November 2025, the court ordered the parties to file pre-trial documents on or before 24 January 2026, any interlocutory application to be filed on or before 8 December 2025. A further case management is fixed on 16 March 2026.

The instructing solicitors are of the view that HHRG, HHC, FSM and HKK have reasonable grounds to pursue the claims, however the matter is still at an early stage and the final outcome cannot be determined at this time.

41. Material Litigation (Cont'd)

- (c) Ch'ng Chen Mong, Tan Poh Cheng, Ch'ng Boon Sin, and Cfamily Holdings Sdn. Bhd. vs MG Furniture Sdn. Bhd., MG Furniture Innovation Sdn. Bhd., HHRG Berhad, HH Land and Development Sdn. Bhd. & 9 Others - Penang High Court Civil Suit No. PA-22NCvC-111-07/2024 ("Suit 111")

On 23 July 2024, Ch'ng Chen Mong ("CCM"), Tan Poh Cheng ("TPC"), Ch'ng Boon Sin ("CBS") and Cfamily Holdings Sdn. Bhd. ("CHSB") (collectively, "the Plaintiffs") commenced a civil suit against, amongst others, HHRG Berhad ("HHRG"), and its subsidiaries, HH Land and Development Sdn. Bhd. ("HHLD"), MG Furniture Sdn. Bhd. ("MGF"), and MG Furniture Innovation Sdn. Bhd. ("MGFI"), and several individual defendants. The Plaintiffs alleged that they were fraudulently induced in 2021 to execute a share sale agreement, shareholders agreement and related documents in connection with the sale and purchase of shares in MGF based on alleged fraudulent representations made by certain individual defendants.

On 26 July 2024, the Plaintiffs obtained an Ex-Parte Order prohibiting HHRG, certain directors and officers, namely Fong Chee Khuen ("FCK"), Cheng Pek Tong ("CPT") and Ng Ying Yiing ("NYY") (including their representatives, agents, employees and/or solicitors) from interfering with or altering the status quo of MGF and MGFI, including in relation to bank signatories, management, operations and/or business, pending the inter partes hearing of the application.

On 19 November 2024, the High Court allowed the HHRG's application to set aside the Ex-Parte Order and dismissed the Plaintiffs' inter partes application for an interlocutory injunction. Thereafter, the Plaintiffs, filed two appeals ("Appeal 2051 & Appeal 2052") to the Court of Appeal on 21 November 2024.

At the Court of Appeal, the Plaintiffs applied for interim remedies, and the parties subsequently recorded a consent judgment on 6 January 2025. The appeals had since been consolidated. Case management for these appeals is fixed on 2 March 2026.

On 24 September 2024, FCK, CPT, and NYY who are the directors of MGF commenced an action against MGF, CCM, TPC, and CBS by way of originating summons whereby the court allowed the application and ordered, among others, that all records of MGF be open to inspection by FCK, CPT, NYY, and an auditor appointed by the Plaintiffs. Note that FCK ceased to be a director of MGF on 23 May 2025.

On 2 April 2025, MGF filed an application for injunctive reliefs in Suit 111 ("MGF's Injunction Application"), including an ad interim injunction to restrain CCM, TPC, CBS, and Ms. Sau Hwee Fern, from, among others, entering and/or occupying MGF's business premises, obstructing access by MGF directors and court-appointed auditors to inspect company records, and from tampering with MGF's documents and accounts. On 19 June 2025, the court allowed MGF's Injunction Application pending disposal of MGF's counterclaim in Suit 111.

Separately, MGF filed notices of application dated 28 May 2025 and 9 June 2025 seeking injunctions to restrain CCM, TPC, CBS, and their associates (including Digital Trustees Berhad and CHSB) from voting at any general meeting of HHRG and to remove the existing board of HHRG and appoint their nominees. On 13 August 2025, the court dismissed both applications.

While on 18 September 2025, MGF filed an application to amend its counterclaim and join CMH Industries Sdn. Bhd. as a co-defendant to the same ("Amendment Application"). On 27 September 2025, MGF, HHRG, HHLD, NYY, CPT and others filed an application to expunge certain cause papers or alternatively certain parts of identified cause papers which contain material protected by privilege ("Expungement Application").

The decision for the Amendment Application was fixed on 12 December 2025 and the High Court allowed the Amendment Application.

The Expungement Application was fixed for hearing on 28 November 2025 and 9 January 2026. Following the completion of counsels' submissions, the judge indicated that he requires approximately 2 months to deliberate before delivering his decision. Presently, decision for the Expungement Application is fixed on 27 February 2026.

In relation to Suit 111, case management has been fixed on 3 February 2026 for the purpose of fixing trial date.

The instructing solicitors indicated that it is presently premature to offer a definitive view.

The instructing solicitors were of the view that HHRG has reasonable grounds to pursue the claims in Appeal 2051 & Appeal 2052, however the matter is still at an early stage and the final outcome cannot be determined at this time.

41. Material Litigation (Cont'd)

- (d) HHRG Berhad vs. Digital Trustees Berhad and CFamillie Holdings Sdn. Bhd. - Shah Alam High Court Civil Suit No. BA-22NCC-54-03/2025 ("Suit 54")

On 14 March 2025, Digital Trustees Berhad ("DTB"), as custodian of CFamillie Holdings Sdn. Bhd. ("CHSB") more than 10% of HHRG Berhad ("HHRG")'s shares, issued a requisition to convene an EGM pursuant to sections 310(b) and 311 of the Act, with special notice under sections 206 and 322, to remove five directors and appoint three new directors. The Board, after legal advice, declined to convene the EGM on the basis that the proposed resolutions would not be in HHRG's best interests.

HHRG thereafter commenced Suit 54 against DTB and CHSB at the Shah Alam High Court seeking, amongst others:-

- a declaration that DTB acted in abuse of its powers under section 311 of the Act and that its requisition notice was invalid; and
- an injunction restraining DTB and CHSB from convening or conducting the EGM ("HHRG's Injunction Application").

Meanwhile, on 28 March 2025, DTB filed Originating Summons No. PA-22NCC-12-03/2024 ("OS 12") at the Penang High Court seeking an order under section 314 of the Act to convene an EGM to deliberate on the removal and appointment of directors. On 17 April 2025, HHRG applied to transfer OS 12 to the Shah Alam High Court to be heard together with Suit 54 and the application was allowed by the Penang High Court on 18 August 2025. Subsequently, OS 12 was registered under new case number under Originating Summons No. BA-24NCC-90-08/2025 ("OS 90"). OS 90 has been fixed for a case management on 5 February 2026.

On 2 May 2025, DTB and CHSB filed an application to stay Suit 54 pending the disposal of OS 90 ("Encl. 17"). The stay application and HHRG's Injunction Application were both fixed for case management on 7 October 2025.

Meanwhile, HHRG has on 3 October 2025 filed an application ("Encl. 47") praying that OS 90 to be heard after disposal of Suit 54 or for OS 90 to be stayed pending disposal of Suit 54.

On 7 October 2025, the court fixed the hearing for Encl. 17, Encl. 47 and HHRG's Injunction Application on 1 December 2025. The court, on 1 December 2025, fixed the applications for decision on 9 December 2025. On 9 December 2025, the court dismissed the Encl. 47 and allowed Encl. 17. HHRG's Injunction Application was stayed following the court's decision on Encl. 17.

Meanwhile, the court has fixed the date of trial for Suit 54 on 6 and 7 May 2026.

The instructing solicitors are of the view that HHRG has a reasonably grounds to pursue the claims, however the matter is still at an early stage and the final outcome cannot be determined at this time.

- (e) HHRG Berhad vs JeenHuat Foodstuffs Industries Sdn. Bhd. - Penang High Court Execution Application No. PA-37G-44-09/2025

HHRG Berhad ("HHRG") and JeenHuat Foodstuffs Industries Sdn. Bhd. ("JeenHuat") entered into an Option Agreement dated 14 August 2024 ("Option Agreement"), which, inter alia, required JeenHuat to obtain written approval from the relevant party and authority within three months, for the transfer of a piece of land held under Hakmilik PN10902, Lot No. 20164, Mukim 13, Daerah Seberang Perai Tengah, Negeri Pulau Pinang ("PN 10902"), of which JeenHuat is the registered owner. JeenHuat failed to obtain the necessary approval for the transfer of PN 10902 within the stipulated period. Thereafter, HHRG exercised its right to terminate the said agreement and demanded the refund of the deposit sum paid, together with the agreed liquidated damages. HHRG thereafter initiated a suit under Penang High Court Civil Suit No. PA- 22NCvC-60-04/2024 ("Suit 60") seeking, inter alia, a declaration that the Option Agreement is terminated, and for the refund of RM2,500,000 together with the agreed liquidated damages of RM450,000.

Notes To The Financial Statements (Cont'd)

30 September 2025

41. Material Litigation (Cont'd)

- (e) HHRG Berhad vs JeenHuat Foodstuffs Industries Sdn. Bhd. - Penang High Court Execution Application No. PA-37G-44-09/2025 (Cont'd)

Parties reached a settlement and recorded a Consent Judgment on 26 March 2025 ("Consent Judgment") and Suit 60 is disposed.

On 18 September 2025, HHRG commenced an execution proceeding, i.e. garnishee application, against JeenHuat pursuant to the Consent Judgment due to JeenHuat's failure to comply with the Consent Judgment, leaving a balance of RM1,875,000.00 remains unpaid. HHRG filed the garnishee application seeking, inter alia, to garnish the sum of RM1,875,000.00 from JeenHuat's bank account maintained with Public Bank Berhad. The garnishee application was fixed for Ex-Parte Hearing on 24 September 2025 and the Court granted an Order for Garnishee to Show Cause.

A show cause hearing was scheduled before the Court on 29 October 2025.

On 29 October 2025, the Court granted the following orders:

- A garnishee order absolute against Public Bank Berhad in the amounts of RM372.74 and USD156.03; and
- No order as to costs.

This case has been disposed with the grant of the Absolute Order dated 29 October 2025 by the Court.

- (f) HHRG Capital Sdn. Bhd. ("Plaintiff") vs Synergy Fiftyseven Sdn. Bhd., Muhamad Ibrahim Bin Abd Majid and Mohd Azlan Bin Abdul Mutalib ("1st to 3rd Defendants") - Shah Alam High Court Civil Suit No.: BA-22NCC-102-06/2025

On 4 June 2025, a wholly-owned subsidiary, HHRG Capital Sdn. Bhd. ("HHC") claims against the Synergy Fiftyseven Sdn. Bhd. ("SFSB"), Muhamad Ibrahim Bin Abd Majid ("MIBAM") and Mohd Azlan Bin Abdul Mutalib ("MABAM") joint and severally for inter alia, recovery of the sum of RM1,500,000 lend to SFSB by HHRG Capital as a licensed money lender and the interest incurred pursuant to Moneylending Agreement and letter of undertakings signed by SFSB, MIBAM and MABAM respectively.

On 8 September 2025, HHRG Capital had filed an application for summary judgment to be entered against the SFSB, MIBAM and MABAM. The summary judgement application is fixed for hearing on 8 January 2026.

42. Comparative Information

- (a) The financial statements of the Group and of the Company as at 31 March 2024 were audited by another firm of chartered accountants.
- (b) The previous reporting period covered a period of 12 months from 1 April 2022 to 31 March 2024. The current reporting period covers a period of 18 months from 1 April 2024 to 30 September 2025. Consequently, the comparative amount for the statements of profit or loss and other comprehensive income, statements of changes in equity, statements of cash flows and related notes to the financial statements are not comparable.

Notes To The Financial Statements (Cont'd)

30 September 2025

42. Comparative Information (Cont'd)

- (c) Certain comparatives were restated to conform with current financial period's presentation. There was no significant impact to the financial performance in relation to the financial year ended 31 March 2024 except for the following reclassifications were made to the financial statement of prior year to be consistent with current period presentation.

	As previously stated RM	Reclassification RM	As restated RM
Group			
31.3.2024			
Statement of financial position			
Lease liabilities	2,314,378	1,659,449	3,973,827
Bank borrowings	-	30,641,161	30,641,161
Borrowings	<u>32,300,610</u>	<u>(32,300,610)</u>	<u>-</u>

43. Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 26 January 2026.

Analysis Of Shareholdings

AS AT 31/12/2025

Issued share capital : 1,061,947,000 shares (excluding Treasure Shares of 43,000,000)
 Class of shares : Ordinary shares
 Voting rights : One vote per ordinary share

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	265	9.06%	8,681	0.00%
100 - 1,000	311	10.64%	132,669	0.01%
1,001 - 10,000	853	29.17%	4,341,924	0.41%
10,001 - 100,000	953	32.59%	40,160,110	3.78%
100,001 - 53,097,350	540	18.47%	742,748,464	69.94%
53,097,350 - AND ABOVE (**)	2	0.07%	274,555,152	25.85%
TOTAL	2,924	100%	1,061,947,000	100%

REMARK:

* LESS THAN 5% OF ISSUED SHARES

** 5% AND ABOVE OF ISSUED SHARES

NO.	NAME	HOLDINGS	%
1	DIGITAL TRUSTEES BERHAD	154,290,697	14.5290
2	GH CONSORTIUM SDN BHD	120,264,455	11.3249
3	APERTA HOLDINGS SDN. BHD.	50,727,000	4.7768
4	LEE CHOON HEE	43,817,200	4.1261
5	TOH AH SAN	30,735,000	2.8942
6	BATU KAWI CAPITAL SDN BHD	28,556,300	2.6891
7	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SU MING KEAT	27,850,000	2.6225
8	CHEAH AH HOCK	23,128,776	2.1780
9	SKYLITECH RESOURCES SDN. BHD.	22,257,500	2.0959
10	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIA MIN CHEN	20,750,000	1.9540
11	YAP CHIH MING	19,200,000	1.8080
12	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE CHOON FONG	18,400,000	1.7327
13	POLARGAS SDN. BHD.	16,559,175	1.5593
14	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BATU KAWI CAPITAL SDN BHD	12,000,000	1.1300
15	NG BACK TENG	11,410,152	1.0745
16	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHARMAINE GOH MIN YEE (6000899)	11,400,000	1.0735
17	NG CHIN NAM	10,795,428	1.0166

Analysis Of Shareholdings (Cont'd)

AS AT 31/12/2025

NO.	NAME	HOLDINGS	%
18	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEE MIN HUAT (7005950)	9,300,000	0.8757
19	BATU KAWI CAPITAL SDN BHD	9,031,700	0.8505
20	CHENG PEK TONG	8,974,055	0.8451
21	KEE YAN KAI	8,954,100	0.8432
22	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR NG YING YIING (7011968)	8,915,600	0.8396
23	YANTI	8,883,475	0.8365
24	POLARGAS SDN. BHD.	8,750,000	0.8240
25	HO WHYE CHONG	7,805,999	0.7351
26	OPEN ROAD CAPITAL HOLDINGS SDN BHD	7,182,000	0.6763
27	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR HONSIN APPAREL SDN BHD (M04)	7,037,000	0.6627
28	KEE SWEE LAI	7,000,000	0.6592
29	NG THEAN GIN	6,700,000	0.6309
30	LIM CHIN AIK	6,405,000	0.6031

Directors' Shareholdings

As per the Register of Directors' Shareholdings as at 31 December 2025

None of the Directors have direct or indirect shareholdings in HHRG Berhad.

Substantial Shareholders

As per the Register of Substantial Shareholders as at 31 December 2025

Substantial Shareholders	Direct		Indirect	
	No. of Shares	%	No. of Shares	%
Digital Trustee Berhad	154,290,697	14.53	-	-
Goh Boon Leong	-	-	120,264,455 ⁽¹⁾	11.32
Dato' H'ng Choon Seng	2,764	^	120,264,455 ⁽¹⁾	11.32
GH Consortium Sdn Bhd	120,264,455	11.32	-	-
Ch'ng Chen Mong	5,859,987	0.55	154,290,697 ⁽²⁾	14.53
Tan Poh Cheng	-	-	154,290,697 ⁽²⁾	14.53

Notes:

^ Negligible.

⁽¹⁾ Deemed interested pursuant to Section 8 of Companies Act 2016 by virtue of his controlling interest in GH Consortium Sdn Bhd.

⁽²⁾ Deemed interested pursuant to Section 8 of Companies Act 2016 by virtue of his/her controlling interest in CFamillie Holdings Sdn. Bhd. CFamillie Holdings Sdn. Bhd had place their shares to Digital Trustee Berhad to hold as custodian.

Analysis Of Warrants Holdings

AS AT 31/12/2025

Total Issued Warrants : 170,449,299 warrants
Total Outstanding Warrants : 52,775,266 warrants

DISTRIBUTION SCHEDULE OF WARRANT HOLDERS

Size of Holdings	No. of Holders	%	No. of Warrants	%
1 - 99	53	21.20%	2,361	0.00%
100 - 1,000	42	16.80%	12,827	0.02%
1,001 - 10,000	98	39.20%	429,514	0.81%
10,001 - 100,000	43	17.20%	1,444,181	2.74%
100,001 - 2,638,763 (*)	10	4.00%	9,026,122	17.10%
2,638,763 AND ABOVE (**)	4	1.60%	41,860,261	79.32%
TOTAL	250	100.00%	52,775,266	100.00%

REMARK:

* LESS THAN 5% OF ISSUED WARRANTS HOLDINGS

** 5% AND ABOVE OF ISSUED WARRANTS HOLDINGS

NO.	NAME	HOLDINGS	%
1	GOH VINCENT	21,172,199	40.1177
2	SKYLITECH RESOURCES SDN. BHD.	11,250,000	21.3168
3	KEE SWEE LAI	5,591,687	10.5953
4	HO WHYE CHONG	3,846,375	7.2882
5	HONG SENG HOUSING SDN. BHD.	2,514,750	4.7650
6	OOI CHIENG SIM	1,875,000	3.5528
7	KHOR MOOI KIM	1,269,105	2.4047
8	CHING MENG HAK	1,112,760	2.1085
9	LIM KEAN WAH	1,086,082	2.0579
10	KHOR KIM CHOON	406,900	0.7710
11	CHEANG KEAT PING	300,000	0.5684
12	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MOHD NIZAMRI BIN JAAPAR	195,400	0.3702
13	TAN KEAN AIK	159,375	0.3020
14	NG CHIN NAM	106,750	0.2023
15	KHOR WENG THYE	89,000	0.1686
16	MUHD NUR IRFAN BIN SHAMSUDIN	85,800	0.1626
17	OPEN ROAD CAPITAL HOLDINGS SDN BHD	81,600	0.1546
18	LO KUM HO. ADRIAN	80,200	0.1520

Analysis Of Warrants Holdings (Cont'd)

AS AT 31/12/2025

NO.	NAME	HOLDINGS	%
19	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN TAI KUAN	70,400	0.1334
20	CHOW POH BENG	68,200	0.1292
21	HO BAN LEONG	67,875	0.1286
22	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LAW LEE BENG (021)	53,300	0.1010
23	H'NG JIA QI	51,937	0.0984
24	CHEW TAN JOO LEE @ CHEW JOO LEE	50,050	0.0948
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD PHANG WON KONG	47,250	0.0895
26	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YU CHONG CHOO (E- TAI)	45,050	0.0854
27	LEE SIAN SOO	41,250	0.0782
28	LAI FOOK SENG	40,000	0.0758
29	TING JIAN MING	39,062	0.0740
30	POH CHIN HONG	37,500	0.0711

Directors' Warrants Holdings

As per the Register of Directors' Warrants Holdings as at 31 December 2025

None of the Directors have direct or indirect Warrants Holdings in HHRG Berhad.

List Of Properties

AS AT 30/09/2025

Registered/ Beneficial Owner	Title/Address	Description/ Existing Use	Tenure/ Approximate Age of Building (Year)	Land Area/ Built-up Area (sq ft)	Audited NBV as at 30 September 2025 RM'000	Date of Acquisition
Fibre Star	Title: PM 705 Lot 1222 Mukim 11, District of Seberang Perai, Selatan Pulau Pinang PM 513 Lot 1223 Mukim 11, District of Seberang Perai, Selatan Pulau Pinang Address: No. 3843, Mukim 11, Luar Desa Jawi, 14200 Sungai Jawi, Seberang Perai, Pulau Pinang	2-storey office block with a single storey detached factory warehouse / Used as factory warehouse	60 years, Expiring on 24.10.2051/ 3 years 99 years, Expiring on 22.03.2069/ 3 years	145,035/ 74,360	12,270	30.03.2022
HK Fibre	Title: HSM 2/97A, PT 345 Kg Kemayang, Mukim Senak, Jajahan Bachok, Kelantan Darul Naim Address: Lot 345, Kg. Kemayang Tawang, 16020 Bachok, Kelantan Darul Naim	Double storey office cum staff accommodation and a single storey detached factory/Used for coconut fibre, coconut peat and coconut fibre sheets manufacturing	99 years, Expiring on 18.08.2096/ 13 years	89,690/ 51,065	693	24.04.2012
HK Fibre	Title: HSM 1/97A, PT 344 Kg Kemayang, Mukim Senak, Jajahan Bachok, Kelantan Darul Naim	Land / Vacant industrial land	99 years, Expiring on 18.08.2096/ 3 years	104,588/ N/A	621	01.12.2021
HK Gua Musang	Title: PN 1828, Lot 551, Bandar Gua Musang, Jajahan Gua Musang, Negeri Kelantan Address: Lot 551, Kawasan Perindustrian Gua Musang, Bandar Gua Musang, Jajahan Gua Musang, 18300 Gua Musang, Kelantan Darul Naim	Double storey office annexed with a single storey detached factory/ Used for oil palm EFB fibre manufacturing	66 years, Expiring on 24.07.2051/ 10 years	478,574/ 152,460	14,435	19.08.2015

List Of Properties (Cont'd)

AS AT 30/09/2025

Registered/ Beneficial Owner	Title/Address	Description/ Existing Use	Tenure/ Approximate Age of Building (Year)	Land Area/ Built-up Area (sq ft)	Audited NBV as at 30 September 2025 RM'000	Date of Acquisition
MG Furniture	Title: GM 1512 Lot 2780, Tempat Jalan Bukit Panchor Mukim 07, Daerah Seberang Perai Selatan, Pulau Pinang GM 1513 Lot 2781, Tempat Jalan Bukit Panchor Mukim 07, Daerah Seberang Perai, Pulau Pinang GRN 59066 Lot 2791, Mukim 07, Daerah Seberang Perai Selatan, Negeri Pulau Pinang	One unit of three storey office building with an annexed single storey factory building / Used for own factory	Freehold/ 10 years	131,707/ 100,922	7,395	28.04.2015
MG Furniture	Title: GRN No. 106844 Lot 2744, Mukim 12, Daerah Seberang Perai Tengah, Pulau Pinang No.43 Lorong Bukit Juru 6, Taman Bukit Juru, Simpang Ampat, 14100, Pulau Pinang	Semi detached house/ Used for rent	Freehold/ 11 years	1916/ N/A	268	16.05.2014
MG Furniture	Title: Plot 9 H.S.(D) No. 50833, No PT1688, Mukim 07, Daerah Seberang Perai Selatan, Pulau Pinang	Shoplot/ Used for worker hostel	Freehold/ 4 years	1,227/ N/A	610	26.03.2021
MG Furniture	Title: Plot 10 H.S.(D) No. 50834, No PT1689, Mukim 07, Daerah Seberang Perai Selatan, Pulau Pinang	Shoplot/ Used for worker hostel	Freehold/ 4 years	1,227/ N/A	610	26.03.2021
MG Furniture	Title: GRN No. 166875 Lot 4935, Mukim 07, Daerah Seberang Perai Selatan, Pulau Pinang No. 50, Lorong Bukit Panchor 4, Taman Bukit Panchor, 14300 Nibong Tebal, Seberang Perai Selatan, Pulau Pinang	Shoplot/ Used for rent	Freehold/ 4 years	635/ N/A	125	01.06.2021

List Of Properties (Cont'd)

AS AT 30/09/2025

Registered/ Beneficial Owner	Title/Address	Description/ Existing Use	Tenure/ Approximate Age of Building (Year)	Land Area/ Built-up Area (sq ft)	Audited NBV as at 30 September 2025 RM'000	Date of Acquisition
MG Furniture	Title: Lot 4981 GRN No. 166922, Mukim 7, Province Wellesley South, Pulau Pinang No. 43, Lorong Bukit Panchor 5, Taman Bukit Panchor, 14300, Pulau Pinang	Shoplot/ Used for staff hostel	Freehold/ 4 years	1,098/ 1,640	279	01.05.2021
MG Furniture	Title: Lot 5083 GRN No. 167033, Mukim 7, Province Wellesley South, Pulau Pinang No. 75, Lorong Bukit Panchor 6, Taman Bukit Panchor, 14300 Pulau Pinang	Shoplot/ Used for rent	Freehold/ 4 years	1,098/ 1,220	234	01.05.2021
MG Furniture	Title: Lot 5164 GRN No. 167136, Mukim 7, Province Wellesley South, Pulau Pinang No. 69, Lorong Bukit Panchor 7, Taman Bukit Panchor, 14300, Pulau Pinang	Shoplot/ Used for rent	Freehold/ 4 years	1,098/ 1,220	250	01.06.2021
MG Furniture	Title: Lot 5205 GRN No. 167177, Mukim 7, Province Wellesley South, Pulau Pinang No. 16, Lorong Bukit Panchor 7, Taman Bukit Panchor, 14300 Pulau Pinang	Shoplot/ Vacant	Freehold/ 4 years	1,098/ 2,120	288	01.06.2021

List Of Properties (Cont'd)

AS AT 30/09/2025

Registered/ Beneficial Owner	Title/Address	Description/ Existing Use	Tenure/ Approximate Age of Building (Year)	Land Area/ Built-up Area (sq ft)	Audited NBV as at 30 September 2025 RM'000	Date of Acquisition
MG Furniture	Title: Lot 5025 GRN No. 166970, Mukim 7, Province Wellesley South, Pulau Pinang No. 42, Lorong Bukit Panchor 5, Taman Bukit Panchor, 14300 Nibong Tebal, Pulau Pinang	Shoplot/ Vacant	Freehold/ 4 years	1,098/ 1,220	240	01.06.2021
MG Furniture	Title: Lot 6026, 5873 & 5872, Mukim 7 Seberang Perai Selatan, Negeri Pulau Pinang. No. 1 & 3, Lorong Panchor Indah 1, Taman Panchor Indah, 14300 Nibong Tebal, Pulau Pinang	Shoplot/ Used for worker hostel	Freehold/ 4 years	3,735/ 5,943	792	01.06.2021
MG Furniture	Title: GM 981 Lot 2651, Mukim 10, Daerah Seberang Perai Selatan, Pulau Pinang	Land/ Vacant agricultural land	Freehold/ 11 years	92,957/ N/A	380	05.09.2014
MG Furniture	Title: Lot 3960, Mukim 09, Seberang Perai Selatan, Pulau Pinang	Land/ Vacant agricultural land	Freehold/ 10 years	71,860/ N/A	600	27.07.2015
MG Furniture	Title: GRN 129553 Lot 7171, Mukim 11, Daerah Seberang Perai Selatan, Pulau Pinang.	Land/ Vacant agricultural land	Freehold/ 6 years	17,308/ N/A	4,719	12.09.2019

List Of Properties (Cont'd)

AS AT 30/09/2025

Registered/ Beneficial Owner	Title/Address	Description/ Existing Use	Tenure/ Approximate Age of Building (Year)	Land Area/ Built-up Area (sq ft)	Audited NBV as at 30 September 2025 RM'000	Date of Acquisition
HH Land	Title: GM 1146 Lot 1712 Mukim 05, District of Seberang Perai Tengah, Pulau Pinang GM 1147 Lot 1713, Mukim 05, District of Seberang Perai Tengah, Pulau Pinang	Land/ Vacant land	Freehold/ 5 years	88,856/ N/A	1,443	13.08.2020
HH Land	Title: No.H.S.(D) 32795, Lot No 1617, Section 6, Town of Bukit Mertajam, District of Seberang Perai Tengah, Pulau Pinang Address: No. 124F, Jalan Teratai, Taman Jaya, 14000, Bukit Mertajam, Seberang Perai, Pulau Pinang	Double storey split-level semi-detached house with rooftop / Used for investment property	Freehold/ 3 years	6,044/ 8,160	1,162	23.03.2022
HH Land	Title: GM13959/M1/14/75 Petak No. 75, No. Tingkat 14, No. Bangunan M1 Lot, No.60002 Seksyen 63, Bandar Sungai Petani, Daerah Kuala Muda, Negeri Kedah Darul Aman Address: No. A-14-3, No. 12B-3, Petak A-14-3, Cinta Sayang Residences, 08000 Sungai Petani, Kedah	A 2-Bedroom apartment / Used for investment property	Freehold/ 3 years	1,302/ N/A	376	28.04.2022

List Of Properties (Cont'd)

AS AT 30/09/2025

Registered/ Beneficial Owner	Title/Address	Description/ Existing Use	Tenure/ Approximate Age of Building (Year)	Land Area/ Built-up Area (sq ft)	Audited NBV as at 30 September 2025 RM'000	Date of Acquisition
HH Land	Title: No. Hakmilik Geran 11043/ M1/4/508, Petak No. 508, No. Tingkat 4, No. Bangunan M1, Lot No.1197, Seksyen 67, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan Address: No. S-090, Sungai Wang Plaza, Jalan Sultan Ismail, 55100 Wilayah Persekutuan	A unit of shoplot / Used for investment property	Freehold/ 3 years	334/ N/A	476	28.04.2022
HH Land	Title: Lot No. 713 & 714, 744, 745 & 746 , Mukim 5, Seberang Perai Selatan, Pulau Pinang.	Land / Vacant and development land	Freehold/ 2 years	98,816/ N/A	2,486	11.04.2023
HH Land	Title: Lot No. 6387 Mukim 01, Daerah Seberang Perai Tengah, Pulau Pinang. Address: No.1-02, Megamall Penang, Jalan Baru, 13600 Prai, Pulau Pinang.	A unit of shoplot/ Used for investment property	Freehold/ 2 years	645/ N/A	176	23.05.2023
HH Eastern Realty	Title: Country Lease, No. 105241129, Tawau, Sabah	Land/ Vacant land	99 years, Expiring on 06.04.2060/ 3 years	665,597/ N/A	3,813	25.07.2022
Open Road (SP Circuit)	Title: Lot No. 2426, held under title No. HSD 131170, Bandar Amanjaya, District of Kuala Muda, State of Kedah	Land / Used for kompleks sukan bermotor	60 years, Expiring on 14.02.2076/ 1 year	3,049,054/ N/A	11,362	24.06.2024

List Of Properties (Cont'd)

AS AT 30/09/2025

Registered/ Beneficial Owner	Title/Address	Description/ Existing Use	Tenure/ Approximate Age of Building (Year)	Land Area/ Built-up Area (sq ft)	Audited NBV as at 30 September 2025 RM'000	Date of Acquisition
ORIC Development	Title: Lot No. 2426, held under title No. HSD 131170, Bandar Amanjaya, District of Kuala Muda, State of Kedah	Land / Vacant Land	60 years, Expiring on 14.02.2076/ 1 year	3,484,633/ N/A	12,307	24.06.2024
HH Properties Kulm	Title: Note ⁽¹⁾	Land/ Vacant land	99 years, Expiring on 23.10.2095/ 3 years	839,132/ N/A	21,585	30.03.2022
Kulim Property	Title: Note ⁽²⁾	Land/ Vacant land	99 years, Expiring on 23.10.2095/ 2 years	258,936/ N/A	4,490	13.09.2023

Note:

- (1) PM 251 Lot 7632, PM 252 Lot 7633, PM 253 Lot 7634, PM 254 Lot 7635, PM 255 Lot 7636, PM 256 Lot 7637, PM 257 Lot 7638, PM 258 Lot 7639, PM 259 Lot 7640, PM 260 Lot 7641, PM 261 Lot 7642, PM 262 Lot 7643, PM 263 Lot 7644, PM 264 Lot 7645, PM 282 Lot 7650, PM 283 Lot 7651, PM 286 Lot 7655, PM 287 Lot 7656, PM 288 Lot 7657, PM 289 Lot 7658, PM 290 Lot 7659, PM 291 Lot 7660, PM 292 Lot 7661, PM 293 Lot 7662, PM 294 Lot 7663, PM 295 Lot 7664, PM 296 Lot 7665, PM 297 Lot 7666, PM 298 Lot 7667, PM 299 Lot 7668, PM 300 Lot 7669, PM 301 Lot 7670, PM 302 Lot 7671, PM 303 Lot 7672, PM 304 Lot 7673, PM 305 Lot 7674, PM 306 Lot 7675, PM 307 Lot 7676, PM 308 Lot 7677, PM 309 Lot 7678, PM 310 Lot 7679, PM 311 Lot 7680, PM 357 Lot 7689, PM 358 Lot 7690, PM 359 Lot 7691, PM 360 Lot 7692, PM 361 Lot 7693, PM 362 Lot 7694, PM 369 Lot 7701, PM 370 Lot 7702, PM 371 Lot 7703, PM 372 Lot 7704, PM 373 Lot 7705, PM 374 Lot 7706, PM 342 Lot 7707, PM 344 Lot 7709, PM 345 Lot 7710, PM 346 Lot 7711, PM 347 Lot 7712, PM 348 Lot 7713, PM 350 Lot 7715, PM 351 Lot 7716, PM 352 Lot 7717, PM 353 Lot 7718, PM 354 Lot 7719, PM 355 Lot 7720, PM 356 Lot 7722, PM 375 Lot 7725, PM 376 Lot 7726, PM 382 Lot 7732, PM 269 Lot 7734, PM 270 Lot 7735, PM 271 Lot 7736, PM 272 Lot 7737, PM 273 Lot 7738, PM 274 Lot 7739, PM 275 Lot 7740, PM 276 Lot 7741, PM 277 Lot 7742, PM 278 Lot 7743, PM 279 Lot 7744, PM 280 Lot 7745, PM 281 Lot 7746, PM 319 Lot 7747, PM 320 Lot 7748, PM 321 Lot 7749, PM 322 Lot 7750, PM 332 Lot 7760, PM 333 Lot 7761, PM 334 Lot 7762, PM 335 Lot 7763, PM 336 Lot 7764, PM 337 Lot 7765, PM 338 Lot 7766, PM 339 Lot 7767, PM 340 Lot 7768, PM 341 Lot 7769, PM 384 Lot 7771, PM 385 Lot 7772, PM 396 Lot 7773, PM 397 Lot 7774, PM 398 Lot 7775, PM 399 Lot 7776, PM 400 Lot 7777, PM 401 Lot 7778, PM 402 Lot 7779, PM 403 Lot 7780, PM 404 Lot 7781, PM 405 Lot 7782, PM 406 Lot 7783, PM 407 Lot 7784, PM 386 Lot 7789, PM 387 Lot 7790, PM 410 Lot 7791, PM 411 Lot 7792, PM 412 Lot 7793, PM 413 Lot 7794, PM 414 Lot 7795, PM 415 Lot 7796, PM 416 Lot 7797, PM 417 Lot 7798, PM 418 Lot 7799, PM 419 Lot 7800, PM 420 Lot 7801, PM 421 Lot 7802, PM 424 Lot 7805, PM 388 Lot 7818, PM 389 Lot 7819, PM 390 Lot 7820, PM 391 Lot 7821, PM 392 Lot 7822, PM 393 Lot 7823, HS(M) 1936 PT 157 Bandar Kulim, Daerah Kulim, Kedah.
- (2) PM 265 Lot 7646, PM 266 Lot 7647, PM 267 Lot 7648, PM 268 Lot 7649, PM 284 Lot 7653, PM 285 Lot 7654, PM 312 Lot 7681, PM 313 Lot 7682, PM 314 Lot 7683, PM 315 Lot 7684, PM 316 Lot 7685, PM 317 Lot 7686, PM 363 Lot 7695, PM 364 Lot 7696, PM 365 Lot 7697, PM 366 Lot 7698, PM 367 Lot 7699, PM 368 Lot 7700, PM 343 Lot 7708, PM 349 Lot 7714, PM 377 Lot 7727, PM 378 Lot 7728, PM 379 Lot 7729, PM 380 Lot 7730, PM 381 Lot 7731, PM 323 Lot 7751, PM 324 Lot 7752, PM 325 Lot 7753, PM 326 Lot 7754, PM 327 Lot 7755, PM 328 Lot 7756, PM 329 Lot 7757, PM 330 Lot 7758, PM 331 Lot 7759, PM 408 Lot 7786, PM 422 Lot 7803, PM 423 Lot 7804, PM 425 Lot 7806, PM 426 Lot 7807, PM 427 Lot 7808, PM 428 Lot 7809, PM 429 Lot 7810, PM 430 Lot 7811, PM 431 Lot 7812, PM 432 Lot 7813, PM 433 Lot 7814, PM 434 Lot 7815, PM 435 Lot 7816, PM 394 Lot 7824, PM 395 Lot 7825, PM 2068 Lot PT 178, PM 1098 Lot 7631, PM 1099 Lot 7688, PM 1100 Lot 7733, PM 1101 Lot 7787, PT 178 Bandar Kulim, Daerah Kulim, Kedah.

Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fourteenth (14th) Annual General Meeting (“AGM”) of HHRG Berhad (“HHRG” or the “Company”) will be held at Central Walk, Level 1, DoubleTree by Hilton Shah Alam i-City, i-City Finance Avenue, 40000 Shah Alam, Selangor, Malaysia on Wednesday, 18 March 2026 at 9.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

- | | | |
|----|---|-------------------------------|
| 1. | To receive the Audited Financial Statements for the financial period from 1 April 2024 to 30 September 2025 together with the Directors' and Auditors' Reports thereon. | Please refer to Note 1 |
| 2. | To approve the payment of Directors' fees and benefits to the Non-Executive Directors of the Company up to RM800,000.00 for the period from 1 April 2025 until the conclusion of the Fifteenth (15 th) AGM and the Directors' fees and benefits to be payable in monthly basis. | Ordinary Resolution 1 |
| 3. | To re-elect Mr. Guok Ngek Seong who retires in accordance with Article 18.3 of the Constitution of the Company and being eligible, has offered himself for re-election. | Ordinary Resolution 2 |
| 4. | To re-elect Puan Nur Bahiyah Azlinda binti Abu Bakar who retires in accordance with Article 18.10 of the Constitution of the Company and being eligible, has offered herself for re-election. | Ordinary Resolution 3 |
| 5. | To re-appoint Messrs UHY Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 4 |

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following Resolutions:

- | | | |
|----|--|------------------------------|
| 6. | AUTHORITY TO ISSUE SHARES BY THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 | Ordinary Resolution 5 |
|----|--|------------------------------|

“THAT subject always to the Companies Act 2016 (“the Act”), the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad (“Bursa Securities”) and any other governmental/regulatory authorities, the Directors of the Company be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors of the Company may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company at the time of submission to the authority AND THAT the Directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.

AND THAT pursuant to Section 85 of the Act to be read together with Clause 13.2 of the Company's Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares in Company ranking equally to the existing issued shares in Company arising from any issuance of the new shares in Company pursuant to Sections 75 and 76 of the Act.”

Notice Of Annual General Meeting (Cont'd)

7. **PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

**Ordinary
Resolution 6**

"THAT the Company and/or its subsidiaries ('the Group') be and is/are hereby authorised to enter into all arrangements and/or transactions involving the interests of Directors, Major Shareholders or persons connected with Directors and/or Major Shareholders of the Group ('Related Parties') as specified in Section 1.3 of the Circular to Shareholders dated 30 January 2026, provided that such arrangements and/or transactions are:

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for the Group's day-to-day operations;
- (iii) carried out in the ordinary course of business on commercial terms not more favourable to the related parties than those generally available to the public; and
- (iv) not detrimental to the minority shareholders.

('Recurrent Related Party Transaction ("RRPT") Mandate');

AND THAT the RRPT Mandate, unless revoked or varied by the Company in general meeting, shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier;

AND FURTHER RESOLVED THAT the Directors be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary or in the interest of the Company to give effect to the RRPT Mandate."

8. **PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES ("PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY")**

**Ordinary
Resolution 7**

"THAT subject to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Ace Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approval of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to utilise an amount not exceeding the total retained profits available for dividend, for the purpose of and to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company;

THAT an amount not exceeding the retained profits account be allocated by the Company for the proposed share buy-back;

THAT authority be and is hereby given to the Directors of the Company to decide at their absolute discretion to either retain the shares so purchased as treasury shares (as defined in Section 127 of the Act) and/or to cancel the shares so purchased and if retained as treasury shares, may resell the treasury shares and/or to distribute them as share dividend and/or subsequently cancel them."

Notice Of Annual General Meeting (Cont'd)

9. To transact any other business which may properly be transacted at an AGM for which due notice shall have been given.

By order of the Board,

LIM SECK WAH
(MAICSA NO. 0799845)
(SSM PC No. 202008000054)

LAI LEE CHEE
(MAICSA NO. 7071580)
(SSM PC No. 202208000475)

YUHASHENY A/P SUPRAMANIAM
(MAICSA NO. 7068535)
(SSM PC NO.: 202308000781)

Company Secretaries

Kuala Lumpur
Dated this: 30 January 2026

Notes:

1. Item 1 of the Agenda is meant for discussion only as under the provisions of Section 340(1)(a) of the Companies Act 2016, the Audited Financial Statements do not require formal approval of the shareholders. As such this item on the Agenda is not put forward for voting.
2. For the purpose of determining a member who shall be entitled to attend, speak and vote at the AGM, the Company shall be requesting the Record of Depositors as at 5 March 2026. Only a depositor whose name appears on the Record of Depositors as at 5 March 2026 shall be entitled to attend the said Meeting or appoint proxies to attend, speak and vote on his/her behalf.
3. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A member may appoint up to two (2) proxies to attend the same meeting provided that he/she specifies the proportion of his/her shareholding to be represented by each proxy. A proxy may but need not be a member of the Company.
4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member is an exempt authorised nominee, it may appoint multiple proxies for each omnibus account it holds.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under the Corporation's Common Seal or under the hand of an officer or attorney so authorised.
7. The Proxy Form must be deposited at the registered office of the Company situated at 3B-06-01, Level 6, Tower 3B, UOA Business Park, No. 1, Jalan Pengaturcara U1/51A, 40150 Shah Alam, Selangor Darul Ehsan or submitted via email to generalmeeting@hhrg.com.my or via facsimile at 03-5567 0683, not less than twenty-four (24) hours before the time set for holding the meeting or any adjournment thereof.
8. All resolutions set out in this Notice of AGM will be put to vote by way of poll pursuant to Paragraph 8.31A of the Ace Market Listing Requirements of Bursa Securities.

Notice Of Annual General Meeting (Cont'd)

9. Explanatory Notes:

Ordinary Resolution 1 on Directors' Fees and Benefits

Section 230(1) of the Companies Act 2016 provides that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, shareholders' approval shall be sought at the 14th AGM on the Directors' fees and benefits under resolution 1.

The Directors' benefits comprising meeting allowance and other benefits.

The Company has sought shareholders' approval for the payment of Directors' Fees and Benefits to the Non-Executive Directors for the financial year ended 31 March 2025 at the Thirteenth (13th) AGM which was held on 27 August 2024. In view of the change of financial year end from 31 March to 30 September, the shareholders' approval for the payment of Directors' Fees and Benefits to the Non-Executive Directors after 1 April 2025 has yet to be obtained.

In the event that the Directors' Fees and Benefits payable during the above period exceed the estimated amount sought at the forthcoming 14th AGM of the Company, shareholders' approval will be sought at the next AGM for the additional amount to meet the shortfall.

Ordinary Resolution 2 and 3 on Re-election of Directors who retire by rotation pursuant to Articles 18.3 and 18.10 of the Company's Constitution

Mr. Guok Ngek Seong and Puan Nur Bahiyah Azlinda binti Abu Bakar are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 14th AGM.

The performance, effectiveness and independence of each Director who is recommended for re-election have been assessed through the Board's annual evaluation. The Nomination and Remuneration Committee has also conducted an assessment on the fitness and properness of the retiring Directors including the review of their fit and proper assessment declarations in accordance with the Fit and Proper Policy of the Group. The Nomination and Remuneration Committee and the Board are satisfied with the performance, effectiveness, fitness and independence of Mr. Guok Ngek Seong and Puan Nur Bahiyah Azlinda binti Abu Bakar, who are due for retirement as Directors, and being eligible, have offered themselves for re-election at the 14th Annual General Meeting.

The profiles of Directors who are standing for re-election are set out in the Directors' Profile section of the Annual Report 2025.

Ordinary Resolution 5 on Authority to Issue Shares by the Company pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 5 is to seek mandate from its members to waive the pre-emptive right pursuant to Section 85 of the Companies Act 2016 that to be read together with Clause 13.2 of the Company's Constitution and to give flexibility to the Board to issue and allot shares at any time in their absolute discretion and for such purposes as they consider would be in the interest of the Company without convening a general meeting.

The Company continues to consider opportunities to broaden its earnings potential. If any of the expansion/diversification proposals involves the issue of new shares, the Directors, under certain circumstances when the opportunity arises, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than ten percent (10%) of the total number of the issued shares.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to any amount not exceeding in total ten percent (10%) of the total number of issued shares of the Company. The authority will provide flexibility to the Company for the issuance of shares for the purpose of the possible fund-raising activities for the purpose of funding future project/investment, working capital and/or acquisitions. This authority, unless revoked or varied at a general meeting will expire at the conclusion of the next AGM of the Company.

As at the date of this Notice, no new shares in the Company were issued under the provision of the general mandate granted to the Directors at the Thirteenth (13th) AGM held on 27 August 2024, which will lapse at the conclusion of the 14th AGM. Hence, no proceeds were raised therefrom.

Notice Of Annual General Meeting (Cont'd)

Ordinary Resolution 6 on Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

This resolution is primarily to give flexibility to the relevant companies within the Group to enter into recurrent related party transactions of revenue or trading nature with the Directors/Major Shareholders or persons connected with the Directors/Major Shareholders ("RRPT Mandate").

Further information on the RRPT Mandate is contained in the Circular to Shareholders dated 30 January 2026.

Ordinary Resolution 7 on Proposed Renewal of Share Buy-Back Authority

This resolution will empower the Company to purchase the Company's shares up to ten per centum (10%) of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the total retained profits of the Company. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

Further information on the Proposed Renewal of Share Buy-Back is contained in the Circular to Shareholders dated 30 January 2026.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

This page is intentionally left blank.

**HHRG BERHAD**Company No.: 201101041555 (969678-D)
(Incorporated in Malaysia)**Proxy Form**

(Before completing this form, please refer to the notes)

CDS Account No.	:	
No. of Shares Held	:	

I/We* _____ NRIC/Passport/Company Registration No.* _____
(Full name in block)of _____
(Address)

with email address _____ mobile phone no _____

being a member/members* of **HHRG BERHAD** ("the Company") hereby appoint(s):-

Full Name (in Block)	NRIC/Passport No.*	Proportion of Shareholdings %
Address		
Email Address		
Mobile Phone No.		

and/or*

Full Name (in Block)	NRIC/Passport No.*	Proportion of Shareholdings %
Address		
Email Address		
Mobile Phone No.		

or failing him/her*, the Chairman of the Meeting as my/our* proxy to attend, speak and vote for my/our* behalf at the Fourteenth (14th) Annual General Meeting of the Company to be held at Central Walk, Level 1, DoubleTree by Hilton Shah Alam i-City, i-City Finance Avenue, 40000 Shah Alam, Selangor, Malaysia on Wednesday, 18 March 2026 at 9.00 a.m. or any adjournment thereof in the manner as indicated below:-

RESOLUTIONS RELATING TO :-	FIRST PROXY		SECOND PROXY	
	FOR	AGAINST	FOR	AGAINST
ORDINARY RESOLUTION				
1. Approval of payment of Directors' fees and benefits up to RM800,000.00 for the period from 1 April 2025 until the conclusion of the Fifteenth (15 th) Annual General Meeting.				
2. Re-election of Mr. Guok Ngek Seong as a Director retiring under the Constitution of the Company.				
3. Re-election of Puan Nur Bahiyah Azlinda binti Abu Bakar as a Director retiring under the Constitution of the Company.				
4. Re-appointment of Messrs UHY Malaysia PLT as Auditors of the Company and authority to the Directors to fix their remuneration.				
5. Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.				
6. Proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature.				
7. Proposed Renewal of Share Buy-Back Authority.				

Please indicate with a "√" or "X" in the space provided how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

Signature of Shareholder(s)/Common Seal

Signed thisday of2026

* Strike out whichever is not desired.

Notes:

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the AGM, the Company shall be requesting the Record of Depositors as at 5 March 2026. Only a depositor whose name appears on the Record of Depositors as at 5 March 2026 shall be entitled to attend the said Meeting or appoint proxies to attend, speak and vote on his/her behalf.
2. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A member may appoint up to two (2) proxies to attend the same meeting provided that he/she specifies the proportion of his/her shareholding to be represented by each proxy. A proxy may but need not be a member of the Company.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member is an exempt authorised nominee, it may appoint multiple proxies for each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under the Corporation's Common Seal or under the hand of an officer or attorney so authorised.
6. The Proxy Form must be deposited at the registered office of the Company situated at 3B-06-01, Level 6, Tower 3B, UOA Business Park, No. 1, Jalan Pengaturcara U1/51A, 40150 Shah Alam, Selangor Darul Ehsan or submitted via email to generalmeeting@hhrg.com.my or via facsimile at 03-5567 0683, not less than twenty-four (24) hours before the time set for holding the meeting or any adjournment thereof.

Please fold across the line and close

stamp
here

To:

The Registered Office of
HHRG BERHAD
3B-06-01, Level 6, Tower 3B
UOA Business Park, No. 1
Jalan Pengaturcara U1/51A
40150 Shah Alam
Selangor Darul Ehsan

Please fold across the line and close

7. All resolutions set out in this Notice of AGM will be put to vote by way of poll pursuant to Paragraph 8.31A of the Ace Market Listing Requirement of Bursa Malaysia Securities Berhad.
8. By submitting the duly executed Proxy Form, a member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for this Meeting and any adjournment thereof.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



HHRG BERHAD

201101041555 (969678-D)

3B-06-01, Level 6
Tower 3B, UOA Business Park
No. 1, Jalan Pengaturcara U1/51A
40150 Shah Alam
Selangor Darul Ehsan, Malaysia

 : (603) 5569 8663

 : (603) 5567 0683

 www.hhrg.com.my

