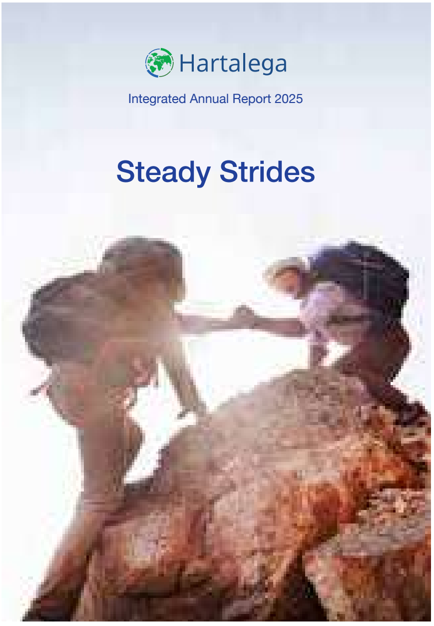
Hartalega

Integrated Annual Report 2025

Steady Strides



Steady Strides

The cover visual and theme of this year's report, "Steady Strides", reflect Hartalega's focused progress in a dynamic market environment. The image of climbers helping each other through rocky terrain symbolises our purposeful momentum, grounded in teamwork. It represents the spirit of our Hartanians who remain focused on strengthening core capabilities and navigating challenges with discipline. As we chart our path ahead, Hartalega is guided by a clear sense of direction and a commitment to building a more resilient and future-ready organisation.

19th
Annual General Meeting
2 September 2025

Contents

About This Report

In its third edition, our Integrated Annual Report offers a comprehensive view of how Hartalega operates, creates value and responds to multistakeholder expectations in a dynamic landscape. It captures the alignment between our strategic priorities and performance – spanning operational and financial results, demonstrating our firm commitment to Environmental, Social and Governance (ESG) principles, and the evolving challenges and opportunities that impact our journey.

REPORTING SCOPE AND BOUNDARY

This Report underscores Hartalega's dedication to transparency and disclosure by outlining all pertinent initiatives and assessing operational performance for the reporting period of 1 April 2024 to 31 March 2025. Unless otherwise stated, the scope of reporting focuses on our Malaysian operations and business units under direct management control, namely Hartalega Sdn Bhd, Hartalega NGC Sdn Bhd and Hartalega Research Sdn Bhd.

REPORTING FRAMEWORKS

This Report is developed in accordance with the following local and international reporting and governance frameworks:

- Value Reporting Foundation's International Integrated Reporting Council Frameworks
- Global Reporting Initiative (GRI) Standards
- United Nations Sustainable Development Goals (UN SDGs)
- Main Market Listing Requirements of Bursa Malaysia Securities Berhad
- *Sustainability Reporting Guide (3rd Edition)* by Bursa Malaysia Securities Berhad
- FTSE ESG Ratings Framework
- Malaysian Financial Reporting Standards
- International Financial Reporting Standards
- Companies Act 2016
- Malaysian Code on Corporate Governance (MCCG)

Expanding from the structure established for our previous Integrated Annual Reports, we remain committed to advancing our reporting processes while elevating the depth and quality of our disclosures.

ASSURANCE

All financial and non-financial information presented within are aligned with the Group's rigorous corporate governance and internal controls, resulting in a Report that upholds high standards of transparency, consistency and accuracy. As customary, our audited financial statements were independently verified by external parties, while some sections of the Sustainability Statement were assessed and validated by internal auditors. We are considering expanding the use of external assurance for other sections in the future in line with ongoing efforts to enhance our reporting.

FORWARD-LOOKING STATEMENTS

This Report may include forward-looking statements relating to Hartalega's strategic plans, goals and business activities. These assumptions are based on current expectations about anticipated future events and conditions. However, as future developments may involve uncertainties or unforeseen circumstances, actual outcomes may differ materially. Hartalega undertakes no obligation to update or revise any forward-looking statements.

FEEDBACK

As we strive to continuously enhance our reporting, we welcome stakeholders' feedback on this Report at ir@hartalega.com.my.

BOARD APPROVAL

The Board of Directors recognises its duty to safeguard the integrity of this Integrated Annual Report. Towards this end, the Board considers the Report's content to be a balanced, transparent and accurate reflection of the Group's performance, effectively covering all relevant material matters that affect our value creation.

This Report was approved by the Board of Directors of Hartalega Holdings Berhad on 8 July 2025.

Vision & Values

Our Vision

To be a trusted global healthcare products provider

Our Mission

Touch lives and create positive impact through innovative healthcare products

Driven By Core Values

Our Core Values are embodied in the acronym SHIELD, symbolising:

These values define the core principles embedded in all of Hartalega's initiatives, propelling the Group forward and supporting the realisation of our Vision and Mission.

- Synergy
- Excellence
- Honesty
- Learning
- Innovation
- Dedication

Industry Firsts

1

FIRST to develop polymer-coated powder-free examination gloves in 1994 and among the first to receive FDA 510(k) clearance to market low-protein latex gloves

FIRST Malaysian company to develop and implement a robotic glove-stripping system in 1995, mimicking the motion of the human hand to strip gloves off from the production lines

FIRST to develop lightweight nitrile gloves, initiating a global transition from latex to nitrile gloves

FIRST to develop Goodpac™, a smart packing system designed to ensure single-glove dispensing, which prevents wastage and contamination

FIRST in the world to develop and implement a successful double-former production line with advanced process controls

FIRST to introduce the Colloidal Oatmeal System (COATS®), a patented glove-coating technology with clinically proven skin protectant and launched COATS® gloves in 2013

FIRST biomass energy plant in Malaysia registered with the United Nations Framework Convention on Climate Change (UNFCCC) or Kyoto Protocol, that uses empty oil palm fruit bunches as biomass fuel to generate heat for production processes

FIRST to commercially produce high-stress-relaxation NBR examination and surgical gloves in 2002 and 2006, respectively

FIRST in the glove manufacturing industry to publicly disclose critically reviewed carbon footprint data from our inaugural Life Cycle Assessment (LCA) for three key glove products

Our Business

Established for over 37 years since inception in
1988

Leading nitrile glove manufacturer with an installed capacity of over
37 Billion pieces per year

One of the world's
Largest
exporters of nitrile gloves

Employs total workforce of
7,559 Hartanians
(as at 31 March 2025)

FY2025 Highlights

Revenue
RM2.6 billion

Operating Profit
RM53 million

Profit After Tax
RM74 million

Net Cash Position
RM919 million
(as at 31 March 2025)

Recognition in upholding strong ESG practices

CDP
CDP Scoring – "B" rating for Water & "C" rating for Climate
(February 2025)

Sustainalytics ESG Risk Scores – Low Risk Category
(as at January 2025)

PRIME
ISS ESG Rating – 'Prime C+' rating
(as at March 2025)

FTSE4Good Bursa Malaysia Index constituent since 2014

Embeds culture of innovation and leading R&D with wide product portfolio

COATS® Colloidal Oatmeal Coated Glove

AMG™ Antimicrobial Glove

BDG™ Biodegradable Glove

Polychloroprene Examination Glove

Our Presence

Exporting to major markets in more than
70 countries spanning 5 continents

Expanding
regional market presence via MUN Global's distribution channels

The Hartalega Nitrile Glove Journey

2002
- Initiated R&D on elastic thin nitrile glove
- Overcame technology, pricing, and intellectual property obstacles
- Introduced nitrile glove with natural rubber-like softness and stretchiness

2003


- Started R&D on production technology
- Emphasised efficient and cost-effective nitrile glove manufacturing
- Implemented the world's first double-former production line by the end of 2003
- Boosted production line capacity to 28,000 pieces of nitrile gloves per hour, the industry's highest

2005
- Introduced the world's first 4.7g nitrile glove that mirrors natural rubber glove properties but is competitively priced, devoid of protein allergy risks, and beyond Tillotson's patent
- The Ringgit was de-pegged from the US dollar

2007
- Competitor introduced a 4.2g nitrile glove
- Hartalega countered with the world's first 3.7g nitrile glove, developed simultaneously with the 4.7g glove and reserved in the 'war chest'

2008


- Hartalega's nitrile glove production surged 30-fold
- Became the largest nitrile glove producer in Malaysia and the second largest globally
- Captured a 20% share of the quality-conscious US synthetic glove market

2010
- Hartalega became the world's largest nitrile glove producer
- With natural rubber prices hitting a record RM9.83 per kg, nitrile gloves became more cost-effective than natural rubber gloves

2011
- Introduced a 3.2g soft nitrile glove
- Witnessed a 59-fold increase in nitrile sales over seven years

2012
- Enhanced production line capacity to 45,000 pieces of nitrile gloves per hour, the industry's fastest-ever pace
- Witnessed an ongoing global switch to nitrile gloves

2013
- Celebrated Hartalega's 25th Anniversary (Silver Jubilee)
- Broke ground for the construction of the Next Generation Integrated Glove Manufacturing Complex (NGC) in Sepang
- Unveiled the 2.7g nitrile glove
- Introduced the patented glove coating technology, Colloidal Oatmeal System or COATS®

2014


- Commenced the commissioning of the new production lines at NGC
- Launched MUN Global, Hartalega's global distribution arm
- Introduced the new umbrella brand, GloveOn

2015
- Completed the construction of Plants 1 and 2 at NGC
- Developed the BDG™ Biodegradable Glove through dedicated R&D efforts

2016
- Commenced the commissioning of Plant 3 at NGC
- Introduced the patented Goodpac™ packing technology

2017


- Introduced the world's first non-leaching antimicrobial glove
- Completed the commissioning of Plant 4 at NGC

2018

Started commissioning Plant 5 at NGC

Listed on the FBM KLCI Top 30; became one of the largest public listed companies in Malaysia

2019

Completed the commissioning of Plant 5 at NGC

2020

Completed Plant 6 at NGC a year ahead of schedule

Started commissioning Plant 7 at NGC

2021

Established Hartalega Academy for the continuous learning and development of employees

Became a founding member of the Responsible Glove Alliance, collaborating with global industry stakeholders to promote responsible recruitment and employment practices

2022

Launched the Young Professional Programme, a key component of Hartalega's people strategy to identify and cultivate young talent

Achieved ISO 45001:2018 certification for NGC's Occupational Safety and Health Management System

2023

Launched the Hartalega Next Generation Experience (NGX) offering 360° virtual plant tours to key stakeholders

Developed a 5-Year Strategic Plan with renewed vision and mission

Completed the decommissioning of Bestari Jaya facility

Launched SIMPLE, Hartalega's health and wellness brand under which activities are conducted to promote the physical, psychological and social well-being of employees

Completed Project LEAP to redesign HR processes and improve end-to-end employee experience

2024

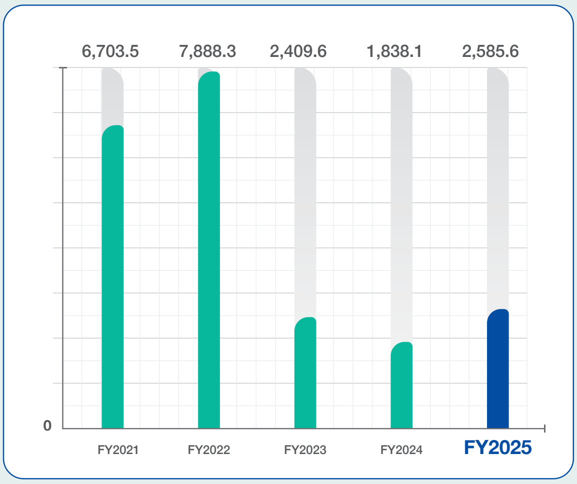
Officially opened the new NGC 1.5 Hostel

Completed our first critically reviewed LCA for three products, conducted in accordance with ISO 14040 and ISO 14044 standards

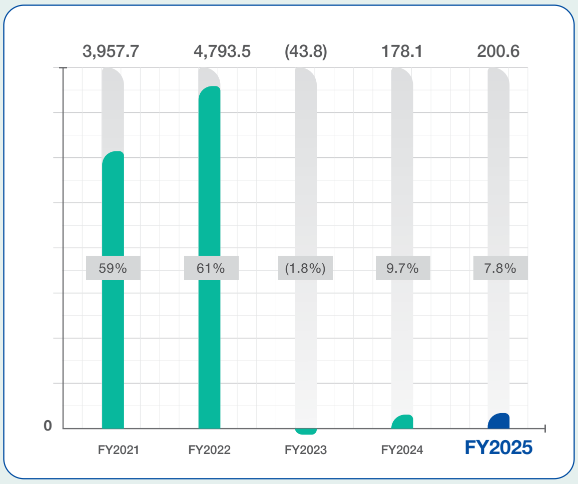
1. BDG™ Nitrile Biodegradable Gloves 3.5g
2. Standard Nitrile Gloves 3.2g
3. COATS® Colloidal Oatmeal Coated Gloves 3.2g

Financial Summary

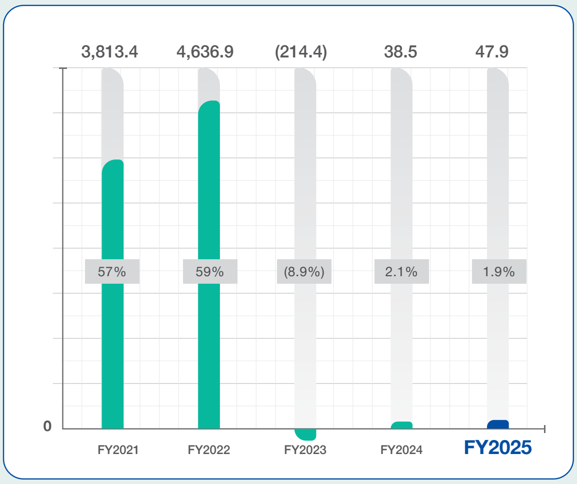
REVENUE
RM MILLION



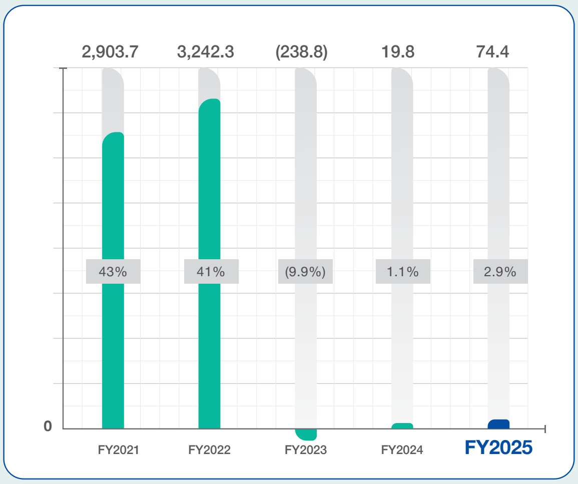
EBITDA & MARGINS
RM MILLION, %



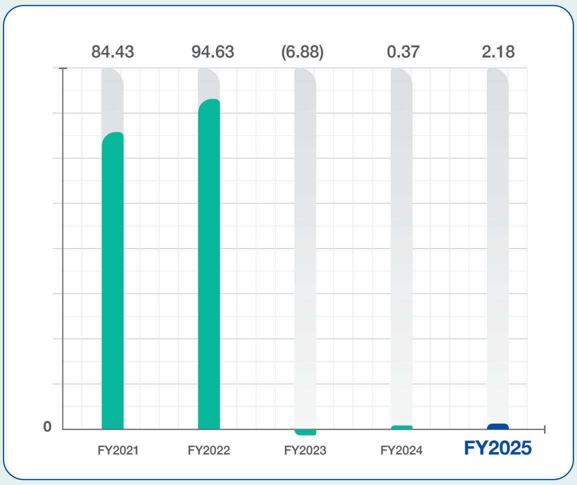
PROFIT BEFORE TAX & MARGINS
RM MILLION, %



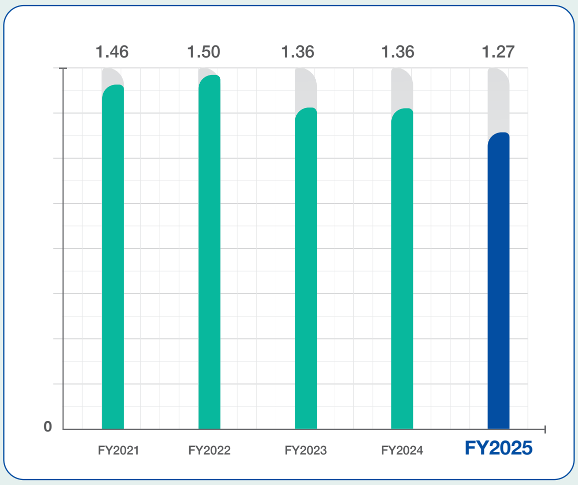
PROFIT AFTER TAX & MARGINS
RM MILLION, %



EARNINGS PER SHARE
RM



NET ASSETS PER SHARE
RM



Key Capitals Highlights

At Hartalega, six key capitals form the foundation of how we operate and grow as a responsible company: financial, social and relationship, intellectual, manufactured, natural, and human. These interconnected resources enable us to generate sustainable value, address material matters and respond effectively to evolving challenges. Beyond supporting day-to-day operations, they shape our approach to long-term progress. By managing these capitals responsibly and in balance, we drive performance while contributing meaningfully to the wider ecosystem.

Financial Capital

FC

As at 31 March 2025

Shareholders' equity of

RM4.3 billion

Net cash of

RM919 million

Total assets of

RM4.7 billion

Capital expenditure of

RM193 million

Social & Relationship Capital

SC

Supporting the development of the local economy with **67% of total procurement spend invested** in active suppliers based in Malaysia

Large and diversified clientele base serving **297 customers worldwide**

Over **7,386 volunteer hours** contributed by Hartanians for community engagement, development and well-being programmes

Invested **RM148 million** in our first-rate workers' accommodation to date

Intellectual Capital

IC

Over **37 years** of industry knowledge and technical know-how accumulated since inception in 1988

Developed, own and patented unique technology, internal production processes and product offerings

Achieved **30% of innovation** projects focusing on sustainability

Manufactured Capital

MC

Group Property, Plant and Equipment value of **RM2.57 billion**

Large-scale production facilities with **8 plants housing 92 production lines**

Installed production capacity of **37 billion pieces of gloves per year**

2 cogeneration power plants that can generate electricity and thermal energy of up to **65 MW**

Invested **RM48 million** to enhance wastewater treatment at our plants

Natural Capital

NC

Generated **2,735 MWh** of energy from renewable sources

Maintained **Standard A** for water quality parameters, exceeding the **Standard B** criteria required by the Malaysian Department of Environment (DOE) for effluent water discharge

Manufacturing plants in NGC Sepang are certified with **ISO 14001:2015** for our Environmental Management System

Human Capital

HC

Total workforce: **7,559**

89,391 total training hours

RM2.3 million invested in learning and development

100% of our manufacturing plants are certified with **ISO 45001:2018** Occupational Safety and Health Management System

Awards & Recognition

Healthcare Asia Medtech Awards 2025
- ESG Program of the Year (Malaysia)
- Product Innovation Award (Malaysia)

The Edge Malaysia ESG Awards
- Gold Award, Healthcare Category 2022
- Silver Award, Healthcare Category 2023 & 2024

Graduates' Choice Award
- Manufacturing (Rubber) Category 2023
- Most Preferred Graduate Employers & Ranked First in Manufacturing (Rubber) Category 2025

Inaugural Fortune Southeast Asia 500

HR Excellence Awards 2024
- Gold in Excellence in Talent Management & Best HR Team (MNC)
- Silver in Excellence in Graduate Recruitment and Development

Marketing Excellence Awards Malaysia 2024
- Silver for Excellence in B2B Marketing
- Bronze for Excellence in Interactive Marketing / AV&VR

Malaysia's 100 Leading Graduate Employers 2023

The Edge Billion Ringgit Club Awards 2023
- Highest Return on Equity Over 3 Years
- Highest Growth in Profit After Tax Over 3 Years for Healthcare Category

Asiamoney Most Outstanding Company in Malaysia in Healthcare Sector 2023

ESG Positive Impact Awards
- Gold Award for Human Rights and Labour Standards (Large Companies Tier) 2022 & 2023

Invest Selangor
- Highest Investment in Selangor by Domestic Company 2021
- Special Achievement Award for Local Company in Selangor 2019-2022

The Star Export Excellence Awards 2022
- Silver Award for Consumer Products (Mid-Tier & Large Companies)

Employee Experience Awards 2022
- Bronze Award for Best First-Time Manager Programme

Graduates' Choice Award
- Top 3 Most Preferred Graduate Employers to Work for in 2022 for Manufacturing (Rubber) Category

Kincentric Best Employers Malaysia Special Recognition
- Commitment to Agile Workforce 2021
- Purposeful Workplace Award 2019

Graduan Brand Awards (Malaysia's Most Preferred Employer 2021)
- 1st Runner Up for Manufacturing Industry

LinkedIn Talent Awards 2021
- Diversity Champion (below 1,000 employees on LinkedIn)

Asiamoney Asia's Outstanding Companies Poll 2021
- Most Outstanding Company in Malaysia in Healthcare Sector

The Edge Billion Ringgit Club Awards 2020
- Company of the Year
- Highest Growth in Profit After Tax Over 3 Years (Super Big Cap Companies)
- Highest Return on Equity Over 3 Years
- Highest Growth in Profit After Tax Over 3 Years

Kincentric Best Employers Malaysia 2020

HR Excellence Awards 2020
- Excellence in Talent Acquisition (Bronze)
- CSR Strategy (Bronze)

MSC Malaysia APICTA 2020 Awards
- (Industrial Category – Manufacturing)

The Star Export Excellence Awards 2019
- Exporter of the Year Award & Gold Award (Other Industries Category)

The Edge Billion Ringgit Club Awards
- Most Profitable Company (Industrial Products Sector) 2013, 2014, 2015 & 2016
- Highest Return on Equity Over 3 Years 2018 & 2019
- Highest Growth in Profit After Tax Over 3 Years 2019

Graduates' Choice Award 2019
- (Manufacturing Category)

HR Excellence Awards 2019
- (Excellence in HR Communication Strategy)

Aon Best Employer Award (2018)

AIA - Malaysia's Healthiest Employees Award
- (Large Organisation 2018)

HR Excellence Awards 2018
- Excellence in Workplace Well-Being (Silver)
- Excellence in HR Communication Strategy (Bronze)

MREPC Industry Awards 2018
- Most Outstanding Company
- Export Excellence
- Green Business

Forbes Asia Best
- Under A Billion List (2010, 2011, 2012 & 2013)

ISO 9001 : 2015

ISO 13485 : 2016

EN ISO 13485 : 2016

ISO 14001 : 2015

ISO 45001 : 2018

EC-Certificate

UK Conformity Assessed

U.S. Food and Drug Administration 510(k)

UL Certification

National Fire Protection Association

China Food and Drug Administration

ANVISA

ISEGA Food Contact Test Certification (German)

PPE Cert

Media Milestones

THE SUN DAILY
May 7, 2025

Hartalega delivers improved financial results for FY25

THE EDGE MALAYSIA
June 10, 2024

NEW STRAITS TIMES
June 5, 2024

Hartalega sets new ESG benchmark

KUALA LUMPUR: Nitrile glove manufacturer Hartalega Holdings Bhd has set a new environment, social and governance benchmark for the glove industry by announcing third party reviewed carbon footprint for three of its products. The company's first life cycle assessment LCA study, covering data from July 2021 to June 2022, evaluated the environmental impact of three major products: the HDG Nitrile Biodegradable Glove, Standard Nitrile Glove, and COATS Colloidal Oatmeal Coated Glove.

BERITA HARIAN
November 13, 2024

Hartalega kembali pulih, untung RM41j

CHINA PRESS
September 7, 2024

中國製造商轉到東南亞

賀特佳有信心迎戰

專注自動化減少人力

THE SUN DAILY
August 7, 2024

Hartalega posts higher Q1 profit after tax of RM32m

KOSMO
November 13, 2024

Hartalega kembali catat keuntungan RM41 juta

NANYANG SIANG PAU
September 7, 2024

中国同行东盟设厂

贺特佳无惧挑战

THE EDGE MALAYSIA
October 28, 2024

Hartalega sets new industry benchmark

Chairman's Review And Management Discussion & Analysis

"While the long-term outlook is encouraging, the road ahead will not be without hurdles. Nevertheless, Hartalega remains focused on moving steadily forward, drawing strength from our resilience and resolve."

Dear Shareholder,

Steady strides – this succinctly captures our recently concluded financial year. In a market challenged by heightened regional competition, excess capacity and pricing pressures, Hartalega has adapted to the erratic nature of the glove manufacturing sector, particularly during the year under review. A tangible result of this is the fact that we achieved operational profitability for FY2025, as opposed to FY2024. We were able to overcome these headwinds by improving operational efficiencies and ensuring our product quality remained indisputable across global markets.

While the long-term outlook is encouraging, the road ahead will not be without hurdles. As the global trade landscape remains unpredictable, we can be certain that tariffs will continue being a contentious factor in the business landscape. Nevertheless, Hartalega remains focused on moving steadily forward, drawing strength from our resilience and resolve.

Against this canvas, I present to you our annual report for the financial year ended 31 March 2025 (FY2025).

KUAN KAM HON
EXECUTIVE CHAIRMAN

INDUSTRY LANDSCAPE

In 2024, the glove sector continued to stabilise following the prolonged effects of post-pandemic market adjustments. Malaysia's rubber and rubber-based products remained a key contributor to the country's gross domestic product (GDP) during the year, with a total export value of RM23.7 billion. Of this, the rubber gloves segment alone comprised RM15.4 billion or 65% of total rubber exports. As a principal source of high-quality rubber gloves, Malaysian manufacturers continued to witness a gradual recovery, particularly in the second half of the year, on the back of depleting pandemic stockpiles, restocking by distributors and marginal improvement in average selling prices (ASPs).

Global exports of rubber gloves grew significantly to approximately 346 billion pieces of gloves, representing a notable year-on-year growth of 30%. From this, a total of 123 billion pieces of gloves were exported by Malaysian glove manufacturers, comprising approximately 36% of the export market share worldwide, primarily to the US and European Union.

Production capacity rationalisation by domestic players and cost efficiency measures helped ease some oversupply conditions, allowing the industry to leverage recovery momentum alongside gradually normalising demand.

Higher US tariffs on imports of medical rubber gloves from China, stemming from trade rivalries, resulted in some impetus for Malaysian manufacturers to regain market share in the US, the world's largest consumer market. We also saw the preference for quality-conscious manufacturers gaining traction as market conditions began to normalise.

Despite being on a recovery path, challenges during the year prevailed as China manufacturers aggressively transitioned into non-US markets following the imposition of US tariffs, causing intense competition. This continued to put pressure on ASPs, particularly in view of softened overall demand in the US after front-loading activities in the second half of FY2025. With the global oversupply issue unresolved, customers remain highly price-sensitive amidst the availability of a wide selection of suppliers in the market. Even with the situation gradually improving, ASPs were impacted unfavourably in early 2025 due to regional manufacturers reducing prices to gain more volumes in non-US markets and fluctuating US-China trade tensions affecting overall market dynamics.

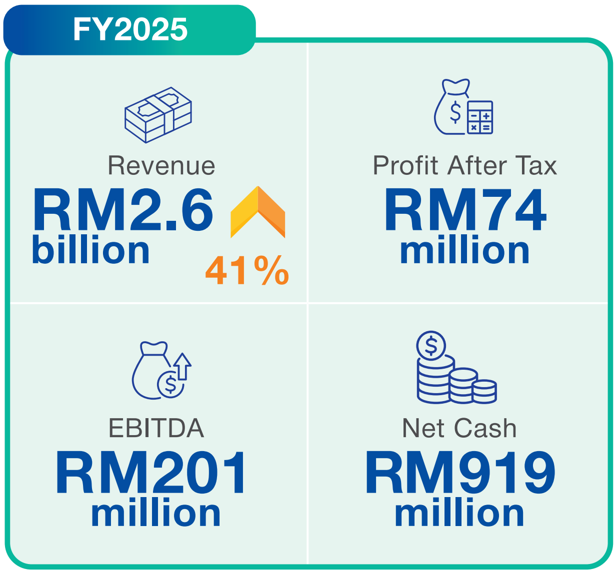
Local manufacturers also faced logistical disruptions on global shipping routes amid the ongoing geopolitical crisis in the Middle East. Moreover, the volatility in foreign exchange between the Malaysian Ringgit and the US Dollar, particularly the appreciation of the Ringgit against the Dollar, escalated product costs and adversely impacted profitability.

It is our view that cost pressures will continue to rise due to the evolution of cost structures that are no longer bound to traditional pricing matrices, which include but are not limited to raw material, labour and energy costs. As such, we must brace for the rising cost environment.

FINANCIAL PERFORMANCE

Pushing through challenges and buoyed by stronger sales volume, the Group recorded a profit after tax of RM74 million for the financial year ended 31 March 2025, a significant jump from RM20 million in FY2024. This was achieved on the back of a higher revenue of RM2.6 billion, which grew by 41% from RM1.8 billion in the previous financial year.

Operating profit rose to RM53 million from a loss of RM24 million in FY2024. Profit before tax also increased by 25% to RM48 million from RM39 million, with earnings before interest, tax, depreciation and amortisation (EBITDA) standing at RM201 million.



The stronger set of results were due to the collective effort of all Hartanians, both in pushing sales volume, and equally important, strengthening our manufacturing prowess to deliver enhanced efficiencies. These fundamental efforts against challenging market dynamics helped us achieve better profitability during the year under review.

To delve deeper, our cost efficiency management had a direct impact on production capacity, which then positively impacted our bottom line. We closed FY2025 with a robust net cash position of RM919 million and shareholders' funds of RM4.3 billion as at 31 March 2025.

Earnings per share for the period rose to 2.18 sen from 0.37 sen last year and net assets per share distributable to owners of the Company was recorded at RM1.27. The allocation of approximately RM193 million for capital expenditure was primarily utilised for the new NGC 1.5 expansion, in addition to automation and digitalisation projects. We continue moving forward in the new financial year supported by a healthy balance sheet and sound strategies for growth.

DIVIDENDS

With a strengthened financial position despite a year of trials, the Group remained committed to our dividend payout policy of distributing a minimum 60% of our annual net profit to deliver value to shareholders.

In line with this, we are pleased to have paid a total dividend of 11.41 sen per share, amounting to RM389 million for the financial year ended 31 March 2025.

DIVIDEND

Dividend	Total Payout
11.41 sen per share	**RM389 million**

BUSINESS & OPERATIONS REVIEW

Optimising Operations by Adapting to Change

During a year marked by higher operating costs for domestic manufacturers, the Group focused on long-term growth and stability measures while remaining cognisant of the need to adapt to market volatility. Pivotal to this was the consolidation of all production to our NGC plant in Sepang to streamline our glove manufacturing with superior technologies that heighten efficiencies, allowing for a stronger competitive edge in the global market. The NGC is a bedrock that will sustain Hartalega's path as the industry continues to recover and normalise.

In anticipation of stronger demand, we prioritised resources on ramping up plant-wide production at the NGC following the completed decommissioning of our former Bestari Jaya facility. As a result, we successfully raised plant capacity utilisation at the NGC to approximately 80% through systematic and concerted efforts in FY2025, from the 40% to 50% capacity utilisation seen in the previous year.

Our strategic expansion via the NGC 1.5 project is critical to boosting production capacity and competing efficiently over the long term. In view of this, during the year the Group embarked on the commissioning of Plant 8 of the NGC 1.5, commencing commercial operations for all production lines by the end of FY2025. Equipped with cutting-edge technologies, the advanced facilities enabled the increase of our total installed capacity to 37 billion pieces of gloves annually, compared with 32 billion post-decommissioning of our Bestari Jaya facility.

With the NGC currently undergoing various assessments to further optimise operational performance, we anticipate these efforts will lead to higher cost efficiencies. The Group will continue to closely monitor prevailing external conditions and gradually startup more production lines at the more advanced NGC 1.5 in tandem with market demand.

Leveraging Automation and Innovation

Automation continues to revolutionise the manufacturing sector, and Hartalega is at the forefront of these changes, as we have been over the last many decades. The Group has elevated operational efficiencies with critical investments in innovative solutions, implementing cutting-edge tools and systems. As a result, we have been able to withstand industry challenges by mitigating the impact of rising labour costs and shortages. This agility is particularly vital in a rapidly-evolving landscape shaped by the Industrial Revolution 4.0 framework, as we prepare ourselves for the anticipated reduction in future manual labour requirements and transition towards utilising a higher skilled workforce for high-level and value-added manufacturing roles.

Unlocking the value of a collective innovative mindset, the Innovation Ecology continued to be fundamental to the Group as we work towards establishing a full-scale R&D production line as a stand-alone testing site where creative and automation ideas transform from concept into tangible prototypes. With innovation a crucial part of an organisation's evolution and progress, this platform allows us to assess the feasibility of radical ideas and functionality from cross-functional teams in anticipation of cost reductions and enhanced operational efficiencies.

In a move to drive plant-wide automation and digitalisation goals during the year, we enhanced our production lines with the use of a new artificial intelligence vision system, amongst other improvements. In the coming period, we are committed to continue investing in further enhancements of plant-wide digitalisation and automation initiatives to maintain our efficiency momentum.

Additionally, the Group is gradually implementing a Digital Manufacturing System across our manufacturing plants to leverage a centralised control room, where we can consolidate and monitor all operational data from a single location.

Steadily Strengthening Market Presence

Malaysia continued its dominance as the world's leading glove manufacturer. The Group was a key contributor to this, with our exports reaching more than 70 countries across five continents as we steadily strengthened our market presence. This was reflected in our key markets, with North America increasing to 57% of our total sales from 48% in the previous year, while Europe maintained a stable 21% during the financial year under review.

Tapping into rising glove usage and healthcare awareness in the Asia Pacific and emerging European markets, we strategically mobilised efforts to enhance visibility and penetrate underserved countries. We rolled out a series of engagements with customers across our international footprint, with an emphasis on both the US market and beyond as we connected with key stakeholders and expanded our global presence.

Simultaneously, we continued to grow our differentiated market position through active advocacy to encourage market uptake of our specialty glove products, such as the Colloidal Oatmeal System (COATS®), Biodegradable (BDG) and Antimicrobial (AMG) gloves, that cater to the unique requirements of diverse customers. Additionally, to further our revenue diversity efforts to gradually reduce reliance on the existing OEM stream, the Group also enhanced product portfolios and the distribution network for Hartalega's own-brand products under the MUN Global brand.

Future Proofing Investments

While the Group steadily recovers in a global landscape that continues to be impacted by uncertainties, we remain committed to sustainable growth and diversification strategies. Capital expenditure for the NGC 1.5 expansion, as well as for automation and digitalisation across our plants to boost our core production capacity, is progressing well, with contributions to revenue expected to steadily increase in the medium and longer term.

Today, Hartalega is at the forefront of the glove manufacturing sector and has established itself as a reliable partner to the global healthcare ecosystem. We are leveraging our pole position to expand our footing in the healthcare sector, and towards this end, we acquired a 70% stake with an investment value of RM7 million in Medico Sdn Bhd in FY2025. With the completion of our first strategic acquisition, Medico has become a subsidiary of the Group through MUN Global. We anticipate that this investment will provide accretive and value-added synergies to the Group.

Established in 2008, Medico has carved a sound reputation as a trusted distributor of healthcare products within Malaysia's hospital sector, offering its own brand as well as other well-known products, including Hartalega's nitrile gloves and a UK-imported medical consumable.

Capitalising on the company's proven track record in distributing reliable and quality medical products, this collaboration creates a strategic pathway to expand the domestic customer base nationwide for our own MUN Global. Medico's products will complement and bring greater diversification to MUN Global's distribution portfolio, thus expanding our product offerings to a wider pool of clientele. Furthermore, potential opportunities to collaboratively explore production of other medical consumables could also facilitate more product diversification for the Group moving forward.

As we continue future proofing our market position, these investments will enable us to continue building resilience and diversifying risks in our drive for sustainable growth.

DRIVING ESG BEST PRACTICES

As a responsible manufacturer firmly guided by our SHIELD values, the Group's ESG and social compliance initiatives, closely aligned with the UN SDGs, have been recognised as forward-thinking and transparent industry best practices. We strive to raise the bar with increasingly comprehensive sustainability reporting and disclosure that emphasise the importance of ESG as well as how we enhance long-term stakeholder value, as is evident in our Integrated Annual Report FY2025.

Guided by the Group's Sustainability Policy and Framework, key programmes and initiatives reflecting economic, environmental, social and governance considerations continued to propel our sustainability agenda during the year. Our commitments were primarily centred on: upholding the highest standards in business practices and product quality, safeguarding the environment, caring for our employees, and contributing to the well-being of local communities.

Ever valuing the importance of transparency, we have set the industry benchmark as the first Malaysian glove manufacturer to publicly disclose critically reviewed carbon footprint data from our inaugural life cycle assessment (LCA) for three of our key products, guided by the International Organization for Standardization (ISO 14040 and ISO 14044).

Other environmental initiatives undertaken to heighten sustainable glove production include the ongoing management of our carbon footprint to achieve the targeted 25% reduction in greenhouse gas emission intensity by FY2026 from our FY2023 baseline and implementing alternative clean energy solutions for better energy optimisation. We have consistently reduced our reliance on grid electricity consumption by operating two cogeneration plants which generate both electricity and thermal energy.

Efforts to manage water consumption and improve wastewater treatment continued, with total investments of approximately RM90 million to date. Inculcating the value of a strong green organisational culture will remain central to our manufacturing operations.

As an advocate of stringent ESG practices, our efforts have not gone unnoticed. Leading the charge to consistently unlock the value of sustainable manufacturing, Hartalega is considered a top-rated company by global ESG rating providers, testament to our commitment and dedication. We have been listed on the FTSE4Good Bursa Malaysia Index since its inception in 2014 and won the Silver Award at The Edge ESG Awards 2024 in the Healthcare Category, while rated as Low Risk in the Sustainalytics ESG Risk Rating and as Prime by Institutional Shareholder Services (ISS) Inc. which has rigorous sustainability requirements.

Cognisant of the impact of responsible social compliance on elevating the sector and fortifying reputation, the Group continued to raise the bar through proactive and comprehensive multistakeholder engagement as well as numerous initiatives, resulting in positive and constructive feedback from all participating groups.

We also maintained our significant social compliance track record with stringent external audits in accordance with internationally recognised standards and certifications, including the International Labour Organization (ILO) Indicators of Forced Labour, SEDEX Member Ethical Trade Audit (SMETA) as well as amfori Business Social Compliance Initiative (BSCI). In addition, we completed the internationally-recognised WRAP (Worldwide Responsible Accredited Production) audit exercise to earn a Gold rating for the third year in a row. These efforts showcase our firm approach to ethical and responsible practices in earning stakeholders' trust.

Hartalega continues to foster our people's well-being at the workplace, as Hartanians are instrumental to our achievements and sustainable operations. At the forefront of our approach to cultivating people who thrive is the Group's safety-first culture as well as fair employment and remuneration policies through ISO-certified occupational safety and health practices, constant quality enhancements to workers' accommodations and a strict Zero Cost Recruitment Policy. To further strengthen our workforce, our Hartalega Academy provides continuous skill development opportunities, building a robust talent pipeline. Together, these measures allow us to proactively safeguard a fair, safe, and sustainable workplace environment. Our employment practices will continue to adapt to the changing needs of our people and the industry.

Supporting communities through diverse corporate social responsibility (CSR) programmes has allowed us to consistently contribute towards the betterment of society. As a result of our engagement efforts addressing various social concerns, 26,747 individuals benefitted from an array of CSR initiatives. In addition, Yayasan Hartalega, our philanthropic arm, was also instrumental in making a difference for another 12,547 individuals during the year. Ranging from building houses for underprivileged groups, improving access to clean water and sanitation, to educational support, we aim to drive positive change for the long-term well-being of local communities.

Our Sustainability Statement for FY2025 provides comprehensive details of our ESG approach and widespread initiatives, all of which are in line with international sustainability reporting frameworks such as the GRI Standards and UN SDGs.

OUTLOOK

We expect the rubber glove sector to continue its recovery trajectory in 2025. Global demand is returning to healthier levels, having already surpassed pre-pandemic volumes by more than 25% in 2024. This recovery reflects gradual market normalisation and resumption of glove restocking after the notably weakened demand seen in the immediate post-pandemic years amid the aggressive capacity expansion and excessive inventory build-up.

While the industry continues its journey to recovery, we must stay on course in how we navigate our path forward. Managing production capacity and availability, operational efficiencies and diversification strategies are key to addressing trade and tariff vagaries, given China glove manufacturers' growing presence in non-US markets. With consistent emphasis on producing high-quality gloves and continued penetration into emerging markets in Europe and Asia Pacific, we believe key industry challenges can be mitigated.

Geopolitical rivalries between the US and China may be a positive catalyst for Malaysian manufacturers to capture a larger market share in the US as buyers are more cautious about sourcing from China. However, given the ongoing shifts in tariffs, uncertainties cannot be ignored. One such circumstance was the front-loading activities towards late-2024, mainly by US customers in anticipation of higher tariffs, which led to moderated US demand in the near term. At the same time, China manufacturers have begun pivoting to establish production facilities in other ASEAN markets, intensifying regional competition. Hartalega is proactively preparing for this heightened competitive landscape, where increased supply from regional players and aggressive pricing strategies are expected to keep ASPs under pressure.

The domestic manufacturing sector is also contending with rising operating costs due to the implementation of higher minimum wage, as well as upcoming changes in electricity tariffs and potential new levies on foreign workers and EPF contribution for foreign employees. The recently announced tax reforms, which include the expansion of the Sales and Service Tax scope, are likely to further increase operating costs for Malaysian manufacturers.

Taking a longer-term view, growth potential for rubber gloves remains compelling, being an integral and essential component in the global healthcare industry. We expect rubber gloves to benefit from inelastic and structural demand growth in both medical as well as non-medical segments, including industrial and consumer sectors. The behavioural shift towards adopting more stringent hygiene standards is also expected to sustain elevated baseline consumption moving forward.

With strategic initiatives in place to strengthen business resiliency and adaptability, we are confident that we will be able to withstand evolving market dynamics, as we have for close to 40 years.

ACKNOWLEDGEMENT

With another challenging year under our belt, we are immensely grateful to our valued Board members, Management team, and each and every Hartanian for their immeasurable support, resilience and loyalty throughout the year.

We are also enormously grateful to our shareholders, customers, financers, business and industry partners, and regulatory authorities for placing their trust in Hartalega. We move forward with renewed commitment to sustainable growth.

KUAN KAM HON

EXECUTIVE CHAIRMAN

How We Create Value

KEY INPUTS → INITIATIVES

OUR SIX CAPITALS

FINANCIAL CAPITAL

Capital providers supply us with the necessary funding for our business, in addition to cash generated from operations and investment.

KEY INPUTS

- Shareholders' equity of: **RM4.3 billion**
- Capital expenditure of: **RM193 million**
- Net cash of: **RM919 million**
- Total assets of: **RM4.7 billion**

Initiatives

- Cost optimisation programmes
- Foreign exchange management
- Prudent cash reserve management

MANUFACTURED CAPITAL

Our network infrastructures, data centres and software applications are an important source of competitive differentiation. Our Manufactured Capital also includes the office buildings housing our workforce.

KEY INPUTS

- Large-scale production facilities with **8 plants** housing **92 production lines**
- Installed production capacity of **37 billion pieces** of gloves per annum
- **2 cogeneration power plants** capable of generating electricity and thermal energy of **up to 65 MW**

HUMAN CAPITAL

Our skilled workforce is a pivotal part of Hartalega's business model. Our engaged, diverse, and innovation-driven employees contribute to the success of our business.

KEY INPUTS

- Number of employees: **7,559**
- Number of nationalities of employees: **5** including Malaysian, Bangladeshi, Indonesian, Nepalese and Burmese
- Managerial-level male : female ratio – **64:36** (manager and above)
- Investment in training and development: **RM2.28 million**
- Amount of hours spent on training: **89,391 hours**

INTELLECTUAL CAPITAL

Our strong brand equity and trust, culture, partnerships, know-how as well as our procedures and processes differentiate us in the marketplace.

KEY INPUTS

- Number of years in glove manufacturing business: **Over 37 years** since inception in 1988
- Unique technology and internal production process
- Amount of investment in R&D: **RM28.6 million to date**
- **Achieved 30%** of innovation projects focusing on sustainability

SOCIAL & RELATIONSHIP CAPITAL

Trusted relationships with customers, communities, governments and regulators, suppliers, trade unions, and industry bodies, among other key stakeholders.

KEY INPUTS

- Number of supplier base:
  Active suppliers – **709**
  Local suppliers – **646**
  Overseas suppliers – **63**
- Number of customers: **297**
- Invested **RM148 million in first-rate workers' accommodation** to date
- Number of volunteer hours for community engagements: **7,386 hours**
- Number of lives enriched: **26,747**

Initiatives

- Founding member of Responsible Glove Alliance (RGA) and member of Responsible Labor Initiative (RLI)
- Social Compliance Policy and Zero Cost Recruitment Policy
- Supplier Code of Conduct
- Stringent labour practices and social compliance implementation
- CSR activities by Yayasan Hartalega

NATURAL CAPITAL

We responsibly consume energy and natural resources in our operations, while increasing renewable energy usage.

KEY INPUTS

- Total energy consumption: **2,878,996 MWh**
- Amount of energy consumed from renewable sources since FY2021: **561,949 MWh**
- Total water withdrawn: **16.78 million m³**

Initiatives

- Energy and water efficiency projects
- Cogeneration power plants
- Solar power system
- Water ultrafiltration system
- Water retention pond
- Wastewater treatment plant
- Responsible waste management
- Life Cycle Assessment

Value Creation Model

OUTPUT → **OUTCOME & VALUE CREATED**

Initiatives
- Preventive maintenance plan
- Optimisation plan

Initiatives
- Talent Retention Scheme
- Signature Talent Development Programme
- SIMPLE Programme
- Dynamic Growth Internship Programme
- NGC 1.5 Hostel and infrastructure enhancement

Initiatives
- COATS® Colloidal Oatmeal Coated Glove
- AMG™ Antimicrobial Glove
- BDG™ Biodegradable Glove
- Fully automated glove stripping process
- Auto packing machine
- Goodpac™
- Goodpac+™

OUTPUT	OUTCOME & VALUE CREATED
Financial Capital • Revenue: **RM2.6 billion** • Cost savings: **RM6.8 million** • Market capitalisation: **RM6.48 billion (share price = RM1.89)**	**Financial stability**
Manufactured Capital • Number of gloves produced: **25.8 billion pieces** • Promote health and safety of end-users	**Greater productivity**
Human Capital • Upskilling employees and improving competency of workforce • Number of employees promoted through Accelerated Development Programme to date: **363** • Percentage of senior leaders who participated in Mastering Leadership Programme: **90%** • Lost Time Injury: **5 cases** • Lost Time Injury Frequency Rate: **0.21** • Percentage of women on Board: **30%** • NGC facility **certified with ISO 45001:2018** for Occupational Safety and Health Management System	**Larger experienced talent pool**
Intellectual Capital • Efficient and fast production line: **>52,000 gloves per hour** • **Applied for 2 patents**, adding to the existing **10 patents owned** • Total product types: **20**	**Greater customer centricity**
Social & Relationship Capital • Leading industry advocate on social compliance and human rights • Spending on local : overseas suppliers = **67:33** • Supplier assessment and survey • Customer Satisfaction Score: **83%** • Number of lives enriched: **26,747**	**Meaningful collaborations and partnerships**
Natural Capital • Water consumption intensity: **0.091 m³/1,000 gloves** • Maintained **Standard A** for water quality parameters for effluent discharge • Amount of waste recycled: **74% of total waste generated** • **More than 90%** of product packaging made from recycled materials • NGC facility is **certified with ISO 14001:2015** for Environmental Management System	**A sustainable future for the next generations**

STAKEHOLDER ENGAGEMENT

Engaging meaningfully with our stakeholders is central to how we create long-term, sustainable value. We actively cultivate strong relationships across our stakeholder ecosystem, maintaining open channels of communication and staying responsive to industry trends. These consistent interactions help shape our strategic direction and ensure our priorities reflect the expectations of our stakeholders.

The following summary showcases our ongoing engagement efforts with key stakeholders:

<table>
<tr><th colspan="4">Customers</th></tr>
<tr><th>How We Impact Each Other</th><th>Key Areas of Concern for Stakeholder Groups</th><th colspan="2">Engagement Platforms and Frequency</th></tr>
<tr><td rowspan="4">Our customers play an integral role in our business growth. Hence, it is vital to understand their evolving needs and concerns to cultivate positive long-term relationships with our customers.</td><td>• Customer satisfaction and relationship management
• Responsible supply chain and reliability of supply
• Regulatory compliance
• Human rights and fair labour practices
• Anti-corruption and anti-bribery
• Pricing
• Product quality and product range
• Sustainability efforts</td><td colspan="2">• Meetings
• Satisfaction surveys
• Social compliance audit
• Social media platforms</td></tr>
<tr><th rowspan="2">Our Actions</th><th colspan="2">Link to:</th></tr>
<tr><th>Material Topics</th><th>Capitals</th></tr>
<tr><td>• Delivery of high-quality products
• Timely response towards customers' concerns and interests
• Supplier Code of Conduct
• Social Compliance Policy and audits
• Supplier capacity-building
• Anti-Bribery and Anti-Corruption Policy
• Whistleblowing Policy and Procedure
• Competitive pricing</td><td>• Customer Satisfaction and Relationship Management
• Supply Chain Management
• Socioeconomic Compliance
• Environmental Compliance
• Human Rights
• Business Ethics and Governance
• Energy and Emissions
• Water and Effluents
• Product Quality and Innovation</td><td>SC</td></tr>
</table>

When Required · Ongoing · Quarterly · Semi-annually · Annually · Half-yearly

FC Financial Capital · SC Social & Relationship Capital · IC Intellectual Capital · MC Manufactured Capital · NC Natural Capital · HC Human Capital

Employees

How We Impact Each Other

The Group's growth and success are contingent upon cultivating a diverse and highly capable workforce to drive our business objectives and achieve our long-term goals. To enable our employees to perform at their best, it is crucial to ensure their well-being and support their career growth and advancement, accompanied by competitive remuneration and benefits.

Key Areas of Concern for Stakeholder Groups

- Career development
- Health and safety
- Human rights and fair labour practices
- Employee engagement
- Employee welfare and benefits
- Hartalega's financial performance

Engagement Platforms and Frequency

- Performance appraisals
- Induction programme
- Engagement surveys
- Townhall sessions
- Engagement sessions
- Volunteer programmes
- Recreational events
- Social media platforms

Our Actions

- Provide job-related training and workshops
- Health and safety measures
- Strict adherence to labour rights laws
- Increase communication platforms and engagement frequency
- Provision of remuneration and various employee benefits
- Provision of quality accommodation for workers
- Townhall sessions to share on the Company's direction and performance

Link to:

Material Topics	Capitals
• Employee Management • Health and Safety • Human Rights • Market Presence • Cybersecurity and Data Privacy	HC FC SC

Government and Regulators

How We Impact Each Other

Our ongoing relationship with the Government and regulators enables the Group to keep abreast of relevant changes to regulations, ensuring continued compliance with local and international laws and requirements. This also serves as a gateway to strengthen our market position.

Key Areas of Concern for Stakeholder Groups

- Regulatory compliance
- Job creation
- Labour rights

Engagement Platforms and Frequency

- Meetings
- On-site inspections
- Correspondence
- Social activities
- Industry group and local council meetings

Our Actions

- Strict adherence to laws and regulations as well as applicable standards through reliable reporting and monitoring checklist

Link to:

Material Topics	Capitals
• Socioeconomic Compliance • Environmental Compliance • Business Ethics and Governance	SC NC

When Required · Ongoing · Quarterly · Semi-annually · Annually · Half-yearly

FC Financial Capital · SC Social & Relationship Capital · IC Intellectual Capital · MC Manufactured Capital · NC Natural Capital · HC Human Capital

Shareholders and Investors

How We Impact Each Other	Key Areas of Concern for Stakeholder Groups	Engagement Platforms and Frequency
Our shareholders and investors provide us with financial capital, and we are dedicated to delivering sustainable returns.	• Business ethics and governance • Regulatory compliance • Human rights and fair labour practices including workers' rights and well-being • Hartalega's financial performance	• Annual general meeting • Reporting • Investment conferences and analyst briefings • Corporate website • Social media platforms

Our Actions	Link to: Material Topics	Link to: Capitals
• Governance policies and systems in place • Provide quality accommodation in accordance with Act 446 Workers' Minimum Standards of Housing and Amenities • Remediation of workers' recruitment fees • Provide timely updates on business performance through briefing sessions	• Business Ethics and Governance • Human Rights • Market Presence • Socioeconomic Compliance • Environmental Compliance	FC SC

Suppliers

How We Impact Each Other	Key Areas of Concern for Stakeholder Groups	Engagement Platforms and Frequency
Our suppliers provide us with the necessary materials and services which enable us to continue delivering our high-quality products. Developing a robust supply chain ensures business continuity while also allowing the Group to support local talent through job opportunities and collaborations with suppliers.	• Business continuity • Fair and transparent selection of suppliers • Timely payment • Business ethics • Product specification and quality expectations	• Meetings • Correspondence • Training and capacity-building • Supplier assessments and audits

Our Actions	Link to: Material Topics	Link to: Capitals
• Professional approach in reviewing suppliers' proposals • Support local employment throughout the supply chain • Strict payment cycles and procedures • Communication of Social Compliance Policy, Sustainability Policy and Anti-Bribery and Anti-Corruption Policy • Communication of product and quality expectations • Conduct training and capacity-building for suppliers	• Supply Chain Management • Business Ethics and Governance • Product Quality and Innovation	SC MC FC

● When Required ● Ongoing ● Quarterly ● Semi-annually ● Annually ● Half-yearly

FC Financial Capital | SC Social & Relationship Capital | IC Intellectual Capital | MC Manufactured Capital | NC Natural Capital | HC Human Capital

Media

How We Impact Each Other	Key Areas of Concern for Stakeholder Groups	Engagement Platforms and Frequency	
The media plays a key role in disseminating relevant information about the Group's performance and reinforces our overall reputation.	• Business performance • Sustainability efforts focusing on ESG practices	• Press releases and interviews • Responses to media enquiries • Corporate website • Social media platforms	
	Our Actions	**Link to:**	
		Material Topics	**Capitals**
	• Press releases on quarterly results • Press releases on ongoing initiatives • Direct engagement	• Business Ethics and Governance • Human Rights	SC

NGOs

How We Impact Each Other	Key Areas of Concern for Stakeholder Groups	Engagement Platforms and Frequency	
We undertake strategic collaborations and partnerships with various non-governmental organisations (NGOs) to contribute positively to the communities we have a presence in.	• Human rights and fair labour practices • Business ethics • Environmental impact	• Correspondence	
	Our Actions	**Link to:**	
		Material Topics	**Capitals**
	• Social Compliance Policy • Sustainability Policy • Zero Cost Recruitment Policy • Environmental Policy • Whistleblowing Policy and Procedure • Sustainability Statement • Direct engagement	• Human Rights • Business Ethics and Governance	SC

Local Communities

How We Impact Each Other	Key Areas of Concern for Stakeholder Groups	Engagement Platforms and Frequency	
Our operations may directly or indirectly impact the communities surrounding us. As such, local community engagement is important to keep apprised of concerns. This also allows us to support underserved communities and contribute to overall socioeconomic development.	• Job creation • Environmental impact and compliance • Community engagement and investment	• Corporate social responsibility programmes • Community engagement activities • Industry association and local council meetings	
	Our Actions	**Link to:**	
		Material Topics	**Capitals**
	• Support local employment • Strict adherence to environmental-related laws and standards • Yayasan Hartalega – charitable donations, employee volunteer hours and partnerships, focusing on improving livelihoods and providing educational opportunities	• Local Communities • Market Presence • Environmental Compliance • Waste Management	SC NC

● When Required ● Ongoing ● Quarterly ● Semi-annually ● Annually ● Half-yearly

FC Financial Capital | SC Social & Relationship Capital | IC Intellectual Capital | MC Manufactured Capital | NC Natural Capital | HC Human Capital

MATERIAL MATTERS

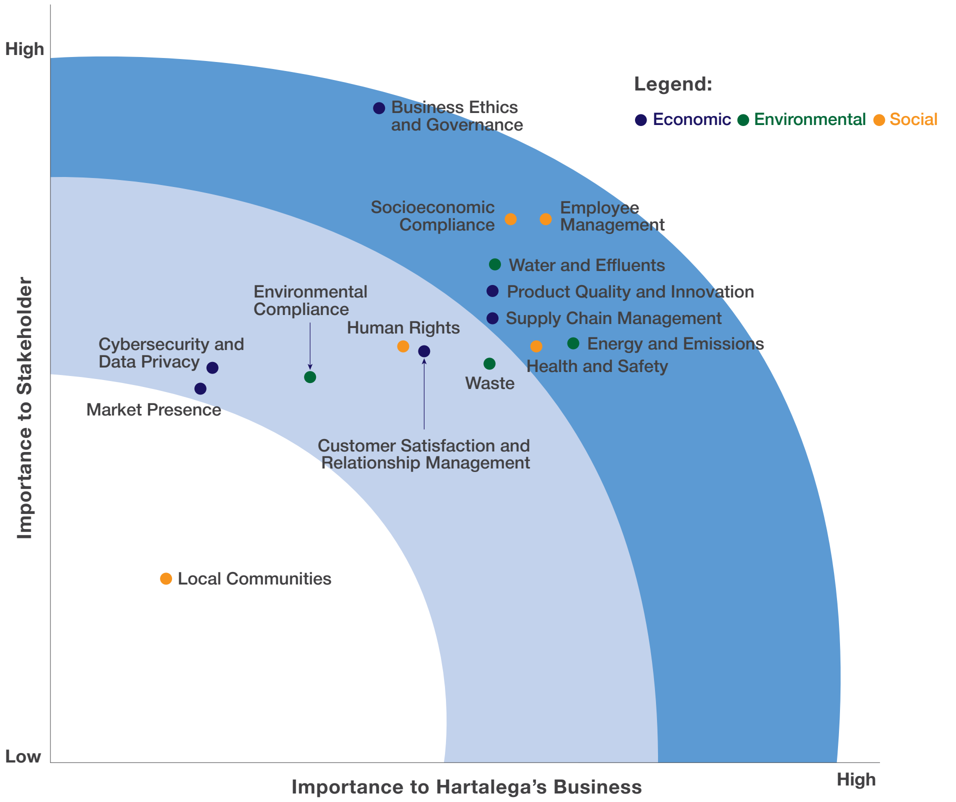
We recognise that responsible sustainability management requires a clear understanding of the issues that matter most to our stakeholders and our business. Our materiality approach is premised on identifying and prioritising economic, environmental and social topics that have the greatest potential to impact our ability to create financial and non-financial value over the short, medium and long term. Guided by our Sustainability Policy and Framework, we have established a robust materiality assessment process that ensures our sustainability efforts remain relevant and impactful. This approach enables us to be responsive to evolving stakeholder expectations, market dynamics and emerging global trends. We have a three-year cycle in place for materiality assessments, complemented by annual high-level reviews to maintain the significance of our material matters. Our methodology aligns with the *Bursa Malaysia Sustainability Reporting Guide (3rd Edition)* and GRI Standards, enabling us to prioritise material matters effectively.

Our inaugural comprehensive assessment took place in FY2021, followed by a full review in FY2024. In FY2025, we conducted a high-level review to ensure continued alignment with stakeholder expectations and business objectives. This entailed the following process:

Review	Prioritisation	Validation
• Reviewing and determining material matters based on internal factors, such as strategic direction, stakeholder interests and concerns, as well as external factors such as business operating environment, emerging trends, risks, regulatory requirements, peer benchmarking and media reviews.	• Assessing the priority of each material matter based on importance to stakeholders and Hartalega.	• Receiving validation and approval for the materiality matrix from the Sustainability Working Committee (SWC), Risk Management and Sustainability Committee (RMSC) and Board of Directors.

The FY2025 review confirmed the continued importance of our top 15 material matters, demonstrating that our sustainability approach remains well-attuned to stakeholder priorities and industry dynamics. Each material matter is also benchmarked against the relevant UN SDGs, enabling us to drive meaningful progress towards global sustainability objectives.

FY2025 MATERIALITY MATRIX



MATERIAL MATTERS AND OUR RESPONSE

No.	Material Matters	Impact on the Group	How We Respond
1.	**Business Ethics and Governance**	Corporate governance is essential to nurture a culture that is rooted in integrity, subsequently driving our sustainable performance and creating long-term value.	1. Ensuring our corporate governance framework is in accordance with the MCCG. 2. Putting in place key policies such as our Anti-Bribery and Anti-Corruption Policy, Whistleblowing Policy and Procedure, Supplier Code of Conduct and Code of Conduct for Employees and Directors. 3. Conducting annual refresher training for all employees on the Group's key policies, including our Anti-Bribery and Anti-Corruption Policy. 4. Promoting awareness on our whistleblowing platform managed by a third-party global professional service provider. 5. Conducting risk assessment to identify and assess potential bribery and corruption risks in all departments across the Group's operations.

Stakeholders Affected:

Link to UN SDGs:

Customers · Shareholders and investors · Employees · Government and regulators · Suppliers · Media · NGOs · Local communities

No.	Material Matters	Impact on the Group	How We Respond
2.	**Health and Safety**	As the backbone of Hartalega, our passion for care extends to all Hartanians. Their well-being is a foremost priority to ensure the sustainable development of the Group.	1. Ensuring a safe and healthy workplace by implementing best practices across the organisation guided by our Health and Safety Policy and Environmental Policy. 2. Adhering to the Occupational Safety and Health Act 1994 and Occupational Safety and Health (Amendment) Act 2022 to ensure compliance with all applicable laws and regulations. 3. Attaining ISO 45001:2018 certification for our Occupational Safety and Health Management System in our NGC facility. 4. Cultivating a culture of care through various programmes, such as the SIMPLE Programme, Sustainability & Safety Kaizen, One Point Lesson Matrix and Contractor Induction, amongst others.
Stakeholders Affected:		Link to UN SDGs:	
3.	**Water and Effluents**	Water is essential to our manufacturing processes as it has a direct bearing on the high quality of the gloves that we produce.	1. Implementing a sustainable water management system to minimise water consumption, monitor water quality and ensure safe disposal of wastewater and effluents. 2. Reducing consumption of municipal water through water withdrawal from local river sources, installation of an ultrafiltration system for freshwater filtration, and water recycling for operational usage and general cleaning. 3. Ensuring proper treatment of wastewater in our state-of-the-art wastewater treatment plants. 4. Retaining the highest Standard A for effluent discharge, surpassing the Standard B benchmark set by the DOE.
Stakeholders Affected:		Link to UN SDGs:	
4.	**Human Rights**	Reflecting our commitment to upholding best ESG practices, we are dedicated to safeguarding the rights of all Hartanians and workers in our value chain.	1. Advocating for human rights in line with local and international standards, including Malaysian labour laws, the UN Guiding Principles on Business and Human Rights and the ILO's 11 Indicators of Forced Labour. 2. Founding member of the Responsible Glove Alliance and a member of the Responsible Labour Initiative. 3. Embedding our commitment to respecting human rights in our policies, which are applied across our operations and value chain. 4. Providing first-rate workers' accommodation by investing more than RM148 million to-date. 5. Implementing a fair and ethical recruitment process for our foreign workers. 6. Providing an effective grievance mechanism managed by a third party to enable employees to safely disclose any misconduct. 7. Instilling a good understanding of human rights within our people and supply chain through training and capacity building.
Stakeholders Affected:		Link to UN SDGs:	

Customers · Shareholders and investors · Employees · Government and regulators · Suppliers · Media · NGOs · Local communities

No.	Material Matters	Impact on the Group	How We Respond
5.	**Product Quality and Innovation**	Delivering innovative high-quality products that resonate with the evolving needs of the market and the expectations of our clientele enables us to maintain our competitive edge and enhances business resilience.	1. Implementing a robust Quality Management System in line with international regulatory requirements. 2. Continuous investment in R&D attuned to the needs of the market. 3. Managing our environmental footprint through sustainable packaging solutions.
Stakeholders Affected:		Link to UN SDGs:	
6.	**Employee Management**	Our diverse and strong workforce is the cornerstone of our success. As such, we are dedicated to providing opportunities for all Hartanians to develop their capabilities and excel.	1. Providing competitive remunerative packages and attractive benefits to attract, retain and develop a strong talent pool. 2. Providing upskilling opportunities via talent development and training programmes. 3. Ensuring strong employee engagement to nurture a culture of open dialogue.
Stakeholders Affected:		Link to UN SDGs:	
7.	**Socioeconomic Compliance**	Upholding the trust of our key stakeholders, we implement best practices that are aligned with local and international laws and requirements.	1. Maintaining our SEDEX membership and position as a constituent of FTSE4Good Bursa Malaysia. 2. Performing regular audits by independent social compliance auditors in accordance with internationally recognised standards, including SEDEX Members Ethical Trade Audits (SMETA), amfori BSCI, WRAP and Responsible Business Alliance (RBA).
Stakeholders Affected:		Link to UN SDGs:	
8.	**Supply Chain Management**	Building a sustainable and responsible supply chain creates value and enhances efficiencies for Hartalega and our partners across the value chain.	1. Cultivating an ethical supply chain which requires all our partners to adhere to our stringent Social Compliance Policy as indicated in the Supplier Code of Conduct. 2. Supporting local procurement which helps to optimise costs while providing opportunities to local suppliers.
Stakeholders Affected:		Link to UN SDGs:	

Customers Shareholders and investors Employees Government and regulators Suppliers Media NGOs Local communities

No.	Material Matters	Impact on the Group	How We Respond
9.	**Environmental Compliance**	By adhering to environmental laws and regulations, we ensure that necessary requirements are upheld and reduce the environmental footprint of our operations.	1. Implementing best environmental practices across our operations that strictly comply with the requirements of the DOE and international standards. 2. Obtaining ISO 14001:2015 certification for our NGC facility.
	Stakeholders Affected:		Link to UN SDGs:
10.	**Market Presence**	By expanding our market presence and capabilities to deliver our high-quality products across the globe, we continue to cater to evolving needs in relevant industries.	1. Building up capacity and capabilities in line with market needs. 2. Integrating key ESG measures in our operations to generate value for local communities and protect the environment. 3. Reinforcing global market presence via MUN Global, our global distribution arm.
	Stakeholders Affected:		Link to UN SDGs:
11.	**Waste**	The responsible disposal of waste is crucial for environmental preservation. Sustainable waste management enables us to minimise our environmental impact through reducing overall waste and waste disposed to landfills.	1. Implementing a comprehensive waste management programme for hazardous and non-hazardous waste aligned with ISO 14001:2015 standards. 2. Conducting systematic monitoring, optimising operational and resource efficiency and undertaking recycling initiatives. 3. Instilling a recycling mindset amongst our employees through various programmes and training sessions.
	Stakeholders Affected:		Link to UN SDGs:
12.	**Customer Satisfaction and Relationship Management**	Ensuring a high level of customer satisfaction enables us to maintain sound relationships with our clientele and enhances the trusted reputation of Hartalega.	1. Consistently delivering exceptional services to meet the global demand for high-quality nitrile gloves. 2. Continuous engagement with our customers through various channels. 3. Incorporating the Customer Satisfaction Index as part of our key performance indicators (KPIs).
	Stakeholders Affected:		Link to UN SDGs:

Customers Shareholders and investors Employees Government and regulators Suppliers Media NGOs Local communities

No.	Material Matters	Impact on the Group	How We Respond
13.	**Energy and Emissions**	Responsible management of our energy consumption and reduction of emissions enables us to minimise our environmental footprint and optimise costs.	1. Implementing energy-saving solutions through efficient energy technologies and equipment. 2. Installed two cogeneration power plants to improve energy efficiency through combined heat and power production. 3. Reducing reliance on non-renewable energy by increasing usage of renewable energy such as solar power that generates lower carbon emissions.
Stakeholders Affected:		Link to UN SDGs: 7 AFFORDABLE AND CLEAN ENERGY; 13 CLIMATE ACTION	
14.	**Cybersecurity and Data Privacy**	As we continue to ramp up digitalisation, a robust cybersecurity system serves as a key line of defence to safeguard the data of the Group and our stakeholders.	1. Adopting Industry 4.0 and Internet of Things technologies to enhance connectivity between key production equipment and our network. 2. Monitoring cybersecurity risks across our operations and implementing proactive measures to prevent security breaches. 3. Upgrading existing hardware and software to strengthen our cybersecurity system. 4. Raising IT security awareness amongst our employees as part of our efforts to mitigate the risk of cybersecurity breaches.
Stakeholders Affected:		Link to UN SDGs: 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	
15.	**Local Communities**	As part of our ESG agenda, we strive to contribute positively to society by helping to transform the communities in which we have a presence and reaching out to those in need.	1. Championing community engagements through four pillars, namely Health, Education, Environment and Community. 2. Supporting communities through financial and product donations, as well as volunteer programmes. 3. Providing financial assistance and upskilling opportunities to help address educational inequalities and youth unemployment in Malaysia. 4. Collaborating with local communities and youth groups on environmental conservation activities.
Stakeholders Affected:		Link to UN SDGs: 3 GOOD HEALTH AND WELL-BEING; 4 QUALITY EDUCATION; 17 PARTNERSHIPS FOR THE GOALS	

Customers · Shareholders and investors · Employees · Government and regulators · Suppliers · Media · NGOs · Local communities

RISKS WE CONSIDER

Sustaining long-term growth means recognising that risks are an inevitable part of our operating environment. To stay ahead, we actively track emerging and potential risks that could affect our business and the wider industry. Staying attuned to this enables us to put in place strategic risk management strategies to reduce our exposure and build resilience. In line with this approach, we have outlined the key risks we face and how we are addressing them:

BUSINESS RISK

Description of Risk

Challenges in optimising production capacity could exacerbate product oversupply in the market, compounded by heightening price competition impacting the ability to maintain sales and sustain market share.

Mitigation Measures

- Address current supply and demand imbalance within the glove industry with enhanced cost efficiencies and strategic sales tactics.
- Expand our customer base through diversification and entry into emerging markets.
- Strengthen pricing strategies to increase sales of standard and specialty products.
- Implement initiatives to reinforce Hartalega's trusted reputation.
- Leverage opportunities arising from shifts in US tariff policies to engage with new and existing US customers.

Link to:

Material Topics	Capitals	Stakeholders
• Market Presence	FC	Customers

Description of Risk

Competitive pricing and a narrower technology gap between glove manufacturers.

Mitigation Measures

- Enhance R&D efforts to introduce innovative specialty products in line with evolving market needs.
- Invest in advanced production technologies to enhance manufacturing capabilities.
- Drive cost optimisation and efficiency improvement projects.

Link to:

Material Topics	Capitals	Stakeholders
• Market Presence	FC IC MC	Customers

MARKET RISK

Description of Risk

Value compression due to volatility of currency movements.

Mitigation Measures

- Implement an effective hedging policy to manage exposure to foreign exchange fluctuations.
- Use derivative instruments to minimise foreign exchange losses.
- Conduct daily monitoring of currency movements.

Link to:

Material Topics	Capitals	Stakeholders
• Business Ethics and Governance	FC	Shareholders and investors

Customers | Shareholders and investors | Employees | Government and regulators | Suppliers | Media | NGOs | Local communities

FC Financial Capital | SC Social & Relationship Capital | IC Intellectual Capital | MC Manufactured Capital | NC Natural Capital | HC Human Capital

OPERATIONAL RISK

Description of Risk

Potential margin compression due to operational inefficiencies and higher operating costs such as labour, energy and raw materials.

Mitigation Measures

- Continue to implement good manufacturing practices to enhance operational excellence and cost efficiencies.
- Enhance energy efficiency through increasing use of sustainable alternative energy sources such as solar power and cogeneration power plants.
- Undertake energy optimisation projects to improve energy consumption.
- Enhance operational cost efficiency through cost optimisation projects.

Link to:		
Material Topics • Energy and Emissions	**Capitals** MC NC	**Stakeholders**

HUMAN RESOURCE RISK

Description of Risk

Increased competition for talent and experienced leaders to support business growth due to employee turnover and loss of critical expertise.

Mitigation Measures

- Provide competitive remuneration packages and attractive benefits coupled with a conducive working environment.
- Strengthen succession planning, talent management and leadership development programmes.
- Monitor attrition rates for lagging indicators and analyse resignation-related issues.

Link to:		
Material Topics • Employee Management	**Capitals** HC	**Stakeholders**

ESG RISK

Description of Risk

Growing scrutiny on ESG matters, including social compliance, emissions reduction, and governance requirements, whereby non-compliance in exporting countries could impact business sustainability and reputation.

Mitigation Measures

- Incorporate ESG best practices across the organisation.
- Continuously monitor development of ESG regulations and requirements.
- Continue to uphold strict social compliance practices, surpassing requirements.
- Increase usage of sustainable alternative energy sources.
- Enhance energy and water consumption optimisation initiatives.
- Conduct climate risk assessments aligned with International Financial Reporting Standards S1 and S2.

Link to:		
Material Topics • All material matters	**Capitals** SC NC HC	**Stakeholders**

Customers | Shareholders and investors | Employees | Government and regulators | Suppliers | Media | NGOs | Local communities

FC Financial Capital | SC Social & Relationship Capital | IC Intellectual Capital | MC Manufactured Capital | NC Natural Capital | HC Human Capital

CYBERSECURITY RISK

Description of Risk

Potential exposure to cybersecurity and data breaches in information technology (IT) and operational technology (OT) systems resulting in operational disruptions.

Mitigation Measures

- Enhance cybersecurity measures in IT and OT security systems.
- Maintain strict adherence to IT Security Policy.
- Boost firewall, antivirus and ransomware.
- Continuously assess robustness of IT infrastructure.
- Enhance Business Continuity and Disaster Recovery Plans.
- Maintain data backup and recovery system.

Link to:		
Material Topics • Cybersecurity and Data Privacy	**Capitals** SC IC MC	**Stakeholders** Customers, Employees, Suppliers

Customers | Shareholders and investors | Employees | Government and regulators | Suppliers | Media | NGOs | Local communities

FC Financial Capital | SC Social & Relationship Capital | IC Intellectual Capital | MC Manufactured Capital | NC Natural Capital | HC Human Capital

OUR CLIMATE CHANGE ACTION PLAN

Hartalega continues to evolve our climate action strategy in response to growing environmental challenges and stakeholder expectations. In line with our commitment to align with the International Financial Reporting Standards S1 and S2, we are progressively enhancing our approach across the four pillars: Governance, Strategy, Risk Management, and Metrics and Targets.

In FY2025, we advanced our efforts through a climate threat analysis to evaluate the Group's exposure to key climate risks. These include the potential impacts of rising temperatures, extreme weather events and disruptions to critical supply chains. The insights from this analysis are informing a broader, more integrated climate risk assessment which is currently underway.

This process will guide the formulation of mitigation actions to improve organisational resilience and drive investment in priority areas such as carbon emissions reduction, resource efficiency, energy transition and cultivating a responsible supply chain.

Our strategy reflects a dual focus to mitigate our environmental footprint and to adapt proactively to the effects of climate change. This includes evaluating opportunities for carbon emission reductions, expanding the use of renewable energy and deepening engagement with stakeholders to drive meaningful climate action.

Our Sustainability Roadmap

FY2017

- Initiated sustainability reporting
- Established sustainability governance structure

FY2021

- Adopted GRI standards for reporting
- Began monitoring and reporting Scope 1 and Scope 2 GHG emissions
- Set 22% reduction target for GHG emissions intensity by FY2024, with FY2021 as a baseline

FY2022

- Implemented Sustainability Policy and Framework
- Aligned sustainability initiatives with the UN SDGs
- Expanded Sustainability Governance across operations
- Set initial 5% reduction target for water consumption intensity by FY2024, with FY2021 as a baseline

FY2023

- Adopted Integrated Reporting based on global frameworks (GRI, UN SDGs and Bursa Malaysia)
- Initiated monitoring and reporting for part of Scope 3 GHG emissions

FY2024

- Conducted gate-to-gate Life Cycle Assessment for 3 key products
- Launched climate risk assessment

FY2025

- Climate risk and opportunities assessment underway
- Continuous evaluation of carbon footprint of more products

Next Steps

We recognise the critical importance of achieving net zero and target to reach this goal by 2050, in alignment with Malaysia's national sustainability ambitions to attain net-zero GHG emissions by 2050. Our approach will be guided by evolving stakeholder expectations, robust decarbonisation pathways, and internationally recognised best practices. To support this, we will continue strengthening governance, applying data-driven assessments and driving innovation.

Sustainability At Hartalega

As a leading glove manufacturer, we are committed to advancing both corporate growth and broader societal impact. By embedding sustainable and responsible business practices throughout our operations, we go beyond driving financial performance to create lasting, positive change.

At the heart of this endeavour is our SHIELD core values, which form the foundation of Hartalega's sustainability culture. In line with this, we have in place a robust framework that integrates economic, environmental, social and governance priorities, enabling us to consistently deliver value to stakeholders while preserving natural resources for future generations.

Building on this commitment, we implement a Sustainability Policy and Framework to embed responsible practices across our operations. Anchored on four key pillars, this Sustainability Policy and Framework reflects our steadfast commitment to ESG principles and empowers us to drive meaningful impact across the community, environment, marketplace and workplace.

This Sustainability Statement for FY2025 encompasses the operations and facilities of Hartalega NGC Sdn Bhd, located at No. 1, Persiaran Tanjung, Kawasan Perindustrian Tanjung, 43900 Sepang, Selangor.

Conscious of the global scale of sustainability challenges, we align our efforts with the UN 2030 Agenda for Sustainable Development. We have identified 11 UN SDGs that are most relevant to our operations, enabling us to develop a targeted materiality matrix that directs our resources and initiatives toward areas where we can drive the greatest impact. This strategic approach ensures that we balance sustained business growth with relevant societal and environmental priorities, while upholding transparency in our reporting.

	1	2	3	4
Pillars	Uphold the highest standards in our business practices and product quality	Safeguard the environment	Care for our employees	Contribute to the well-being of local communities
Goals	Uphold the highest standards of governance and integrity in our business practices, while expanding our footprint to deliver high quality innovative products in line with ESG leading practices	Manage natural resources responsibly and actively seek out avenues to reduce emissions and improve water and energy efficiency	Dedicated to fair and equal treatment for all employees, instilling a culture of respect and safety while building a strong talent ecology	Touching lives of the communities around us
UN SDGs	8 Decent Work and Economic Growth; 9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production; 16 Peace, Justice and Strong Institutions	6 Clean Water and Sanitation; 7 Affordable and Clean Energy; 12 Responsible Consumption and Production; 13 Climate Action; 16 Peace, Justice and Strong Institutions	3 Good Health and Well-Being; 4 Quality Education; 8 Decent Work and Economic Growth; 10 Reduced Inequalities; 16 Peace, Justice and Strong Institutions	3 Good Health and Well-Being; 4 Quality Education; 10 Reduced Inequalities; 17 Partnerships for the Goals

PILLAR 1

Uphold The Highest Standards In Our Business Practices And Product Quality

We are dedicated to providing protective products of exceptional quality, which fuels our continuous innovation, adoption of digital technologies and strict compliance with both local and international standards. By setting new industry benchmarks, we aim to not only meet market expectations but to stay ahead of evolving trends. Our proactive and resilient approach fosters stakeholder trust and reflects our commitment to best practices in corporate governance.

Key Material Matters

1. Business Ethics and Governance
2. Product Quality and Innovation
3. Supply Chain Management
4. Market Presence
5. Customer Satisfaction and Relationship Management
6. Cybersecurity and Data Privacy

BUSINESS ETHICS AND GOVERNANCE

Key Highlights in FY2025

- **Continue to uphold key policies, including Code of Conduct and Ethics for Directors, Code of Conduct and Ethics for Employees, Anti-Bribery and Anti-Corruption (ABC) Policy and Whistleblowing Policy.**
- **Zero incidents of non-compliance with the Supplier Code of Conduct for six consecutive years.**

Why This Matters

We recognise that upholding stakeholder trust requires transparency. As a responsible business, our steadfast adherence to integrity and accountability is deeply embedded in our ethical code, ensuring that every decision aligns with our principles. This is further supported by our robust governance framework, reinforcing responsible practices at every level of our organisation.

Driving Good Corporate Governance

Strong corporate governance is at the core of our leadership, with our Board of Directors, helmed by our Executive Chairman, ensuring adherence to best practices. Guided by the MCCG, the Board provides oversight for policies and processes to drive transparency and accountability. Supporting this are dedicated Board committees who operate under specific Terms of Reference, each with clear responsibilities. Our Board brings together seasoned professionals from diverse industries, including Independent Directors who provide essential checks and balances. Complementing this governance structure, our Enterprise Risk Management framework enables proactive risk assessment and mitigation that allow for well-informed decision-making.

Further details pertaining to our corporate governance framework, policies and disclosure are available on our website at https://hartalega.com.my/sustainability/corporate-governance/ and in the Corporate Governance Overview Statement on page 82 of this Report.

Our Core Values and Commitment to Best Practices

In tandem with fostering a culture of integrity at Hartalega, our policies also serve as a reflection of our core values and commitment to best practices. In keeping with our efforts to uphold transparency, we make our key policies publicly accessible via the Hartalega website at https://hartalega.com.my/sustainability/corporate-governance/. These include:

- Code of Conduct and Ethics for Directors
- Code of Conduct and Ethics for Employees
- ABC Policy
- Whistleblowing Policy and Procedure
- Fit & Proper Policy

In FY2025, three confirmed cases involving attempted corruption and bribery by foreign employees were identified. Each case was promptly reported and thoroughly investigated, resulting in appropriate disciplinary action, including the dismissal of the involved foreign employees. Hartalega maintains a zero-tolerance stance toward bribery and corruption. In response, management has implemented ongoing training and awareness programmes, specifically aimed at enhancing understanding and compliance among the foreign employees.

We are committed to strengthening adherence through regular training sessions on our ABC Policy, achieving a completion rate of 80% in FY2025. These sessions equip employees with the knowledge and tools to identify, prevent and address ethical risks, thereby fostering a culture of integrity and accountability across our operations.

Total number of employees who received training on anti-corruption, by employee category:

	No. of employees	No. of employees who completed training	Percentage (%)
Total	**7,559**	**6,031**	**80**
General Managers and above	33	23	70
Senior Managers and Managers	208	163	78
Executives and Non-Executives (excluding interns)	7,318	5,845	80

Looking Ahead

Our commitment to ethics and corporate governance will continue to shape our organisational culture. To strengthen our commitment to ethical business practices, we will further enhance anti-corruption training and implement targeted initiatives to increase training completion rates across the organisation.

PRODUCT QUALITY AND INNOVATION

Key Highlights in FY2025

- **Completed 30% of sustainability-focused innovation projects.**
- **Total investment of RM9.6 million in R&D in FY2025.**
- **More than 90% of product packaging is made from recycled materials.**

Why This Matters

With a proven track record of pioneering industry innovations, we are dedicated to maintaining excellence in product quality and advancing innovative solutions to meet evolving global healthcare needs. Reflecting this, our high-quality medical-grade nitrile gloves play a vital role in the global healthcare sector, with our significant investments in R&D and technology enabling us to stay ahead of market trends. Ultimately, this allows us to serve both established and emerging markets with cutting-edge innovations.

Our Commitment to Quality Control

Our leadership in the glove industry is built on an unwavering commitment to quality and excellence, reflected across our products, services and operations. Understanding the vital protective role of gloves in healthcare, we adhere to the highest national and international regulatory standards to ensure safety and reliability. Our Quality Management System (QMS), which is reinforced by frequent internal audits and management reviews, serves as the foundation of our quality assurance.

Through this structured framework, we proactively identify opportunities for enhancement and swiftly address any challenges, driving continuous improvements in our quality standards. As a result, our products meet the strict requirements of global certification bodies, enabling us to maintain the following QMS certifications in FY2025:

Quality Systems Regulations	
	HACCP MS 1480:2019
ISO 13485:2016 (MDSAP)	MS 1500:2009, MS 2200:2013 Part 2, MS 2636:2019, MHMS 2020
EN ISO 13485:2016	Regulation (EU) 2017/745 (MDR)
ISO 9001:2015	Medical Device Act 2012
BCRGS CP Issue 4	UK Medical Device Regulations 200 (UK MDR 2002)
Food GMP MS1514:2009	PPE Regulation (EU) 2016/425

We uphold stringent quality standards across our products through a comprehensive quality control (QC) system. Overseen by our well-qualified team, this system requires quality checks throughout the product lifecycle, from raw material procurement to the finished product inspection. To maintain the highest standards in safety and performance, even products under development undergo rigorous QC assessments, including sampling plans, inspections and testing procedures, with rigorous acceptance and rejection criteria. Complementing these efforts, our Lot Acceptance Rate and Complaints Per Billion metrics enable us to evaluate performance and swiftly address any quality concerns, ensuring consistent excellence in our products.

Material/Product Testing Procedures

Purchased Materials

We thoroughly assess and verify every product and service acquired from external sources before they are utilised in the manufacturing of our products.

We perform quality tests and review all purchased chemicals for compliance with relevant regulations, including the European Union's Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulations and the Substances of Very High Concern (SVHC) List.

In-Process Products

We conduct in-depth quality inspections of all our in-process products in accordance with our In-Process Quality Inspection and Quality Testing Procedure, which outlines comprehensive testing plans.

Finished Products

All our finished products are subjected to a comprehensive Final Inspection and Testing Procedure, comprising watertight tests, dimension tests, physical properties tests, and particulate residue tests to ensure they meet our stringent safety and quality standards.

In tandem, we work closely with a number of independent third-party laboratories and globally recognised certification bodies to validate our quality standards, including:

- International Organization for Standardization
- ASTM International
- European Committee for Standardization
- Japanese Industrial Standards
- Australia/New Zealand Standard

As a result of this QC system and our commitment to maintaining high standards throughout our operations, we have recorded zero incidents of non-compliance related to the health and safety impacts of products and services resulting in fines or penalties, warnings or voluntary codes since FY2020.

Responsible Marketing and Labelling

Transparency and accuracy are central to our commitment to help customers make informed purchasing decisions. These principles underpin our responsible marketing practices aligned with international regulatory standards, reinforcing our leadership in the market.

In line with this, we ensure that clear, accurate and accessible product information is available across touchpoints. Customers can easily access detailed product specifications on our website, while our Sales and Marketing Department provides direct engagement to address inquiries. Additionally, we prioritise transparent labelling, with our regulatory team validating product claims and ensuring that all primary packaging and outer cartons meet the safety and regulatory requirements of every market of intended sale.

In FY2025, we maintained zero recorded cases of compliance violations related to product and service information, labelling or marketing communications.

Building Employee Competency

Our Quality Assurance (QA) team is vital to the success of our product marketing strategies. Recognising their contribution, we support their continuous professional development through structured in-house training on an annual basis. Training modules cover relevant topics such as Unique Device Identification for Medical Devices (UDI) and UK Conformity Assessed (UKCA) Marking. To further enhance their expertise, QA employees also receive training on Work Instruction (WI), One-Point Lesson (OPL) methodology and our Structured On-the-Job Training Programme (SOJT).

In addition to technical training, we ensure that all QA employees stay up to date on evolving regulatory requirements, particularly those related to product labelling and claims. To maintain consistency and excellence in execution, they are also required to complete regular mandatory assessments, evaluating their adherence to national and international regulatory standards across manufacturing, inspection and testing procedures.

Driving Innovation

Innovation is central to how Hartalega grows and adapts in an increasingly competitive landscape. Through R&D and digital tools, we are able to consistently raise the bar with relevant solutions that deliver quality, safety and comfort. This approach not only strengthens our competitive edge but also opens opportunities in new and emerging markets across healthcare and non-healthcare sectors.

To date, we have invested RM28.6 million in various R&D initiatives, including an investment of RM9.6 million in FY2025. Our dedicated R&D team, comprising 58 highly skilled professionals with diverse expertise, plays a key role in developing innovative products and solutions that support our sustainability goals and long-term competitiveness. With their contributions, we achieved a 30% completion rate for our innovation projects focused on sustainability. These projects include energy-saving measures, water and chemical usage reduction, as well as enhancements to our BDG™ Biodegradable Glove.

In FY2025, we maintained our momentum with the launch of new products, namely:

- Latex Powder-Free Examination and Surgical Gloves with Colloidal Oatmeal
- Biodegradable Nitrile Glove with Colloidal Oatmeal
- Goodpac+™ with Nitrile Powder-Free Examination Glove AMG™
- Chemical Resistant Nitrile Powder-Free Glove

These products showcase our commitment to enhancing safety, comfort and sustainability, strengthening our position as a leader in the glove industry.

Products/Descriptions

COATS® Colloidal Oatmeal Coated Glove
Our patented Colloidal Oatmeal System (COATS®) provides a solution for common skin problems experienced by healthcare practitioners by utilising colloidal oatmeal, a skin protectant recognised by the US Food and Drug Administration. Integrating COATS® in our gloves helps to protect the wearer's skin and keep their hands hydrated.

AMG™ Antimicrobial Glove
Our AMG™ Antimicrobial Glove is the world's first non-leaching antimicrobial examination glove, designed to kill microbes on the external side of the gloves quickly upon contact, helping to prevent Healthcare-Associated Infections. With independent testing data indicating that it can eliminate up to 99.999% of selected microbes, the AMG™ Antimicrobial Glove can reduce the risk of transmission from an infection source to a susceptible patient.

BDG™ Biodegradable Glove
Our state-of-the-art BDG™ protects glove users while reducing its environmental impact. As an end-of-life solution, the BDG™ is uniquely formulated with an organic additive, accelerating its biodegradation rate upon disposal in biologically active landfills and anaerobic digesters, thereby helping to preserve the planet without compromising shelf life.

Polychloroprene Examination Glove
Our Polychloroprene Examination Glove offers a comfortable experience due to its high elasticity and good durability. It is also a viable alternative solution for glove users with latex allergies.

To protect our intellectual property and maintain our competitive edge, we submitted two patent applications in FY2025. To date, the Group holds a total of 10 patents.

Innovation in Process and Technology

Serving as a catalyst for our R&D efforts, our innovation hub is fully equipped with cutting-edge tools and technologies. This includes a 3D printer and scanner, software for 2D-to-3D drawing conversion, a flow simulation analysis tool, and robotic arms, this hub enables us to develop next-generation products that meet evolving industry demands.

Our advanced dispensing system, Goodpac+™, further exemplifies our focus on innovation and efficiency. Designed to minimise glove wastage and reduce cross-contamination, Goodpac+™ dispenses gloves individually, cuff-first, ensuring they remain uncontaminated throughout the manufacturing process. Additionally, its fully automated interleaving mechanism optimises packaging space, allowing for more efficient storage and transport while lowering both logistical costs and carbon footprint. At the same time, the system keeps gloves free from human contact during manufacturing, upholding strict hygiene standards from production through to packaging.

Sustainable Packaging Process and Solutions

We have established clear sustainability targets with a view to minimise the environmental impact of our products and operations. Working toward these targets, particularly to reduce packaging waste, more than 90% of our product packaging is made from recycled materials. To enhance our efforts, we are actively exploring further innovative solutions to minimise waste and improve packaging sustainability. Guided by our SHIELD values, we remain focused on responsible manufacturing practices that align with our commitment to environmental stewardship.

Looking Ahead

We strive to advance sustainable innovations and explore operational efficiencies that reduce our environmental footprint while maintaining the highest standards of product quality and safety. Moving forward, we aim to drive meaningful progress in our sustainability initiatives with a target of 30% of total projects focusing on sustainability and 70% on innovation-driven projects, reinforcing our commitment to a greener and more resilient future.

SUPPLY CHAIN MANAGEMENT

Key Highlights in FY2025

- **Key suppliers trained on sustainability and social compliance.**
- **100% of new suppliers screened for environmental and social compliance.**

Why This Matters

In today's global landscape, a resilient and well-managed supply chain is essential to Hartalega's ability to ensure efficient production and deliver quality gloves worldwide. To achieve this, we collaborate closely with our ecosystem of suppliers and vendors, leveraging both local and international partnerships to drive cost optimisation and timely delivery. Beyond operational performance, our supply chain practices reflect our commitment to fairness, compliance and accountability. This approach protects the rights of those in our supply chain and gives customers confidence in the integrity behind each glove we produce.

Cultivating a Responsible Supply Chain

Sustainability is a core principle that shapes the way we manage our supply chain. We are committed to working with partners who uphold strong ethical and environmental standards. Through regular engagement, we not only monitor compliance with our stringent requirements but also encourage suppliers to embrace responsible business practices. This collaborative approach has strengthened alignment with our sustainability goals and supported the continued renewal of our SEDEX membership, while helping to build a more resilient and ethical supply network.

In line with best practices in ESG, we conduct pre-assessments for all new suppliers and carry out ongoing evaluations of those already approved. These include periodic performance reviews and quality inspections of selected materials from suppliers to ensure consistent adherence to our standards. Additionally, as part of our capacity-building efforts, we provided training to 103 key supplier representatives in FY2025, focusing on sustainability and social compliance.

Alongside this, all approved suppliers, vendors, contractors and service providers are required to comply with our Supplier Code of Conduct, which they must formally sign. This reinforces a shared commitment to sustainable business operations. More details can be found on our website at https://hartalega.com.my/sustainability/corporate-governance/.

Maintaining a well-governed and sustainable supply chain is essential to protecting business integrity and supporting future growth. To safeguard these standards, we enforce strict compliance measures and take corrective action where necessary. Our assessments focus on key risk areas such as environmental management, fair labour practices and ethical working conditions. In FY2025, we recorded zero actual or potential negative environmental or social impacts in our supply chain assessments.

Building Resilience

Effective supply chain management requires close collaboration with our suppliers, ensuring that ethical and sustainable practices are implemented. By fostering transparency and proactively addressing challenges, we create a foundation for shared responsibility and long-term resilience. Our commitment to rigorous assessments and responsible procurement helps us to strengthen our operational efficiency while bringing us closer to realising our ESG ambitions. As one of the world's most efficient glove producers, this disciplined approach enables us to navigate a dynamic market while maintaining our competitive edge.

Supporting Local Procurement

To optimise costs, improve operational efficiency and promote local economic growth while leveraging global expertise, we work towards striking the right balance between local and international procurement. Reflecting this, in FY2025, local procurement amounted to 67% of our total procurement budget.

Our partnership with local suppliers helps drive job creation and supports the economic development of the communities in which we have a presence. This approach not only reinforces our commitment to sustainability but also enhances the resilience of our supply chain. As we respond to shifting market conditions and broader global challenges, we are focused on maintaining a procurement strategy that is both agile and aligned with our operational priorities.

Looking Ahead

We are committed to cultivating a responsible supply chain by collaborating closely with our suppliers and enhancing our evaluation of social and environmental impacts. By adhering to international standards, we aim to maintain a supply chain that is sustainable, reliable and ethically sound for the benefit of all stakeholders. In addition, we are proactively working towards meeting the requirements of the European Union Deforestation Regulation, reflecting our dedication to environmental responsibility and responsible sourcing.

MARKET PRESENCE

Key Highlights in FY2025

- **A dedicated workforce of 7,559 Hartanians.**
- **Maintained a 100% Malaysian Senior Management team.**
- **Expanded regional market reach via MUN Global, with a focus on emerging and developing economies.**

Why This Matters

Hartalega's position as a global leader in glove manufacturing is anchored in sustainability, customer focus and strong ESG principles. These pillars are key to driving responsible growth, navigating evolving market dynamics and meeting the healthcare sector's changing needs. By staying true to these commitments, we scale up our global presence while delivering high-quality gloves that support the critical demands of the healthcare sector.

Displaying Resilience Amid Market Volatility

In FY2025, while the glove industry saw a gradual recovery, market challenges persisted due to external pressures and global economic uncertainty. Hartalega responded with resilience, enhancing production efficiencies and advancing automation and digitalisation to optimise operations. Our commitment to product innovation, including our COATS® and AMG™ gloves, enabled us to stay ahead of market trends and evolving customer needs. These efforts reinforced our standing as one of the industry's most efficient manufacturers and supported our growth trajectory.

We also prioritised building a resilient and sustainable supply chain through partnerships with both domestic and global suppliers. This creates a resilient procurement network that contributes to our operational stability. Cultivating relationships with local suppliers also bolsters the local economy.

ESG is deeply integrated into our operations and long-term strategy. Key initiatives encompass adopting energy-saving technologies, increasing renewable energy use, improving waste management practices, reinforcing governance frameworks and championing ESG compliance across our supply chain. These initiatives not only reduce our environmental footprint but also enhance our competitive edge with stakeholders increasingly focused on ESG and sustainability.

Our talented workforce comprising 7,559 Hartanians is a cornerstone of our success. With their dedicated efforts, we have strengthened partnerships with our global customer base. Our dedication to nurturing Malaysian talent is reflected in our leadership structure, with 100% Malaysian representation in our Senior Management team. Furthermore, our commitment to fair employment practices is reflected in our equitable wage policies, with a 1:1 ratio of standard entry-level wage to local minimum wage across all genders.

Strengthening Our Global Presence

Through our distribution arm, MUN Global, we have built a stronger presence in the regional market while diversifying our product portfolio. This includes our own healthcare products, GloveOn, PrimeOn and EnvirOn. In FY2025, we focused on increasing our presence in emerging markets with strong growth potential, including regions with rising healthcare demand and awareness. Coupled with effective marketing strategies, we gained a foothold in new territories while maintaining partnerships in established markets.

Commitment to Sustainability and Community Impact

In FY2025, our market presence continued to be shaped by a strong commitment to sustainability and social responsibility. We advanced our efforts to reduce environmental impact through more efficient production practices and the integration of sustainable solutions across our operations. We also deepened our engagement with local communities through targeted outreach initiatives designed to uplift those in need. Local hiring is a key focus, helping to stimulate domestic economic activity while reinforcing our role as a responsible and trusted corporate partner.

Looking Ahead

Moving forward, we aim to expand our market presence, particularly in high-growth emerging markets, supported by ongoing R&D to meet evolving healthcare needs and shifting customer demands. At the same time, we continue to align our expansion plans with market dynamics. Additionally, we will tap into MUN Global to explore opportunities for diversification as a trusted provider of healthcare products, reinforcing our foothold in the broader healthcare sector.

CUSTOMER SATISFACTION AND RELATIONSHIP MANAGEMENT

Key Highlights in FY2025

- **Achieved a higher Customer Satisfaction Score of 83%.**
- **Shared ESG initiatives to bolster customer satisfaction.**

Why This Matters

In an increasingly competitive glove manufacturing industry, strong customer relationships play an important role in sustaining long-term success. At Hartalega, we adopt a customer-centric approach, enabling us to drive innovation, enhance responsiveness and strengthen trust. By maintaining close engagement with our customers, we differentiate ourselves in the market and reinforce our reputation as a trusted partner.

Navigating Market Dynamics

The glove manufacturing industry continued to face headwinds in FY2025, including persisting market oversupply and heightened competition. However, ongoing capacity recalibration across the sector facilitated its gradual recovery. Amid this landscape, we focused on strengthening relationships with our valued clientele while laying the groundwork for more sustainable and resilient growth.

Conscious that customers are placing greater emphasis on responsible sourcing and ethical practices, we continue to embed ESG considerations into our business, guided by our SHIELD values. Throughout FY2025, we further enhanced ESG practices, reinforced supplier compliance and maintained customer data integrity through robust cybersecurity measures. These efforts reflect our ongoing commitment to building trust and long-term value with our stakeholders.

Enhancing Customer Engagement

We focused on customer-facing activities throughout the year, including on-site visits and industry exhibitions. This allowed us to share our existing and new innovations, as well as obtain valuable customer feedback. Additionally, these platforms provided opportunities to update customers on the progress of our ESG commitments.

Regular dialogues sessions are another component of our customer service strategy, providing deeper insights into emerging trends to ensure our R&D efforts continue to resonate with the market. We also take the opportunity to distribute samples of new products to obtain customer feedback during these dialogue sessions.

We prioritise responsiveness and personalised support in addressing customer enquiries, including those related to social compliance and environmental matters. These efforts are supported by our use of Salesforce, which helps us streamline engagement and deliver a seamless customer experience. In addition, our annual Customer Satisfaction Survey provides critical insights to target key areas for improvement.

Achieving High Customer Satisfaction

We are dedicated to high customer satisfaction by addressing concerns promptly and effectively. Our structured approach involves thorough investigations in collaboration with relevant process owners to identify root causes, followed by the implementation of corrective and preventive actions (CAPA). Customers are kept informed through detailed reports outlining our findings and next steps.

To drive continuous improvement, weekly meetings are held with the Chief Executive Officer (CEO) and Chief Operating Officer along with the respective plant general managers and section managers, to review active cases, monitor progress and discuss mitigation plans. Monthly reviews are also carried out as part of our Sales & Operations Planning process, covering key performance indicators such as total complaints, response times, open cases and mitigation efforts.

Customer satisfaction levels are tracked through a dedicated Customer Satisfaction Index (CSI), which combines feedback from customer surveys with

internal quality metrics, including Lot Acceptance Rate and Complaints per Billion (CPB). CPB performance at each plant is monitored and reviewed regularly during operations meetings with management to ensure accountability and improvement.

Our FY2025 Customer Satisfaction Survey, covering the period from January to December 2024, achieved a satisfaction score of 83%, with a response rate of 95% from our key customers. All categories demonstrated an increase in satisfaction levels in FY2025 compared to FY2024, encompassing the areas of service, order and shipping processes, customer complaint handling, products, and general evaluation. The insights from this survey are instrumental in helping us continue to refine our approach and enhance the overall customer experience.

	FY2023	FY2024	FY2025
Customer Satisfaction Score	84%	81%	83%

Looking Ahead

By leveraging digitalisation and pursuing new market opportunities, we aim to strengthen responsiveness and deliver greater value to our global clientele. As we look to the future, we are mindful of shifting US-China trade dynamics and their potential impact on global demand flows. We will remain agile, capitalising on opportunities in the US while building customer trust and competitiveness across our key markets.

CYBERSECURITY AND DATA PRIVACY

Key Highlights in FY2025

- **RM3 million invested into enhancing cybersecurity systems, including ongoing deployment of Endpoint Detection and Response (EDR) solutions, vulnerability assessments, maturity assessments and social engineering exercises.**
- **Recorded zero incidents of identified leaks, theft, or loss of customer data, and zero substantiated complaints received concerning breaches of customer privacy in FY2025.**

Why This Matters

As digitalisation accelerates, safeguarding our systems, data and intellectual property is essential to maintaining trust and business continuity. Cybersecurity plays a critical role in mitigating evolving threats, protecting stakeholder interests and reinforcing operational resilience. By fortifying our defences and cultivating a security-conscious culture, we aim to stay ahead of cyber risks and uphold the integrity of our digital infrastructure.

Enhancing Cybersecurity

Cybersecurity is a core component of Hartalega's risk management strategy, governed by our Board of Directors and the Risk Management and Sustainability Committee. Our IT Department drives these efforts, supported by a fully operational 24/7 Security Operations Centre (SOC) established in FY2024, which enables real-time monitoring and incident response. During FY2025, we invested RM3 million into our cybersecurity systems, which included ongoing deployment of EDR solutions, vulnerability assessments, maturity assessments and social engineering exercises.

Our multi-layered approach includes EDR protection across all endpoints and servers, a secure VPN with multi-factor authentication and continuous threat monitoring by our Business Information Security Office. We also perform regular vulnerability and penetration testing to identify and remediate potential gaps. Additionally, annual internal and external cybersecurity audits are conducted by third-party reputable firms to maintain robust security standards.

Cultivating a culture of vigilance is key. All employees undergo quarterly cybersecurity awareness training, including social engineering simulations and phishing drills, with remediation training for those who require it. Cybersecurity newsletters and reminders are issued monthly, while we have added a "Report Phishing" button within our email system to streamline threat reporting. Our dedicated cybersecurity awareness programme ensures that every Hartanian plays an active role in protecting the organisation.

To safeguard sensitive data, Hartalega's Information Security Policy aligns with the Personal Data Protection Act 2010. We maintain strict non-disclosure controls in third-party engagements and have robust enterprise data backup protocols in place to protect against disruptions. These policies ensure that customer, employee and supplier data is handled with the highest level of confidentiality and care.

As a result of this comprehensive approach, in FY2025, we recorded zero incidents of identified leaks, theft, or loss of customer data, and zero substantiated complaints received concerning breaches of customer privacy.

Looking Ahead

We strive to anticipate and address potential cybersecurity risks which may threaten our business or the safety of our stakeholders' data. To further secure our systems, we are aligning with global standards and are currently reviewing information technology and operational technology policies. As part of building up cybersecurity resiliency, we are actively enhancing our cybersecurity systems to stay ahead of evolving threats.

PILLAR 2

Safeguard The Environment

Our role as an industry leader comes with a responsibility to protect our environment. We are committed to finding smarter, more sustainable ways to use resources, lower our carbon footprint and minimise waste. Environmental responsibility is woven into how we operate, ensuring that progress and preservation go hand in hand.

Key Material Matters

1 Energy and Emissions Management

2 Water and Effluent Management

3 Environmental Compliance

4 Waste Management

ENERGY AND EMISSIONS MANAGEMENT

Key Highlights in FY2025

- **Continued operation of two cogeneration power plants at the NGC facility.**
- **Implemented real-time digital energy dashboard.**

Why This Matters

As the effects of climate change accelerate, expectations are growing for businesses to take action. Customers are increasingly drawn to businesses that actively prioritise sustainability, recognising it as a marker of responsibility and long-term value. Hartalega embraces this with a firm belief that environmental progress and business resilience go hand in hand.

Our goal is to reduce our environmental impact, support the transition to a circular economy and contribute meaningfully to Malaysia's ambitions to reduce emissions by 45% by 2030 and achieve net zero emissions by 2050. Given the energy-intensive nature of glove manufacturing processes, we continue to optimise energy usage with smart consumption strategies and by adopting renewable energy sources. These efforts also enhance our cost competitiveness.

Promoting Energy Efficiency

At the core of our energy strategy is a mindset of continuous improvement. Our Energy Committee leads the charge in improving energy performance across our operations. Working across functions, the team drives innovative solutions to reduce energy use, enhance efficiency and support our transition to cleaner energy sources.

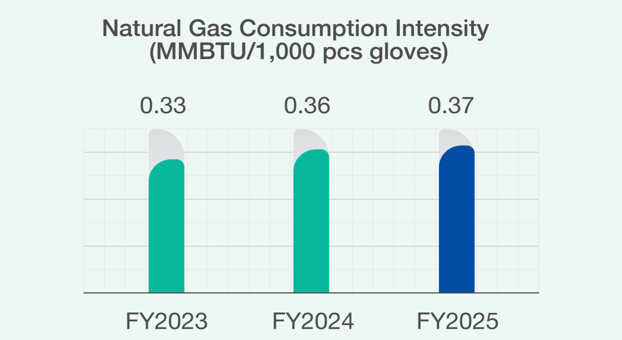
A key enabler is the use of two cogeneration plants at our NGC facility. These combined heat and power systems generate electricity and recover wasted heat to be reused as thermal energy, which improves our energy efficiency. Furthermore, by reducing our reliance on grid electricity and fossil fuels, these systems also help us to lower carbon emissions.

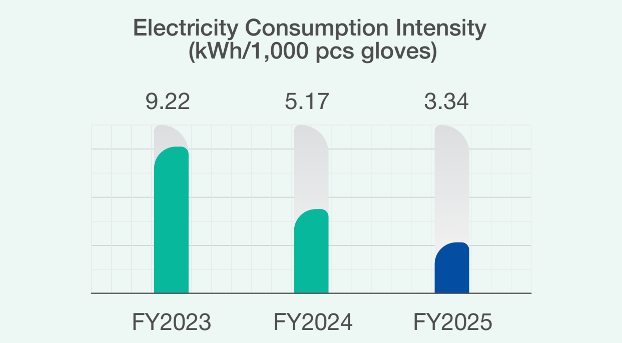
In FY2025, we introduced a series of targeted energy-saving initiatives across our production lines. This included the optimisation of our main oven exhaust system, as well as the installation of an auto-close system for hot water supply during line stoppages, helping to reduce unnecessary heat loss and improve overall energy use.

We also established a digital energy dashboard via the Tableau platform, providing management teams with timely and transparent updates on energy performance across facilities. This complements our daily dashboard for our operations teams, which was implemented in the previous year. This enables our teams to take swift action in addressing energy usage inefficiencies and make informed adjustments. These efforts are reinforced by monthly energy performance reviews, which promote cross-team accountability and drive continuous improvement.

Our ongoing shift towards data-driven energy optimisation has yielded tangible results. In FY2025, total electricity consumption recorded a significant drop of 19%, while natural gas consumption rose by 28% in line with increased usage of our cogeneration plants. This strategic trade-off supports our transition towards cleaner energy alternatives as natural gas is a cleaner fuel source. As a result, electricity consumption intensity dropped significantly from 5.17kWh per 1,000 pieces of gloves in FY2024 to 3.34kWh per 1,000 pieces of gloves in FY2025. Meanwhile, natural gas consumption intensity saw a marginal increase to 0.37 MMBTU per 1,000 pieces of gloves.

	FY2023	FY2024	FY2025
Natural Gas Consumption (MMBTU)	7,126,235	7,426,271	9,519,763
Electricity Consumption (kWh)	195,755,209	106,049,864	86,294,512





We continue to enhance our energy monitoring systems to optimise the use of both natural gas and purchased electricity. Our electricity consumption tracking is aligned with the regulatory standards set by Suruhanjaya Tenaga Malaysia, ensuring compliance and accountability. These efforts are guided by an energy management framework based on ISO 14001:2015, which has been embedded into our Plan-Do-Check-Act Model to drive consistent improvement across our operations.

Our focus remains on achieving a 25% reduction in carbon emissions intensity by FY2026 against our FY2023 baseline. Specifically, we aim to lower our emissions from 0.0232 to 0.0172 tonnes of CO_2 per 1,000 pieces of gloves produced. To support this goal, we are optimising the usage of cleaner energy sources, alongside cultivating a mindset of energy awareness across the company through employee training programmes, internal engagement and participation in global initiatives such as Earth Hour.

The total energy used is depicted in the table below.

Energy (MWh)	FY2023	FY2024	FY2025
Purchased Electricity	196,755	106,050	86,295
Natural Gas	2,088,493	2,176,424	2,789,966
Biomass Power Plant	115,880	61,026	N/A
Solar Power System	2,532	2,980	2,735
Total Energy Consumption	2,402,660	2,346,660	2,878,996

Note: There was no energy output from the biomass power plant in FY2025 following the decommissioning of the Bestari Jaya facility at the end of FY2024.

Increasing Renewable Energy Usage

Renewable energy is a core focus in our energy management strategy. We continue to explore renewable energy solutions to reduce our dependence on fossil fuels and support our broader sustainability goals.

A key initiative is our 1.65 MW solar photovoltaic system at our NGC facility. With an installed capacity of 2,357 kWp, the system generated 2,735 MWh of clean electricity in FY2025, offsetting the electricity we purchased from the grid.

Year	Solar Power System (MWh)
FY2023	2,532
FY2024	2,980
FY2025	2,735

Tracking Our Carbon Footprint

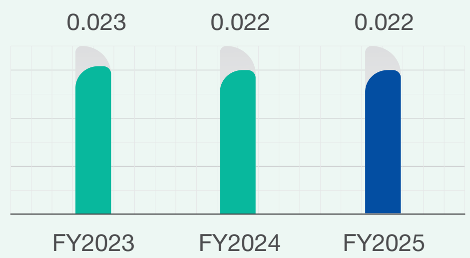
Accurate emissions tracking is vital to understanding our environmental impact and driving meaningful progress. To this end, we measure our carbon footprint across all three emissions scopes, in line with the Greenhouse Gas (GHG) Protocol.

Though we saw an increase in total emissions, our carbon emission intensity in FY2025 remained steady at 0.022 tonnes CO_2 per 1,000 pieces of gloves. This reflects the higher volume of gloves produced as well as the operational challenges of integrating product lines from our previously decommissioned Bestari Jaya facility. We continue to work towards our 25% carbon emission reduction target from our FY2023 baseline by FY2026.

Year	Scope 1 Emissions (tonnes CO_2)	Scope 2 Emissions (tonnes CO_2)	Scope 3 Emissions (tonnes CO_2)	Total Emissions (tonnes CO_2)
FY2023	378,118	114,517	5,383	498,018
FY2024	394,037	62,039	4,679	460,755
FY2025	505,119	65,411	4,985	575,515

Notes:
- Scope 1 emissions cover the emissions from natural gas consumption at our production facilities.
- Scope 2 emissions cover purchased electricity from our production facilities and corporate offices, using a location-based calculation method.
- Scope 3 emissions cover indirect emissions generated by employee commuting and business travel (flight).
- Carbon emissions from fuel consumption (natural gas) are calculated based on the emission factors from the Federal Register EPA; 40 CFR Part 98; e-CFR, dated June 13, 2017.
- Carbon emissions from purchased electricity (Scope 2) are calculated based on the emission factors from the Grid Emission Factor (GEF) published by the Energy Commission of Malaysia (https://myenergystats.st.gov.my/documents/d/guest/grid-emission-factor-gef-in-malaysia).
- Carbon emissions from employee commuting and business travel (flight) (Scope 3) are calculated based on Business travel - land and air, UK Government GHG Conversion Factors for Company Reporting 2024 (https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024).

Carbon Emission Intensity
(tonnes CO_2/1,000 pcs gloves)



In FY2025, our GHG emissions increased in line with higher energy demand, primarily due to the integration of product lines from our decommissioned Bestari Jaya facility. In response, we took proactive steps to streamline production processes and enhance energy efficiency. Our two cogeneration power plants continued to play a vital role in supporting these energy management efforts. To ensure robust oversight, we have continued to implement data collection, analysis and trend monitoring across all emissions sources since FY2023. This includes employee commuting and business travel, providing greater emissions transparency. Beyond systems and reporting, we foster a culture of sustainability by engaging employees and instilling environmental awareness within our workforce.

Life Cycle Assessment

Hartalega was the first in the glove industry to publicly disclose LCA results for three of our key products in FY2024. Our ISO 14040 & ISO 14044-certified LCA has been instrumental in identifying key environmental hotspots across our value chain, enabling a more targeted approach to emissions reduction. By analysing the full lifecycle of our products from raw material acquisition to manufacturing, the LCA has provided valuable insights into high-emission areas such as energy-intensive production processes and upstream material sourcing.

These findings have guided us in prioritising high-impact initiatives, allowing us to allocate resources more effectively and accelerate our decarbonisation efforts.

Looking Ahead

We continue to explore innovative technologies to improve energy efficiency and reduce emissions, as part of our broader commitment to responsible resource management. Moving forward, our focus includes the use of cleaner fuels such as natural gas in our cogeneration power plants, integrating renewable energy sources, and implementing energy efficiency measures such as economisers to reduce heat waste. These efforts are aimed at reducing our environmental impact while enhancing operational performance.

WATER AND EFFLUENT MANAGEMENT

Key Highlights in FY2025

- **Maintained a total of 99% water withdrawal from local rivers and only 1% sourced from municipal supply.**
- **Continued to uphold Standard A effluent discharge, surpassing the DOE's Standard B requirement.**
- **Implemented water recycling in manufacturing processes and for general cleaning purposes.**

Why This Matters

Water is essential to glove manufacturing, but it is also a finite resource under increasing stress from climate change. We leverage real-time monitoring systems to track water usage, identify inefficiencies and prevent waste. In tandem, we uphold stringent national and international standards in our effluent treatment processes, safeguarding local ecosystems. Through this approach, we strive to ensure that the production of our high-quality nitrile gloves has minimal environmental impact.

Sustainable Water Usage

Water is a critical input in glove manufacturing, and its responsible use is crucial for both product quality and environmental stewardship. We are committed to managing this vital resource efficiently to continue delivering products of the highest quality while reducing our water footprint.

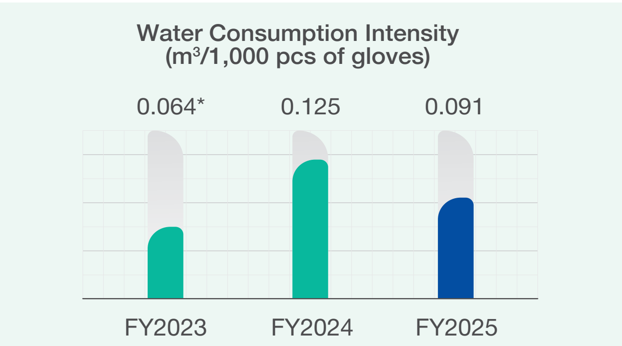
To ensure optimal usage, our real-time monitoring systems provide visibility into our water withdrawal and consumption intensity across our manufacturing plants. We also carry out periodic reviews of our water management measures. Together, these efforts enable better decision-making and contribute to our goal of minimising total water usage in our facilities.

In FY2025, our water withdrawal stood at 16.78 million m³, primarily driven by a 9% rise in production utilisation compared with FY2024, with approximately 99% sourced from local rivers and the remainder from municipal supply. Since 2021, all raw water utilised in our operations has been treated via an advanced ultrafiltration system, ensuring consistent water quality and resource efficiency.

Total water consumption for the year stood at 2.35 million m³, lower than 2.57 million m³ in FY2024. This reduction was primarily driven by operational improvements, including a water recycling initiative that utilises recycled water for general operational usage and cleaning purposes. Additionally, automated control valves were installed to shut off the hot water supply during production stoppages, effectively minimising water wastage.

Water consumption intensity saw a substantial improvement to 0.091 m³ per 1,000 pieces of gloves from 0.156 m³ in the previous fiscal year. Following updates to our methodology in FY2024, we revised our target to achieve a 5% reduction in water consumption intensity by FY2026, with FY2021 as a baseline. With the FY2021 baseline adjusted to 0.099 m³ per 1,000 pieces, we are pleased to have achieved our target in FY2025, one year ahead of schedule.

Our efforts are reinforced by regular reviews of water-saving strategies, daily and weekly usage tracking and monthly dashboard reviews, amongst other initiatives to embed responsible water practices across the organisation.



Water consumption intensity updated for FY2023 due to inclusion of sewage treatment plant (STP) discharge in water consumption intensity monitoring.

Responsible Wastewater Treatment

Conscious of the environmental risks associated with large-scale manufacturing, we apply strict internal controls and work closely with regulatory authorities to ensure our discharge practices comply with national and international standards. This includes the global ISO 14001:2015 framework, as well as the DOE's Environmental Quality (Industrial Effluents) Regulations 2009 and Environmental Quality (Sewage) Regulations 2009.

Over the years, we have channelled more than RM48 million into strengthening our wastewater infrastructure. These improvements have enabled us to adopt advanced treatment technologies and monitoring systems that closely track discharge quality and performance. At the heart of our efforts is a state-of-the-art wastewater treatment plant that processes and purifies all effluents prior to discharge into the stormwater drainage system.

These initiatives not only help protect surrounding water bodies but also reinforce our commitment to operational sustainability. In FY2025, we recorded a total water discharge volume of 14.42 million m³. This increase was largely attributed to a 13% rise in production capacity utilisation compared with FY2024.

Year	Total Water Withdrawal, million m³	Total Water Discharged, million m³	Total Water Consumption, million m³
FY2023	16.19	14.83*	1.36
FY2024	15.33	12.76	2.57
FY2025	16.78	14.42	2.35

Water withdrawal updated due to inclusion of STP discharge.

Our commitment to sustainable wastewater management was reflected in our track record of zero non-compliance incidents with discharge regulations in FY2025. We continued to meet the most stringent water quality benchmarks, achieving a consistent Standard A rating across key parameters such as biological oxygen demand (BOD), chemical oxygen demand (COD) and total suspended solids (TSS). These results exceed the minimum Standard B threshold for effluent water discharge set by the DOE, demonstrating the effectiveness of our treatment systems and environmental safeguards.

Looking Ahead

As part of our ongoing water stewardship efforts, we are working towards expanding our water recycling initiatives by introducing effluent recycling systems that will repurpose treated wastewater for non-potable usage and general cleaning. This initiative supports our target of reducing water consumption intensity by 5% by FY2026, based on a FY2021 baseline.

ENVIRONMENTAL COMPLIANCE

Key Highlights in FY2025

- **Established our Environmental Policy as a standalone policy.**
- **Successfully maintained ISO 14001:2015 certification.**

Why This Matters

At Hartalega, we aim to lead by example by upholding environmentally-friendly practices across our operations. Guided by both local and global environmental benchmarks, we focus on reducing risks, boosting efficiency and contributing to a more sustainable manufacturing industry.

Commitment to Environmental Best Practices

Our environmental approach is shaped by strong internal governance and globally recognised standards. Anchored by our Environmental Policy, we align our efforts with DOE guidelines and the UN SDGs. Reflecting our enhanced focus on climate change and sustainability, we formalised our Environmental Policy as a standalone policy in 2024, separating it from our broader Health, Safety and Environment (HSE) Policy to sharpen our strategic focus and operational accountability.

In FY2025, we maintained ISO 14001:2015 certification for our environmental management system, providing a robust framework to monitor energy use, emissions, water consumption and waste management. This supports data-driven decision-making and drives continuous progress. We also incorporate feedback from employees, suppliers and regulators to remain responsive to evolving expectations and environmental challenges. These insights are reviewed during our quarterly Environmental Performance Monitoring Committee (EPMC) meetings.

In addition, during the year we successfully maintained Standard A quality in our effluent discharge, exceeding the DOE's Standard B requirement. This reflects our effective environmental controls in upholding our compliance standards.

Safeguarding Our Environment

To further reduce our environmental footprint, we have invested in advanced systems that help prevent pollution at the source. This includes a targeted clean-up initiative to safeguard monsoon drains, supported using scuppers and stoppers in our drainage systems to prevent oil or chemical leakage. These measures are complemented by routine drainage maintenance and other protective mechanisms within our cogeneration power plants.

Compliance with the Environmental Quality Act (EQA) 1974 and its related regulations is a top priority. We conduct regular Environmental, Process, and Mechanical Contractors meetings to assess performance, address potential gaps, and ensure accountability. Qualified personnel are designated to oversee critical areas such as air pollution control, wastewater treatment and scheduled waste disposal.

To reinforce our commitment, we undergo independent environmental audits that validate compliance and uncover opportunities for ongoing improvement. We sustained our strong environmental record, with zero non-compliance incidents reported during the year under review.

Air Emission and Boundary Noise Monitoring

In line with the DOE's Environmental Quality (Clean Air) Regulations 2014, we undertake various measures to ensure our operations do not contribute to air pollution. This includes annual assessments of air emissions entailing analysis for total particulate matter (PM), sulphur oxides (SO_x), nitrogen oxides (NO_x), chlorine (Cl_2) and ammonia (NH_3) levels. To manage odour emissions in accordance with the EQA 1974, we operate a scrubber system designed to reduce and control odours effectively.

As part of our noise abatement strategy, we conduct regular noise risk assessments to identify areas with excessive noise. We ensure machines are properly maintained and serviced; and issue appropriate personal protective equipment (PPE), such as earplugs and earmuffs, to workers operating in high-noise areas. In addition, periodic audiometric testing is carried out to monitor the hearing health of affected employees and ensure compliance with occupational safety standards. We also carry out site boundary noise monitoring to ensure compliance with the EQA 1974, in addition to safeguarding employees from potential noise-related risks in the workplace.

Looking Ahead

We are dedicated to upholding best practices and we will continue to explore ways to further reduce our environmental footprint. This includes potential collaborations with contractors to increase recycling of waste materials, with the goal of maximising resource recovery.

WASTE MANAGEMENT

Key Highlights in FY2025

- **74% of waste generated was diverted from landfills for recycling.**
- **Recorded zero incidents of non-compliance.**

Why This Matters

Improper waste management can harm natural ecosystems as well as infringe on people's rights to a clean and safe environment. As part of our approach to responsible waste and resource management, we prioritise reducing waste generation at source, promoting circular practices and recycling wherever possible. In addition, we collaborate with licensed waste management service providers and contractors to ensure full compliance with environmental standards and uphold best practices in waste handling.

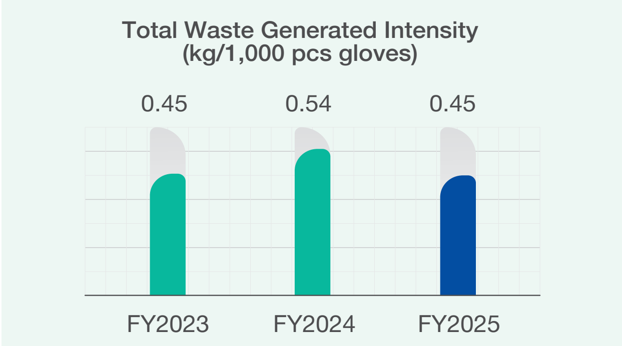
Efficient Waste Management

Waste generated across our operations is primarily derived from internal production and maintenance activities. We manage both hazardous and non-hazardous waste through a structured programme aligned with ISO 14001:2015 standards, emphasising reduction, recovery and regulatory compliance.

To embed sustainable practices across the Group, we actively promote the 3R principles of Reduce, Reuse, Recycle and reinforce these values through our annual Sustainability Week as well as HSE communication through email, WhatsApp and meetings. These efforts are supported by mechanisms such as the HSE Violation Ticket system and regular briefings, which help strengthen ownership among process owners and improve workplace cleanliness and waste discipline.

Our performance is closely monitored through routine inspections, internal audits and compliance reviews. Waste-related outcomes are assessed and discussed quarterly by the EPMC, enabling continuous improvement.

In FY2025, we recorded a significant improvement in our waste management performance, with waste intensity decreasing from 0.54 to 0.45. This reduction reflects our dedicated efforts to enhance operational efficiency and drive more responsible resource use.



Our non-hazardous waste generation also decreased from 8,909 MT to 8,303 MT, marking a 7% reduction despite higher production volume. This demonstrates our continued progress in minimising waste even as production increases. We remain focused on strengthening waste management and identifying opportunities for further improvement.

In contrast, our hazardous waste volume increased by 72.6% in FY2025. This was mainly due to increased glove production and the operational challenges of integrating product lines from our decommissioned Bestari Jaya facility. Moving forward, we expect a reduction in waste generation as operations have normalised. This is a priority area and we will continue to enhance internal processes and collaborate closely with relevant teams to ensure sound and sustainable hazardous waste management practices.

The total amount of waste generated over a three-year period is as follows:

In MT	FY2023	FY2024	FY2025
Hazardous waste	1,657	1,610	2,779
Non-hazardous waste	8,621	8,909	8,303

Our waste management data comparison over a three-year period is as follows:

In MT	FY2023	FY2024	FY2025
Total waste recycled	6,135	6,843	8,172
Total landfill disposal	2,486	3,676	2,910

Our waste management initiatives have focused on minimising landfill disposal by recovering and repurposing production waste. Rejected nitrile gloves were sent to third-party facilities to be used as alternative fuel, while broken formers were recycled. These efforts successfully diverted 100% of rejected nitrile gloves and 717,760 kg of broken formers from landfills in FY2025.

We continued to promote effective waste management by raising awareness on proper segregation at source to reduce overall disposal. Our waste management practices are governed by established protocols under the oversight of the HSE Department:

1. Waste tracking is carried out using computer-generated weighing chits, allowing for accurate monitoring and data collection to inform waste reduction strategies.
2. Waste is classified into two main categories, namely non-hazardous (primary) and hazardous (secondary).
3. Non-hazardous materials, including broken formers, rejected gloves, paper, and plastics, undergo recycling or are repurposed as alternative fuel, with handling conducted by licensed contractors.
4. Hazardous waste, which primarily consists of sludge from wastewater treatment, is managed by DOE-approved licensed contractors in accordance with the DOE's Scheduled Wastes Regulations 2005 (EQA 1974).

To ensure regulatory compliance, we conduct regular internal audits through our HSE Department, alongside independent audits by external parties. These assessments allow us to evaluate the effectiveness of our control measures and identify areas for improvement. As a result, we maintained our internal benchmarks and recorded zero non-compliance cases related to waste management in FY2025.

Amplifying Our Recycling Efforts

We continue to build a strong culture of environmental stewardship across the organisation. This includes promoting recycling within and beyond the workplace, alongside education on behaviours that contribute to waste reduction. Our 3R campaigns extended to a variety of materials such as brown paper, stretch film, plastic, wooden pallets and stainless steel, as well as the use of Roll-on/Roll-off bins. These employee-driven efforts have strengthened our waste management practices and advanced our progress towards a circular economy.

Recycling of Old Clothing and Fabric

In FY2025, we continued our partnership with Life Line Clothing Malaysia, an ISO 14001-certified organisation dedicated to textile recycling. This initiative provides our employees with a convenient avenue to responsibly dispose of unwanted uniforms and household textiles, which would otherwise contribute to landfill waste.

As a result, we successfully diverted 6,305 kg of textile waste from landfills, helping to avoid the emission of approximately 11,601 kg of carbon dioxide equivalent (CO_2e). Given that the average Malaysian resident emits 21 kg of CO_2e daily, this is equivalent to preventing 552 days worth of individual emissions.

	FY2023	FY2024	FY2025
Weight collected	1,995	6,083	6,305
CO_2e emissions avoidance	3,670	11,193	11,601
Days avoiding emissions in Malaysia per individual	175	533	552

Looking Ahead

With a view towards expanding our recycling efforts, we plan to explore collaborations with additional contractors. This will complement our ongoing recycling and waste segregation initiatives. This is part of our ongoing commitment to reducing environmental impact and advancing sustainability across our operations.

PILLAR 3

Care For Our Employees

Recognising that caring for our people is key to our growth and success, prioritising employee well-being and development is vital. Reflecting this, we strive to create a world-class workplace that nurtures talent, champions inclusivity and reflects our commitment to supporting Hartanians as well as our partners.

Key Material Matters

1 Health and Safety

2 Human Rights

3 Socioeconomic Compliance

4 Employee Management

HEALTH AND SAFETY

Key Highlights in FY2025

- **All facilities in NGC remained ISO 45001:2018 – Occupational Health and Safety Management Systems (OHSMS) certified.**
- **Recorded a 17% decrease in work-related injuries.**
- **Reached an eight-year low in Lost Time Injury Frequency Rate, at 0.21.**
- **Continued implementation of our SIMPLE programme to support the holistic well-being of our employees.**

Why This Matters

Our culture of care is fundamental to both improving the quality of life of our Hartanians and strengthening the long-term sustainability of the Group. Ultimately, we aim to create value across our entire ecosystem by safeguarding our people and promoting a work environment that prioritises health.

Upholding HSE Best Practices and Good Governance

Our Health & Safety Policy lays the foundation for the procedures, reporting systems and awareness programmes we have in place. Guided by this policy, we have defined clear roles and responsibilities for both management and employees to ensure accountability at every level. Additionally, through open communication and embedding best practices in HSE, we are fostering a proactive safety culture that protects our workforce, as well as contractors, visitors and the wider community connected to our operations.

Our HSE efforts are spearheaded by our HSE Committee, which provides proactive oversight and engagement, facilitates clear communication, conducts accident investigations and actively promotes employee involvement in HSE matters. In line with legal requirements, the committee comprises members from both management and employee levels, fostering a collaborative approach to safety across the organisation.

The HSE Committee works closely with the HSE Department to oversee daily HSE operations across the business, such as ensuring regulatory compliance, monitoring KPIs and conducting audits. Through quarterly meetings, the committee addresses critical topics such as near-miss incidents, identifying risky behaviours and other safety concerns. Yearly management reviews are also conducted to evaluate our overall occupational health and safety performance.

To further strengthen our collaborative approach, we appoint foreign employees as safety ambassadors to help us cultivate a safety mindset among all Hartanians. Safety ambassadors are entrusted with responsibilities such as conducting daily safety walks in production areas. Additionally, all safety-related communications are accessible in the various languages spoken by our diverse workforce. These efforts help to instil a better understanding of the importance of safety practices among all employees, regardless of job grade, race or nationality.

We continuously enhance employee skills and safety awareness through comprehensive internal training plans, alongside various external health and safety trainings. In FY2025, a total of 1,269 employees underwent specialised training through the following programmes:

- ISO 45001 MS (Internal & Lead Auditor Training)
- Emergency Response Team (First Aider & Firefighter)
- Material Handling Equipment Operation (Forklift and Reach Truck)
- Train The Trainer (TTT) Training (General, Forklift & Reach Truck Trainer and First Aider)
- Safe Operation Training: Lock Out Tag Out (LOTO), Cutting, Welding & Grinding, Working Safely at Height, Chemical Handling
- Accident Investigation, Prevention and Reporting
- Hazard Identification, Risk Assessment and Risk Control (HIRARC) methodologies
- Authorised Entrant, Standby Person (AESP) and Authorised Gas Tester, Entrant Supervisor (AGTES)

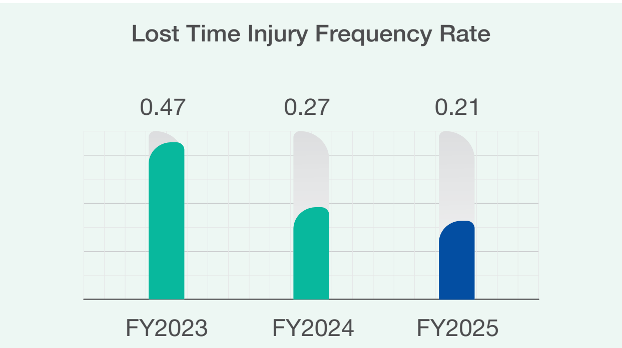
Alongside upskilling our workforce, strict standards for safety and environmental management are embedded throughout our operations. In FY2025, we maintained ISO 14001:2015 certification for our environmental management system, as well as ISO 45001:2018 OHSMS certification for our NGC facility.

Upholding our commitment to safety throughout our supply chain, we implement the Hartalega Vendors HSE Requirements, which apply to all vendors and suppliers partnering with us. These guidelines clearly define our expectations in terms of HSE compliance, including routine workplace risk evaluations, effective hazard controls, safe handling and disposal of chemicals, and adherence to sound ethical practices to safeguard workers' well-being.

We monitor our HSE performance by utilising the number of workplace accidents as a key indicator. In line with this, we minimise hazards by taking a proactive approach to addressing potential risk areas. This includes promptly investigating any red flags, which allows us to implement targeted corrective and preventive measures. By continuously addressing hazards in a timely manner, we ensure the safety and protection of all Hartanians, in compliance with the Occupational Safety and Health (Amendment) Act 2022 and the ISO 45001 Occupational Health and Safety Management System.

Our safety standards are reinforced through regular and thorough assessments of our HSE performance. This includes monthly internal audits conducted by the HSE Committee, annual external audits by DOSH, quarterly workplace HSE audits, and regular customer and social compliance audits.

As a result of our holistic approach to HSE, we did not receive any Notice of Incident (NOI) or Notice of Prohibition (NOP) from DOSH in FY2025. Additionally, we achieved an eight-year-low with a Lost Time Injury Frequency Rate of 0.21 and surpassed our previous accomplishments with a notable 17% reduction in recordable work-related injuries, as well as zero work-related fatalities.



Hazard and Chemical Management

Robust HSE protection is essential to our operations. Across all our sites, our Plan-Do-Act-Check approach forms the core of our comprehensive safety management system. Each process owner is tasked with utilising the HIRARC system to evaluate potential hazards. In the event of an incident, this system helps to identify root causes linked to human error, machinery, methods or materials. Supported by the HSE team, process owners then determine corrective actions, which are communicated throughout the organisation to ensure these incidents are addressed systematically.

We also maintain a sufficient pool of HSE competent persons, assigning specific responsibilities to qualified personnel such as safety and health officers, authorised entrants, standby personnel for confined spaces, first aiders, emergency responders and a dedicated team for handling chemicals and waste. Employees involved in these roles are required to undergo specialised training and wear appropriate PPE.

Contractors on-site must also adhere to strict safety protocols, including applying for Safe Work Permits and completing a Job Safety Analysis before commencing work with the Group. Furthermore, we conduct regular safety inductions and toolbox talks to ensure that all parties remain fully compliant.

In addition, we implement stringent procedures for the safe storage, labelling and handling of chemicals and hazardous materials. Our Emergency Response Team is fully equipped to manage spillage or leakage incidents quickly and effectively. All incidents are investigated by the HSE Department and process owners, with corrective actions recorded in our CAPA system. To reinforce transparency and foster a culture of continuous improvement, we keep all employees informed of investigation outcomes.

Healthcare Accessibility for Hartanians

At Hartalega, employee health is fundamental to our success. Through our comprehensive Health Management Programme, we provide accessible, tailored healthcare services that support both preventive care and immediate medical needs.

The programme provides free outpatient and inpatient care at our on-site sickbay, along with 24-hour ambulance services for urgent medical assistance. Employees potentially exposed to specific hazards receive mandatory medical check-ups, while Assistant Managers and above are entitled to annual medical check-up benefits. To further support our workforce, employees at all levels benefit from insurance coverage, which includes medical treatment expenses. In FY2025, we invested over RM2.2 million in our wide range of healthcare initiatives, comprising panel clinic medical fees, lab tests, medication, health screenings, testing kits, medical equipment calibrations and patient transport.

Our Worker Well-Being initiative also remained a priority, with a strong focus on chronic disease screenings for foreign workers and in-house audiometry tests for all employees. We continued to build momentum around our SIMPLE initiative for holistic employee health which we launched in FY2024, representing Self Care, Interaction, Movement, Psychological, Lawfulness and Eating Well. Key programmes in FY2025 included the management of both communicable and non-communicable diseases, blood donation drives and the WeCare4u Roadshow, which focused on the pillars of Self-Care and Eating Well. The roadshow was conducted on a quarterly basis and reached all operational phases. Another key initiative was the return of our Biggest Shredder 2.0 programme, which encouraged healthier lifestyles through sustained weight management and fitness. This 6-month weight loss programme is designed for employees with a Body Mass Index (BMI) above 30. Participants received personalised guidance on adopting healthier habits, with regular check-ins to track progress, and a prize awarded to the individual achieving the highest weight loss.

Complementing this, we strengthened our psychological wellness support through our electronic Depression, Anxiety and Stress Scale (e-DASS) platform. Accessible via the company portal, the e-DASS allows employees to assess their own mental well-being privately and voluntarily. Should any results raise concern, our sickbay team may reach out to offer support, strictly with the employee's consent.

In tandem, we provided mental health support modules including stress management, resilience-building and mental health first aid, ensuring our employees are better equipped to navigate personal and professional challenges. Alongside this, we leveraged our Hartanet platform to share relevant resources, such as health articles and procedural guidelines. We also engaged with key stakeholders to reinforce our 10 Life-Saving Rules.

In addressing workplace hazards, we continue to invest in protective measures, such as hearing conservation training, noise protection for exposed employees and regular audiometric testing. Additionally, to combat heat stress, we have implemented air-cooling systems and portable blowers in our manufacturing plants, ensuring a comfortable work environment.

Instilling a Safety-First Culture

We leverage a proactive, collaborative approach to instilling a safety-first culture at Hartalega. This is championed by our HSE Committee, comprising 97 management staff and worker representatives.

To equip our people with the knowledge and skills to navigate potential hazards, we conduct comprehensive site-wide and job-specific training. These include briefings on standard operating procedures and tailored HSE programmes based on our employees' roles, ranging from forklift operation and chemical handling to working at height and emergency response. In FY2025, we conducted 107 training sessions related to safety.

On-ground safety during operations is reinforced through targeted initiatives. Our Key Safety Behaviour Observation (KSBO) Programme focuses on compliance during live work activities and was expanded in FY2025 to cover production oven activities across all plants as part of our syneresis incident prevention efforts. This resulted in zero syneresis-related incidents recorded during the year. Meanwhile, our Owls Surveillance Programme remains active beyond regular working hours, ensuring that safety standards are upheld at all times.

To further encourage vigilance and early risk detection, the I See I Act system enables employees to proactively report hazards, while the OPL methodology helps integrate safe practices into daily workflows through clear simplified guides. Our Safety Culture Survey complements these initiatives by gathering employee feedback and insights into awareness, behaviour and overall engagement with our safety expectations.

In FY2025, we also rolled out the Stride Safe Programme to improve the visible separation between pedestrian walkways and moving machinery, supported by awareness campaigns and a framework for non-compliance. These efforts led to zero pedestrian-related incidents for the year.

In parallel, our Material Handling Equipment management was enhanced through the integration of forklift and reach truck procedures and the development of a standardised tagging system, simplifying inspection and verification processes. As a result, there were no issues flagged during external audits. Additionally, an inspection checklist was developed for powered hand tools and other critical equipment, with quarterly inspections conducted to verify ongoing maintenance. No incidents related to such equipment were recorded in FY2025.

During the year, we introduced a formal HSE Violation Ticket system, where any non-compliance with safety rules results in a ticket. Any tickets issued are investigated, with disciplinary procedures undertaken as needed.

As we strive for continuous improvement, we also launched a comprehensive compliance-based audit programme that evaluates each work area against legal requirements, internal policies and our Life-Saving Rules. A scoring system was introduced to highlight compliance levels and encourage ongoing progress. Additionally, we enhanced our crisis management plan to improve preparedness for potential emergencies. This included developing detailed response flowcharts to minimise operational disruptions and ensure effective recovery processes.

To promote open communication, employees are encouraged to report safety concerns without fear of reprisal. Aligned with ISO 45001 guidelines, we provide multiple reporting channels including via direct communication with supervisors, the HR Department and designated worker representatives.

We also uphold our safety standards beyond internal operations, with all vendors and suppliers required to comply with our Supplier Code of Conduct. Before receiving HSE clearance for site access, vendors must complete SOP training, toolbox briefings and weekly safety inductions. All visitors entering production areas must also attend mandatory safety briefings.

Through these comprehensive efforts, we ensure that regulatory requirements are fulfilled while actively cultivating a workplace environment rooted in safety.

Looking Ahead

As we progress in our HSE journey, we are focused on deepening safety accountability and hazard prevention. To this end, we plan to launch an educational programme to reinforce our updated Life-Saving Rules and expand the reach of our WeCare4u Roadshow to cover additional pillars under the SIMPLE initiative. Alongside this, we will continue strengthening our crisis management plan. Through these efforts, we aim to embed a stronger culture of safety-first thinking across Hartalega.

HUMAN RIGHTS

Key Highlights in FY2025

- **Awarded Gold Certification in the WRAP audit for our NGC facility.**
- **Maintained A rating by amfori BSCI for our NGC facility.**
- **Achieved Silver certification in the Responsible Business Alliance (RBA) audit.**
- **Awarded Gold in the Human Rights category at The Star ESG Positive Impact Awards for two consecutive years in 2022 and 2023.**

Why This Matters

As expectations around ESG grow more rigorous, the protection of human rights is a defining measure of responsible business. At Hartalega, dignity, equity and fair treatment across our workforce and supply chain is central to how we operate, as this is vital to building a sustainable, values-driven business.

Human Rights Governance and Accountability

Human rights governance and accountability at Hartalega is led by our CEO and Chief Human Resources Officer (CHRO). The CEO and CHRO are responsible for staying up to date on statutory requirements and global best practices, ensuring strict compliance with audit protocols and overseeing regular assessments of our social compliance performance across the supply chain. This enables us to meet the evolving expectations of our clients and stakeholders in upholding human rights.

Translating governance into action, our Social Compliance Department works closely with various departments to drive strong social compliance through rigorous audits, continuous improvement of policies and standards and the effective implementation of corrective measures. It also spearheads organisation-wide risk mapping to identify gaps, address vulnerabilities and support ongoing enhancement, while engaging key stakeholders to elevate labour rights.

As a staunch advocate of protecting human rights, our Social Compliance Policy sets out clear principles and practices for ethical conduct that apply to all employees and supply chain partners. Following an update in May 2024, the policy draws from internationally recognised standards including the Universal Declaration on Human Rights, United Nations Global Compact, UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, and OECD Due Diligence Guidance, amongst other global benchmarks. The policy is actively communicated both internally and externally to promote transparency, accountability and a shared sense of responsibility.

As a testament to our exemplary social compliance practices in place, Hartalega received the Gold Award in the Human Rights category at The Star ESG Positive Impact Awards for two consecutive years in 2022 and 2023.

Respecting Human Rights

Our human rights framework aligns with Malaysian laws and international benchmarks, including the ILO's 11 Indicators of Forced Labour. Demonstrating our proactive commitment to the EU Corporate Sustainability Due Diligence Directive, we initiated our HRDD process in FY2025, conducting in-depth interview sessions with employees and on-site service providers, and assessing suppliers.

To ensure accessibility and inclusivity, our key policies are provided in the primary languages spoken by our workforce, namely English, Bahasa Malaysia, Burmese, Indonesian, Nepali and Bengali. These are consolidated in our Employee Handbook, which is shared with all Hartanians and outlines essential information including our Code of Conduct, grievance mechanisms and workplace guidelines. For ease of reference, key policies are made available through our internal intranet and on our corporate website at https://hartalega.com.my/sustainability/corporate-governance/. These policies include:

- Social Compliance Policy
- Supplier Code of Conduct
- Whistleblowing Policy and Procedure
- Zero Cost Recruitment Policy

Upholding Human Rights Across Our Operations and Supply Chain

As part of our broader risk management framework and corporate governance strategy, we are continuously strengthening our social compliance practices. This entails enforcing strict Codes of Conduct for both employees and suppliers, alongside conducting comprehensive risk assessments across our operations and supply chain to proactively identify and address potential concerns. This approach enables us to maintain robust human rights protections throughout our organisation. Our commitment receives additional validation through regular audits conducted under globally recognised standards such as SMETA and amfori BSCI, WRAP and RBA, enabling us to consistently meet stakeholder expectations and maintain best practices in social compliance.

External Social Compliance Audits

To ensure our social compliance and human rights practices meet global standards, we implement both customer-appointed and self-initiated external audit programmes.

In FY2025, we underwent a total of 12 external audits at our NGC facility, including assessments under the amfori BSCI, WRAP and RBA frameworks. These audits reported no major or critical findings, allowing us to sustain an exemplary compliance record with an A rating in our amfori BSCI audit, "Gold" certification in our WRAP audit, and "Silver" certification in our RBA audit.

Internal Social Compliance Audits

We proactively detect and mitigate social compliance risks through a structured internal audit programme led by our Social Compliance Department. These audits serve as a critical first line of defence, enabling us to monitor adherence to our policies and swiftly implement corrective actions where needed.

In FY2025, we conducted 12 internal audits across our NGC facility. These included targeted assessments of in-house service providers such as canteen operators and security personnel. This approach allows us to strengthen internal controls, close compliance gaps and maintain our standards ahead of external audits.

Human Rights and Social Compliance Training

To embed awareness of human rights and social compliance across our workforce, we have instituted mandatory e-learning modules on an annual basis, while elected worker representatives help extend this information to employees without digital access. To reinforce accountability, management-level staff and other key personnel undergo specialised training, equipping them with the knowledge and skills to identify and manage human rights-related risks effectively.

In FY2025, our workforce collectively logged 3,977 hours of human rights and social compliance training via our e-learning platform. During the year, apart from the dedicated e-learning modules, our HR Department also strategically embedded social compliance modules within other training programmes, further enhancing learning outcomes.

Supply Chain Management

To safeguard human rights within our value chain, we implement rigorous pre-assessment audits for all new and existing on-site suppliers and subcontractors. These evaluations are carried out before any contracts are finalised, ensuring adherence to our social compliance regulations from the outset. Where necessary, we work closely with our suppliers to implement CAPA, supporting continuous improvement.

In FY2025, we deployed self-assessment questionnaires to our Tier-1 suppliers to evaluate their compliance with our Supplier Code of Conduct, enabling identification of potential risks in labour practices, health and safety, environmental management and business ethics.

Zero Cost Recruitment

Our Zero Cost Recruitment Policy remains a key initiative to uphold ethical hiring standards for foreign workers recruited through agencies in source countries. While no foreign workers were recruited in FY2025, this policy continues to serve as a cornerstone of our ethical hiring approach and will be applied in all future recruitment activities.

Supplier Capacity-Building

Recognising social compliance as a shared responsibility, we invest in capacity-building opportunities for key suppliers through structured training and engagement initiatives. These sessions address critical topics including recent legal and regulatory developments, key global standards such as SMETA, amfori BSCI, WRAP, RBA, the ILO's 11 Indicators of Forced Labour, ESG best practices and ethical procurement.

In FY2025, 55 of our key suppliers participated in our Supplier Capacity-Building training programme, with particular emphasis on ESG awareness and procurement best practices.

Implementing Best Labour Practices

The fair and respectful treatment of all employees is integral to our organisational culture. While adhering to local and international regulations, our policies go beyond compliance, implementing global best labour practices across our operations and supply chain.

Prohibiting Forced Labour

We maintain a firm stance against all forms of forced labour as reflected by our comprehensive policies, including our Supplier Code of Conduct, Prohibition of Forced Labour Policy and Zero Cost Recruitment Policy. We also provide transparent employment terms and strictly prohibit withholding personal documents of foreign employees such as passports and identity cards.

We continue to abide by our Modern Slavery Statement, reaffirming our zero-tolerance approach to modern slavery and human trafficking. This statement is publicly available on our website at https://hartalega.com.my/sustainability/.

To ensure consistency within our value chain, all suppliers and subcontractors are required to sign and comply with our Supplier Code of Conduct, which explicitly prohibits forced labour. In FY2025, we recorded zero reported incidents of forced labour.

Prohibiting Child Labour

We enforce a strict Child Labour Protection Policy that prohibits employment of individuals under 15 years of age or young workers aged 15 to 18, as detailed in our Social Compliance Policy. This policy is also explicitly stated in our Supplier Code of Conduct, which all suppliers and subcontractors must acknowledge and adhere to. The Code is publicly accessible on our corporate website at https://hartalega.com.my/sustainability/corporate-governance/.

With stringent safeguards in place, we recorded zero reported incidents of child labour in FY2025.

Worker Representation

At the heart of our positive and inclusive workplace culture is open communication, which we cultivate by ensuring equal representation and voice for foreign workers. We achieve this by facilitating the election of worker representatives from each hostel dormitory. These representatives are chosen by peers of diverse nationalities, serving as liaisons who voice the needs and concerns of their fellow workers. The most recent election took place at the end of 2024.

Worker representatives participate in monthly meetings organised by the HR Department, providing a direct channel to Senior Management. These sessions serve as a platform for conveying worker feedback and raising critical concerns. In addition to their advocacy role, the representatives oversee dormitory-related matters and play an active role in committees focused on migrant worker welfare, including the management of hostels and canteens.

As of FY2025, a total of 160 worker representatives are actively serving in these roles.

Grievance Mechanism

We have a comprehensive grievance mechanism in place that provides employees with secure and confidential channels to report misconduct or policy violations. These include QR codes, email, telephone, worker representatives, department managers, the HR Department and security supervisors. In FY2025, we further strengthened these reporting channels by including HR Business Partners (HRBPs) and HR Industrial Relations as additional points of contact.

Our Social Compliance and/or HR Departments initiate investigations upon receiving grievance reports, engaging whistleblowers within two weeks and achieving grievance closure within 60 days. Findings are reported directly to the Chief Human Resources Officer for appropriate action. In FY2025, we successfully resolved 22 reported grievances.

Supporting this framework is Hartalega Speak Up, our multilingual whistleblowing platform managed by an independent third party to ensure anonymity and accessibility. Further details on our Whistleblowing Policy and Procedure can be found at https://hartalega.com.my/sustainability/corporate-governance/.

Regulation of Working Hours

In line with our commitment to equitable working hours, we ensure full compliance with the Malaysia Employment Act. Demonstrating continuous improvement in working conditions, we are moving towards full implementation of a 60-hour work week, which is well below the national legal limit of 72 weekly hours.

Overtime hours are strictly regulated and are offered to employees voluntarily with fair compensation. We employ digital monitoring systems to accurately track, manage and maintain ethical working hours.

Advocating Equal Opportunities

We are dedicated to fostering a workplace culture founded on dignity and respect. The following policies and initiatives support this commitment:

- Our Prohibition of Discrimination Policy articulates our approach to cultivating an inclusive organisation free from discrimination. Employment application forms exclude discriminative elements such as gender, race, marital status, or dependent information.
- Equal employment opportunities are provided based on qualifications and skills, with positions advertised on career platforms including JobStreet and LinkedIn. Internal positions are shared through our intranet portal.
- The Accelerated Development Programme (ADP) provides structured career advancement pathways for both local and foreign high-performing employees, with equal opportunity requirements established by the HR Department.
- Our robust promotion process involves cross-departmental assessments by immediate supervisors and peers, ensuring objectivity in evaluating every candidate's performance and capabilities.
- We uphold the equal-job-equal-pay principle, guaranteeing that entry-level pay is the same for both local and foreign workers.
- Additionally, all employees have equal access to shared facilities such as the canteens, nursing rooms, personal lockers and sickbay.

We encourage employees to report discrimination through our confidential grievance channels, as outlined in our Whistleblowing Policy and Procedure. All cases receive confidential handling to protect employees, with appropriate disciplinary action taken to safeguard affected individuals and uphold our values. Severe cases may result in termination or reporting to authorities.

In FY2025, we recorded zero reported incidents of discrimination.

Prevention of Sexual Harassment

To provide a safe and respectful workplace for all, we have established a comprehensive Sexual Harassment Procedure. The procedure clearly defines actions constituting sexual harassment, delineates roles and responsibilities for employees, department heads, supervisors and the HR Department, and provides a structured complaint process ensuring timely and fair resolution.

To reinforce our policy and cultivate a secure work environment, our HR Department conducted various programmes including Tea Talks, worker representative meetings and walkabout sessions throughout the year. These initiatives enable grievance monitoring and address workplace harassment instances.

Any grievances or reports concerning corporal punishment or bullying can be directed to the HR Department or senior management, with all reported cases thoroughly investigated and appropriate disciplinary action implemented.

Decent Workplace for Quality of Life

We are committed to safeguarding the well-being of our foreign employees through dignified living conditions. The housing facilities we provide exceed the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019 (Act 446) required by Malaysian law and align with ILO regulations.

In FY2025, we invested over RM2.5 million into our latest hostel at our NGC 1.5 facility, towards ensuring our multi-purpose accommodation is well-equipped with comprehensive facilities and amenities that offer both functionality and comfort for our workers. The newly opened accommodation, Hostel 1.5, goes beyond minimum requirements, providing improved accessibility with passenger lifts in every block, dedicated male and female recreation rooms and services, on-site amenities such as a coffee shop and grocery store offering affordable essentials, and a volleyball court to encourage physical activity and team building.

We also introduced meaningful upgrades to our existing Hostel 1.0. These include the addition of two cafés offering convenient meal options for workers who prefer not to cook, each with televisions airing sports and leisure programmes. Furthermore, we invested RM153,000 to install window tinting throughout the hostel to reduce morning sunlight exposure and improve the sleep environment for night shift workers.

We also treat healthcare as a top priority with 24/7 outpatient and inpatient care available at our on-site sickbay. This is supported by a dedicated 24-hour Emergency Response Team and ambulance services for urgent medical attention.

Alongside this, our Health Management Programme supports all Hartanians in early detection and treatment of non-communicable diseases. Led by our dedicated sickbay team, the programme covers health services such as early detection screening and treatment of health conditions and non-occupational diseases, with all medical screening costs fully borne by the Group.

These efforts represent our steadfast commitment to creating a supportive and enriching environment for all our employees.

Freedom of Movement

We actively protect and support the rights of our foreign workers to move freely outside of working hours. To this end, we provide complimentary shuttle services from our hostels to nearby amenities and attractions. These include recreational trips to local tourist attractions, shopping areas and the mosque for prayers.

Moreover, we ensure that all migrant workers are free to return to their home countries upon the completion of their contracts and assist our foreign workers with travel arrangements and flight ticket purchases.

Freedom of Association and Collective Bargaining

In accordance with the Industrial Relations Act 1967 and the Trade Unions Act 1959, we respect the rights of all Hartanians to lawfully form, join or associate with trade unions and engage in collective bargaining. This extends to our broader supply chain as outlined in our Supplier Code of Conduct, which stipulates that all suppliers, contractors and service providers must allow their workers freedom of association and collective bargaining.

Proactive Stakeholder Engagement and Industry Collaboration

Fostering trust among our stakeholders requires transparency in communicating our social compliance performance. Accordingly, we regularly engage stakeholders and industry players to share our progress and reinforce our commitment to safeguarding human rights and labour practices. Testament to this, in FY2025, we continued to build trust through open dialogue with government authorities from key markets, customers, suppliers, NGOs, industry participants and academia. We also participated in key industry and collaborative initiatives focused on responsible recruitment and the protection of human rights.

Transparent Communication on Social Compliance Performance

- Regularly communicated social compliance performance updates to key regulatory authorities, embassies, academia and customers.
- Organised visits with local government agencies, embassies and clients, including tours of our factory premises and worker accommodation facilities.
- Facilitated ongoing engagements with our clients through various platforms.

Driving Positive Change via Industry Collaborations

- Collaborated with the Ministry of Human Resources, Federation of Malaysian Manufacturers, Malaysian Rubber Council (MRC) and other agencies to combat forced labour in Malaysia.
- Partnered with the ILO, MRC, Malaysian Rubber Glove Manufacturers Association, academic institutions, cross-sector industry participants and NGOs.
- Conducted knowledge-sharing sessions, self-assessments and audits as part of our Supply Chain Capacity-Building Programme, emphasising ESG awareness for our suppliers, foreign labour recruiters and in-house service providers.
- Promoted best practices and outreach within the glove sector and global supply chain in collaboration with industry participants and stakeholders worldwide, in line with our role as a founding member of the Responsible Glove Alliance and a member of the RBA.
- Actively participated as panel speakers at the annual RBA Conference, promoting best practices in social compliance.

Looking Ahead

We aim to maintain our position at the forefront of industry standards and regulatory developments through sustained stakeholder engagement alongside active participation in global forums and industry-wide initiatives. We also plan to expand our HRDD to encompass the wider community, conducting annual reviews in conjunction with external audit and visit inputs. In tandem, our efforts to build a responsible supply chain will continue through the Supply Chain Capacity-Building programme, while our employee training initiatives will continue to integrate human rights and social compliance.

SOCIOECONOMIC COMPLIANCE

Key Highlights in FY2025

- **Maintained SEDEX membership.**
- **Recorded zero incidents of non-compliance with local or international socioeconomic laws and regulations.**

Why This Matters

In today's business environment, where social compliance is increasingly viewed as intrinsic to sustainable success, we are dedicated to adhering to socioeconomic standards in line with both domestic regulations and international best practices. By embedding fairness, respect and accountability into every aspect of our operations, we safeguard our business integrity while contributing to broader societal progress.

Upholding Social Compliance

Anchored by our SHIELD values and steered by our Social Compliance Policy, we are committed to cultivating a workplace rooted in equality, inclusivity and ethical conduct. Our policies align with Malaysian labour laws and international frameworks such as the ILO's core conventions, supporting fair labour practices and the protection of human rights. These principles are integral to ensuring all employees are treated with dignity, regardless of gender, background, race or religion.

Our approach also strengthens Hartalega's standing as a leader in ethical business conduct. We maintain compliance with statutory requirements including the Companies Act 2016, Bursa Malaysia's Main Market Listing Requirements and the MCCG. We also undergo regular internal and external social compliance audits based on globally recognised standards such as SMETA, amfori BSCI and WRAP. In FY2025, we conducted 12 external social compliance audits, further reinforcing our commitment to best practices.

To reinforce a corporate culture grounded in integrity, we have implemented a Conflict of Interest Policy, whereby employees must declare any potential conflicts involving external vendors. New vendors are also required to submit declarations, ensuring ethical alignment across our supply chain.

Our efforts have enabled us to maintain our SEDEX membership and our inclusion in the FTSE4Good Bursa Malaysia Index. Furthermore, there were zero recorded incidents of non-compliance with local or international socioeconomic laws and regulations in FY2025, and no significant fines or non-monetary sanctions imposed.

Looking Ahead

We will continue to strengthen our policies and procedures moving forward. This includes expanding our HRDD to include external parties such as local communities and nearby businesses to deepen our understanding of socioeconomic factors surrounding our operations. This is part of our aim to consistently exceed compliance standards and deliver sustainable value for the wider ecosystem in which we operate.

EMPLOYEE MANAGEMENT

Key Highlights in FY2025

- **Awarded Gold for Best HR Team (MNC) and Excellence in Talent Management at the HR Excellence Awards 2024.**
- **Enhanced the ADP and Supervisor Development Programme (SDP).**
- **Improved employee benefits, including expanded medical coverage.**
- **Introduced Gear-Up Programme to equip new joiners with foundational knowledge of the glove manufacturing process.**
- **Established Competency Development Framework to guide structured upskilling.**

Why This Matters

We are firm believers that empowered employees are key drivers of innovation and long-term success. By investing in their growth and development, we enable them to realise their potential, which in turn strengthens our overall resilience as a company. Building on our SHIELD core values, we strive to nurture an environment where every employee has the opportunity to excel and contribute to the future of our business.

Embracing Diversity and Inclusion

In today's global business environment, the perspectives, ideas and experiences that come from diversity are invaluable. To this end, we are committed to cultivating an inclusive workplace where every individual is respected, valued and empowered, regardless of their background. Underpinning this is our zero-tolerance policy against discrimination and harassment, which ensures that all employees have equal opportunities to thrive. Our recruitment processes are guided by strict due diligence measures that promote fairness and transparency. As a testament to our approach, FY2025 saw zero reported incidents of discrimination.

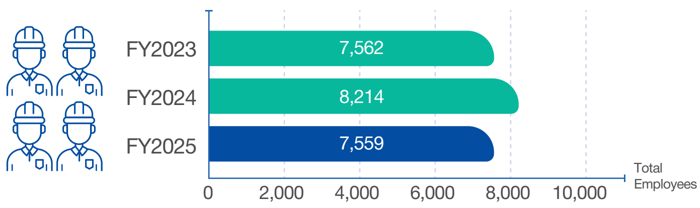
To continue fostering a diverse workforce, during the year we broadened our recruitment efforts by partnering with 24 leading academic institutions. Our Dynamic Growth Internship Programme (DRIP) also remained a vital part of our strategy to attract high-potential students and nurture future talent. In FY2025, 34 interns participated in DRIP, gaining valuable hands-on experience.

For new hires, we prioritise a smooth onboarding experience, helping them integrate into our culture and understand their roles, responsibilities, and our organisational values. Beyond onboarding, we offer defined pathways for career development, including lateral movement opportunities to support continuous learning, growth and long-term talent retention.

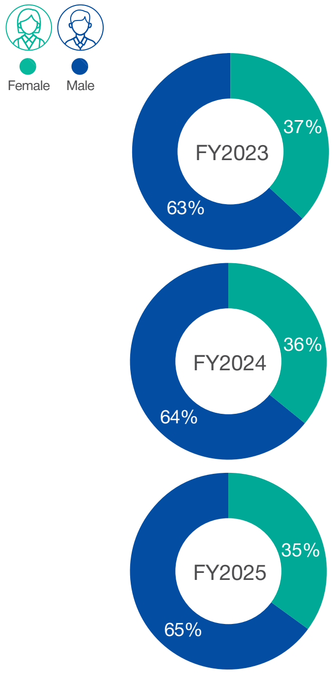
In line with our focus on workforce stability, we introduced executive attrition reduction as a KPI for our Senior Management Team in FY2024. While we had a 24% attrition rate, we are actively enhancing employee benefits, expanding leadership training and investing in professional development to strengthen retention and foster long-term growth.

Total Employees

TOTAL EMPLOYEES BY FINANCIAL YEAR

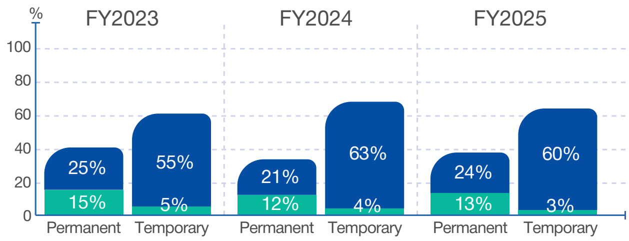


PERMANENT EMPLOYEES, BY GENDER



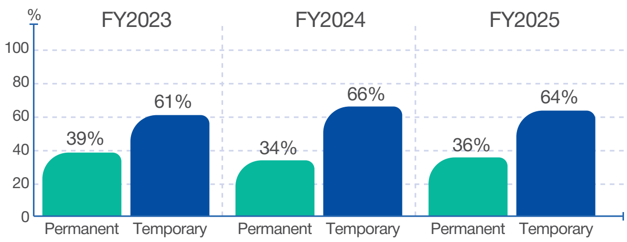
BY EMPLOYMENT CONTRACT, BY GENDER

Female Male



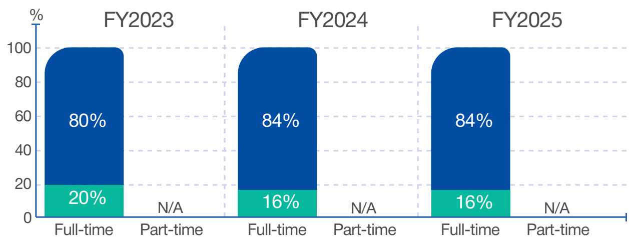
BY EMPLOYMENT CONTRACT, BY REGION

Local International



BY EMPLOYMENT TYPE, BY GENDER

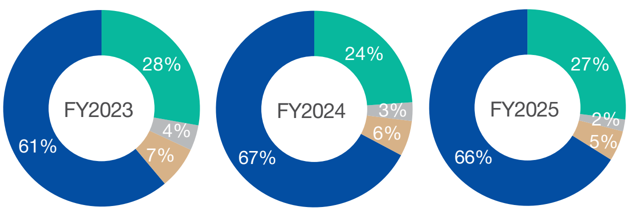
Female Male



Ethnic and Nationality Diversity

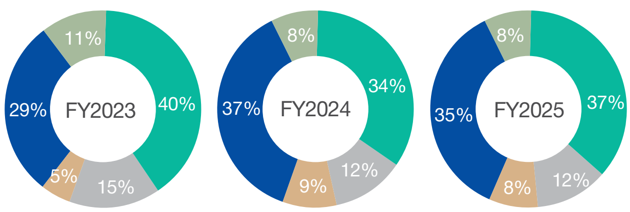
ETHNIC DIVERSITY BY FINANCIAL YEAR

Malay Chinese Indian Others



NATIONALITY DIVERSITY BY FINANCIAL YEAR

Malaysian Bangladeshi Indonesian Nepalese Burmese



Board of Directors' Diversity

BOARD OF DIRECTORS' DIVERSITY BY FINANCIAL YEAR

● Female ● Male

Female

FY2023

Age Group	Percentage
Under 30	–
Between 30 – 50	–
Above 50	33%

FY2024

Age Group	Percentage
Under 30	–
Between 30 – 50	–
Above 50	30%

FY2025

Age Group	Percentage
Under 30	–
Between 30 – 50	–
Above 50	30%

Male

FY2023

Age Group	Percentage
Under 30	–
Between 30 – 50	22%
Above 50	45%

FY2024

Age Group	Percentage
Under 30	–
Between 30 – 50	30%
Above 50	40%

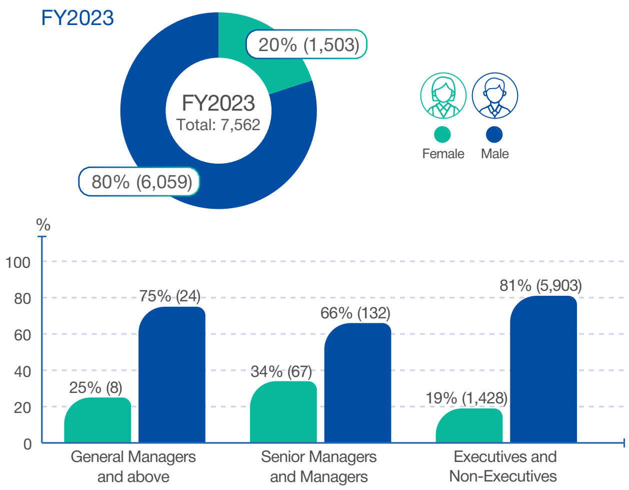
FY2025

Age Group	Percentage
Under 30	–
Between 30 – 50	30%
Above 50	40%

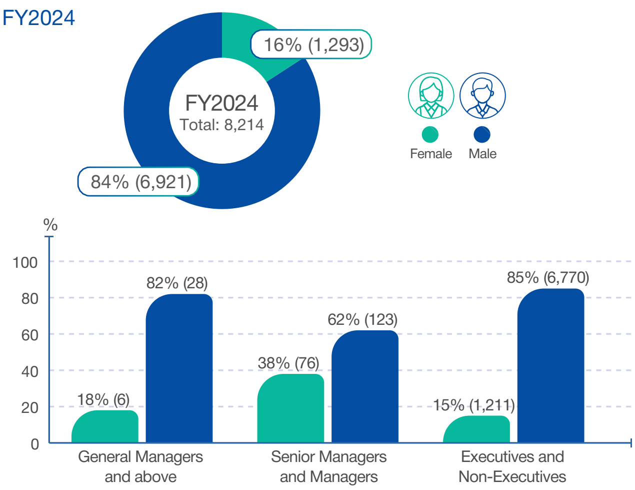
Employee Gender Diversity

EMPLOYEE GENDER DIVERSITY BY FINANCIAL YEAR

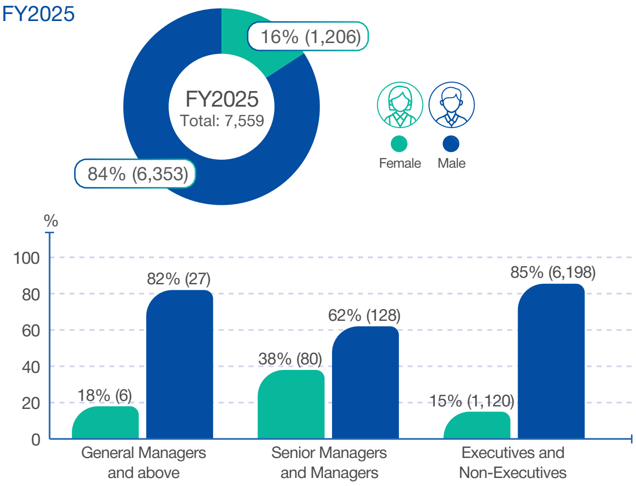
FY2023



FY2024



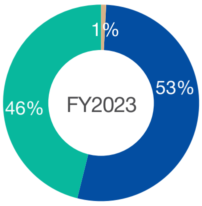
FY2025



Employee Diversity by Age Group

EMPLOYEE AGE GROUP DIVERSITY BY FINANCIAL YEAR

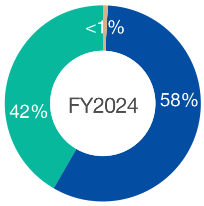
Under 30 · 30 – 50 · Over 50



General Managers and above
Under 30 : **N/A**
30 – 50 : **25 (78%)**
Over 50 : **7 (22%)**

Senior Managers and Managers
Under 30 : **3 (2%)**
30 – 50 : **183 (92%)**
Over 50 : **13 (7%)**

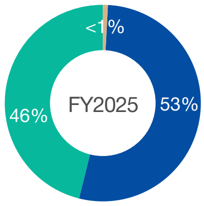
Executives and Non-Executives
Under 30 : **4,016 (55%)**
30 – 50 : **3,241 (44%)**
Over 50 : **74 (1%)**



General Managers and above
Under 30 : **N/A**
30 – 50 : **27 (79%)**
Over 50 : **7 (21%)**

Senior Managers and Managers
Under 30 : **10 (5%)**
30 – 50 : **181 (91%)**
Over 50 : **8 (4%)**

Executives and Non-Executives
Under 30 : **4,734 (59%)**
30 – 50 : **3,206 (40%)**
Over 50 : **41 (1%)**



General Managers and above
Under 30 : **N/A**
30 – 50 : **26 (79%)**
Over 50 : **7 (21%)**

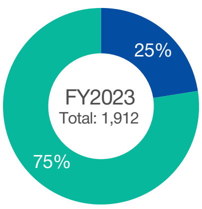
Senior Managers and Managers
Under 30 : **7 (3%)**
30 – 50 : **194 (94%)**
Over 50 : **7 (3%)**

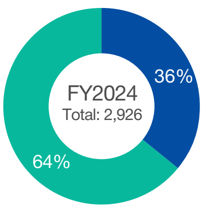
Executives and Non-Executives
Under 30 : **4,063 (56%)**
30 – 50 : **3,240 (44%)**
Over 50 : **15 (<1%)**

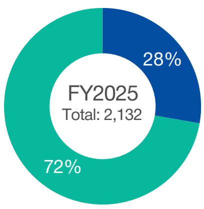
New Hires

TOTAL NEW HIRES BY FINANCIAL YEAR

Existing Workforce · New Hires







NEW HIRES: GENDER BY FINANCIAL YEAR

FEMALE
FY2023 : **459 (6%)**
FY2024 : **443 (6%)**
FY2025 : **753 (10%)**

MALE
FY2023 : **1,453 (19%)**
FY2024 : **2,483 (30%)**
FY2025 : **1,379 (18%)**

NEW HIRES: AGE GROUP BY FINANCIAL YEAR

UNDER 30
FY2023 : **1,312 (17%)**
FY2024 : **2,139 (26%)**
FY2025 : **1,556 (20%)**

30 – 50
FY2023 : **599 (8%)**
FY2024 : **784 (10%)**
FY2025 : **570 (8%)**

OVER 50
FY2023 : **1 (<1%)**
FY2024 : **3 (<1%)**
FY2025 : **6 (<1%)**

NEW HIRES: REGION BY FINANCIAL YEAR

LOCAL
FY2023 : **902 (12%)**
FY2024 : **1,190 (15%)**
FY2025 : **2,094 (27%)**

INTERNATIONAL
FY2023 : **1,010 (13%)**
FY2024 : **1,736 (21%)**
FY2025 : **38 (<1%)**

Employee Turnover

EMPLOYEE TURNOVER BY FINANCIAL YEAR

General Managers and above
FY2023 : **9**
FY2024 : **4**
FY2025 : **4**

Senior Managers and Managers
FY2023 : **35**
FY2024 : **54**
FY2025 : **33**

Executives and Non-Executives
FY2023 : **3,187**
FY2024 : **2,082**
FY2025 : **2,272**

Promoting Fair Remuneration

We adopt a fair and transparent remuneration approach to attract and retain high-quality talent, recognise performance and support long-term growth. We benchmark market data and apply role-based pricing to ensure compensation is both equitable and competitive. Employees are encouraged to engage with their designated HRBPs for any related queries, while foreign workers are supported by translators from our Employee Relations team to ensure clear understanding.

Our performance-driven reward system is central to how we recognise achievements. Employees undergo structured appraisals involving individual KPIs, self-evaluations and reviews by direct managers and Senior Management. These assessments guide the allocation of performance bonuses, complemented by a company-wide profit-sharing scheme that builds a sense of collective ownership. Outcomes such as increments and bonuses are communicated clearly to promote accountability and trust.

To reinforce gender equity, we maintained a 1:1 basic salary ratio between male and female employees across all job levels.

Reflecting our commitment to fair treatment across all levels, employees earning below RM4,000 per month who work overtime receive overtime pay in line with Malaysian labour laws. In addition, executives who work on designated rest days are compensated with replacement leave.

Ensuring Employee Well-Being and Wellness

In caring for the welfare of our people, we strive to support physical health, mental wellness and work-life balance through a comprehensive benefits package. Encompassing both preventative and responsive health needs, the package offers extensive insurance coverage including Group personal accident, hospitalisation and surgical, and Group term life insurance.

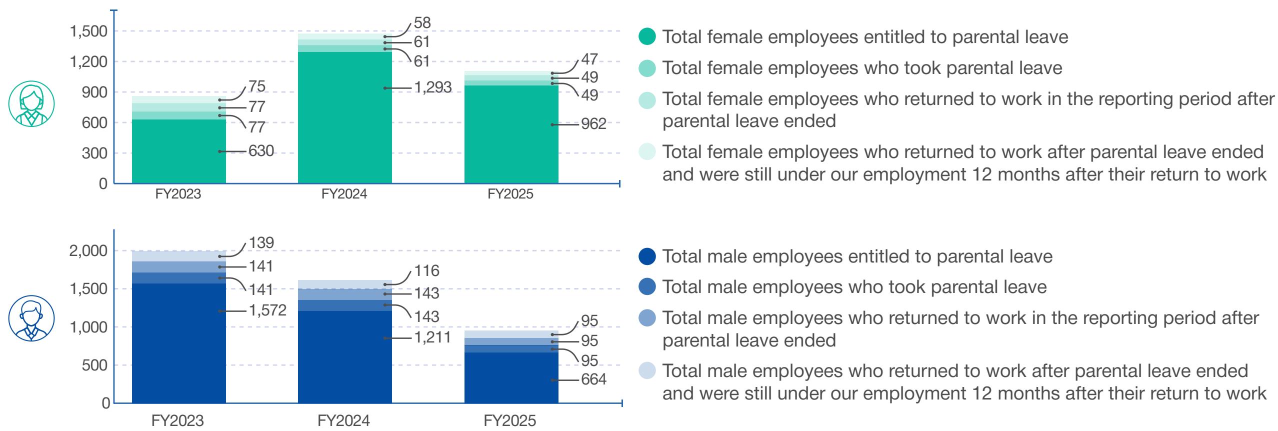
Alongside insurance coverage, employees are also entitled to a range of leave benefits, such as annual, sick, compassionate, marriage, maternity, paternity and examination leave. To further support preventative healthcare, we offer annual medical screenings, dental benefits and gym subsidies. In FY2025, we enhanced medical benefits to include outpatient coverage for dependents of executive and non-executive employees, as well as improving the daily allowance for admissions to government hospitals. We also increased public holiday entitlements for local non-executive employees.

To support working parents and caregivers, our on-site facilities include private nursing rooms for breastfeeding mothers and priority parking bays for pregnant employees. Since FY2024, we have also run our SIMPLE Nutritional Awareness Day to educate employees on smart eating habits and balanced diets, promoting healthier lifestyles across the workforce.

Recognising that mental health is equally important to our employees' well-being and the resilience of our organisation, we offer ongoing support through our Employee Assistance Programme and Mental Well-Being Programme. Employees are also guided in recognising signs of depression, anxiety and stress via our e-DASS system. These initiatives are complemented by Flexible Work Arrangements and Work From Home Policy for eligible employees, promoting healthier work-life integration and productivity.

Our people-first approach continues to deliver meaningful results. In FY2025, we recorded a 100% return-to-work rate among employees who took parental leave, highlighting the strength of our supportive workplace culture and wellness-driven policies.

Parental Leave



Return-to-work rate after parental leave remains at **100%** for both genders across FY2023, FY2024, and FY2025

Investing in Our People

In an environment shaped by rapid technological change and shifting market dynamics, continuous upskilling is essential to sustaining our competitive edge. In FY2025, we advanced our talent development efforts by rolling out 239 training programmes under our Yearly Training Plan.

These programmes are tailored to build technical capabilities, cultivate a future-ready workforce and strengthen our long-term organisational resilience. Among the growth and development opportunities offered to employees are:

- Competency Development Programme
- SOJT Programme
- ADP
- SDP
- Mastering Leadership Programme (MLP)
- TTT Programme
- BUILDER Programme
- EXPLORER Programme
- Technical Ladder Programme
- DRIP
- Technical Career Path (TCP)

A key highlight in FY2025 was the enhancement of the ADP, now structured around three pillars, namely functional generic, functional specific, and soft and leadership skills. A total of 160 graduates successfully completed the programme during the year. The SDP was also revamped to better equip frontline leaders with core competencies required for operational excellence. To build in-house training capacity, we launched the TTT Programme, successfully certifying 39 internal trainers to lead high-quality learning experiences. To further embed excellence, we introduced the Hartalega Way, a framework for capturing and sharing internal best practices to drive consistent performance and foster a high-performance culture. We also rolled out the TCP initiative, introducing new job grades to encourage career progression and recognise technical expertise.

To support the upskilling of our Senior Management team, our MLP focuses on advanced leadership skills to help drive the organisation forward. In FY2025, we deepened our leadership pipeline by launching the BUILDER and EXPLORER programmes, tailored for middle managers and early-career executives respectively.

As part of our succession planning, we completed a Group-wide talent review via the SAP SuccessFactors platform. This allowed us to identify high-potential individuals and provide them with targeted development to prepare for future leadership roles.

To promote continuous learning, our Employee Educational Sponsorship Programme supports team members in pursuing tertiary education at accredited institutions. We also subsidise membership fees for relevant professional bodies, reinforcing professional development and industry engagement.

The Hartalega Academy, our dedicated training hub, continues to serve as a platform for capability building. In FY2025, a total of 1,188 e-learning modules were delivered through the HartaLearns system, complemented by 833 in-person training sessions facilitated by subject matter experts at the Academy.

Our suite of talent development programmes contributed to a total of 89,391 training hours in FY2025.

Total Training Hours & Investment

TOTAL TRAINING HOURS & INVESTMENT BY FINANCIAL YEAR

FY2023	FY2024	FY2025
145,778 hours	**107,614 hours**	**89,391 hours**
RM1.50 million	**RM1.02 million**	**RM2.28 million**

EMPLOYEE CATEGORY BY FINANCIAL YEAR

General Managers and above	Senior Managers and Managers	Executives and Non-Executives
FY2023: **1,407 hours**	FY2023: **13,916 hours**	FY2023: **130,455 hours**
FY2024: **1,299 hours**	FY2024: **5,797 hours**	FY2024: **100,519 hours**
FY2025: **891 hours**	FY2025: **10,861 hours**	FY2025: **77,639 hours**

Average Training Hours

EMPLOYEE GENDER BY FINANCIAL YEAR

FEMALE	MALE	OVERALL
FY2023: **30.0 hours**	FY2023: **16.6 hours**	FY2023: **19.3 hours**
FY2024: **18.6 hours**	FY2024: **12.1 hours**	FY2024: **13.1 hours**
FY2025: **22.4 hours**	FY2025: **9.8 hours**	FY2025: **11.8 hours**

EMPLOYEE CATEGORY BY FINANCIAL YEAR

General Managers and above	Senior Managers and Managers	Executives and Non-Executives
FY2023: **44.0 hours**	FY2023: **69.9 hours**	FY2023: **17.8 hours**
FY2024: **38.2 hours**	FY2024: **29.1 hours**	FY2024: **12.6 hours**
FY2025: **27.0 hours**	FY2025: **52.2 hours**	FY2025: **10.6 hours**

Engaging with Our People

To strengthen employee connection and cultivate a thriving workplace, we utilise an annual Employee Engagement Survey. In FY2025, our overall engagement score stood at 55%, highlighting both areas of strength and opportunities for improvement.

	FY2023	FY2024	FY2025
Employee Engagement Score (%)	66	58	55

The survey results indicated that employees rated our collaborative culture, career development and performance management as key strengths, highlighting appreciation for teamwork, growth opportunities and structured evaluations. At the same time, the findings highlighted opportunities for improvement in areas such as employee recognition, workplace flexibility and a stronger sense of purpose. Encouragingly, seven departments recorded higher engagement scores compared to the previous year, suggesting that our targeted initiatives are driving positive change at the departmental level.

During the year, we implemented various efforts to enhance the overall employee experience. This included:

- The Signature Leadership Programme encompassing the MLP, BUILDER and EXPLORER programmes to develop people managers.
- Engagement sessions with Senior Management, enabling open dialogue and alignment between employees and the leadership team.
- Inclusivity events to celebrate our diverse workforce and foster a sense of community.
- Our Talent Knowledge Share initiative, providing a platform for employees to present learnings and accomplishments during townhall sessions.
- Team-building efforts to strengthen cross-departmental relationships.

Our ongoing efforts to build a connected and inclusive workplace culture have received recognition at the industry level. At the HR Excellence Awards 2024, Hartalega was honoured to receive the Gold Award for Best HR Team (MNC) and Excellence in Talent Management, as well as a Silver Award for Excellence in Graduate Recruitment and Development. These accolades reflect our deep commitment to creating a supportive, engaging and purpose-driven work environment.

Looking Ahead

We are focused on enhancing employee engagement, reducing attrition and promoting inclusivity. Our priorities include improving benefits and well-being initiatives, upholding ethical labour practices and expanding cost-effective learning opportunities. We also aim to restructure our knowledge management framework, deepening university partnerships and continue rolling out the TCP programme to support specialist talent development.

In tandem, we strive to improve the leadership capabilities of our managers through our Signature Leadership Programme, while enhancing overall training quality via the Hartalega Way. At the same time, we are establishing a more holistic competency development framework that extends beyond operational roles to drive continuous upskilling and improve job satisfaction. Fresh graduates are a vital part of our talent pipeline, complemented by stronger succession planning efforts, both of which contribute to better career progression opportunities and a more resilient workforce.

PILLAR 4

Contribute To The Well-Being Of Local Communities

Our responsibility to the communities around us goes beyond business growth. We are deeply invested in building stronger, healthier and more sustainable communities by supporting local development and creating opportunities for meaningful progress.

LOCAL COMMUNITIES

Key Highlights in FY2025

- **85% of our operations have implemented structured local engagement initiatives.**
- **Channelled over RM1.44 million into community initiatives, comprising RM1.19 million via Yayasan Hartalega and RM250,276 through our CSR programmes.**
- **Our employees volunteered a total of 7,386 hours towards CSR efforts, more than doubling the hours contributed in FY2024.**

Why This Matters

Our growth is closely tied to the people and communities in which we operate. We believe that shared success begins with social responsibility, particularly in helping underserved communities thrive. Through our philanthropic foundation, Yayasan Hartalega, alongside various CSR efforts, we continue to expand the reach and depth of our community investments.

In FY2025, we channelled over RM1.44 million into community initiatives, comprising RM1.19 million via Yayasan Hartalega and RM250,276 through our CSR programmes. With programmes focused on our four core pillars, namely Education, Health, Environment and Community, this investment benefitted 39,294 individuals. Additionally, our employees contributed a total of 7,386 volunteering hours towards these CSR efforts, representing more than double the hours contributed in FY2024.

To ensure our impact is meaningful and sustainable, 85% of our operations have implemented structured local community engagement and development programmes to date. We have also shifted from direct monetary aid to in-kind donations with the intention of improving transparency, reducing risks of fund mismanagement and ensuring that support is aligned with actual community needs.

Giving Back

Our outreach activities are rooted in supporting underserved communities, especially those most affected by financial hardship, limited access to education, or health-related challenges. In FY2025, we continued to deliver targeted support in the form of festive season contributions, healthcare outreach, environmental initiatives alongside various educational and financial assistance.

As part of our efforts to give back to communities, we prioritise meaningful engagements. Alongside Yayasan Hartalega's collaborations with other organisations to carry out community-centric initiatives, we also engage with stakeholders such as community leaders and local representatives to ensure our initiatives remain relevant and responsive.

Throughout FY2025, a total of 39,294 individuals benefitted from our social impact efforts, including 12,547 through Yayasan Hartalega and 26,747 via our other dedicated CSR programmes.

Uplifting Communities

Our goal is to uplift lives and create conditions where communities can flourish. We continued to advance inclusive programmes that cut across ethnic, cultural and generational divides, reflecting our role as a socially responsible corporate citizen.

Kongsi Rezeki Programme

Our annual Kongsi Rezeki programme continued to bring festive cheer and care to communities in and around Sepang, with a total of 1,831 beneficiaries reached this year through various seasonal initiatives and food assistance efforts, made possible by our dedicated volunteers and partners.

- *Kongsi Rezeki Ramadan and Raya*
  In Kampung Labu Lanjut, 800 beneficiaries received essential grocery items such as rice, cooking oil, tea, coffee and canned food to ease their daily burdens during the festive season.

At Politeknik Banting, we supported 110 B40 students under Program Food Bank Siswa, providing them with convenient and nutritious products.

- *Kongsi Rezeki Deepavali*
  In conjunction with Deepavali, 121 beneficiaries from Taman Suria in Bestari Jaya received staple goods including rice and cooking oil. These contributions reached a total of 484 households.

- *Kongsi Rezeki Chinese New Year*
  During Chinese New Year, we brought festive joy to 800 beneficiaries in Kota Warisan through the distribution of daily necessities such as rice, cooking oil, coffee and tea.

Supporting Rural Communities in Sabah

In FY2025, we embarked on a new partnership with Hopes Malaysia, a Sabah-based NGO, to support two rural community projects. The Kampung Sogoh Gravity Water project brought clean water access to 464 residents through the installation of pipelines and water tanks, addressing a long-standing need for a village that had struggled for over 50 years. The second project entailed refurbishing the 100-metre Kampung Lobong-Lobong Bridge, used daily by over 100 villagers, farmers and students. The upgraded bridge, built with sustainable materials to ensure better durability, now provides safer and quicker access, reducing the journey by 2km.

Iftar@KL with MUN Global

In collaboration with our distribution arm MUN Global, Hartalega was a sponsor of one of Kuala Lumpur's most prominent community events during the month of Ramadan, Iftar@KL. Organised by the National Department of Culture and Arts, the four-day celebration brought together over 35,000 participants. We contributed a combined RM12,000, comprising GloveOn COATS® gloves and aprons to support more than 60 food truck operators and bubur lambuk volunteers, which included our team of Hartanians. The initiative benefited 500 individuals and reflected our commitment to community well-being, hygiene and food safety during this meaningful season.

Fostering Unity and National Pride

In celebration of Malaysia's Independence Day, we engaged the community of Seksyen 5, Kota Puteri, through our Sambutan Ambang Merdeka 2024 event. Highlights included a Decorated Bicycle & E-Scooter Parade themed around famous and historical buildings in Malaysia, a Best Traditional Attire Contest featuring state costumes, and a Merdeka Song Karaoke Contest for both children and adults.

EPIC Homes Programme for Orang Asli

In FY2025, we continued to work with EPIC Homes, completing the construction of four homes for Orang Asli families in Kampung Songkok, Batang Kali. Following a Basic Builder Workshop, 120 Hartanians joined hands to build safe homes for these families.

Financial Aid for the Elderly and Orphans

Hartalega provided quarterly contributions to support grocery expenses for three care centres, benefitting 53 residents of Pusat Jagaan Warga Tua Jasheira, Rumah Payung and Tunas Harapan.

Enhancing Health and Well-Being

The welfare of our people is of utmost importance to us. Reflecting this, we implemented the following initiatives during the year.

Pink Ribbon Campaign

In conjunction with Pink October, we continued our partnership with the Breast Cancer Welfare Association Malaysia (BCWA) to raise awareness on breast cancer and the importance of early detection. Through proceeds from the Hartalega Unity Run and support from our CSR team, we contributed a total of RM30,000 to BCWA to support their important work. Additionally, the MURNI mobile unit also returned to our NGC facility to offer free clinical breast examinations to 1,400 employees.

Contributing Medical Equipment

As part of our CSR efforts, we donated five YUWELL Portable Phlegm Suction Pumps and five standard wheelchairs to Pertubuhan Membantu Pesakit Parah Miskin Malaysia, with a total contribution valued at RM3,600. This contribution was aimed at helping to ease the burden of patients in need and supporting the organisation's mission of providing assistance to underprivileged communities.

Empowering Young Malaysians

With the aim of making a meaningful impact in the lives of young Malaysians, we continued to invest in youth education and development throughout the year.

STEM Fest 2024

To promote science and innovation among youths, Hartalega contributed to the 7th edition of the STEM Fest, organised by STEM 4 ALL Makerspace. The event featured workshops, interactive exhibits and hands-on activities designed to spark curiosity among students and aspiring young scientists. As part of our contribution, we provided gloves to participants and the organising team to ensure safe handling of equipment and materials, with a total of 100 beneficiaries reached.

Enhancing Digital Access

In an endeavour to support digital inclusion and learning opportunities, Hartalega's CSR and IT Departments donated 60 refurbished desktop computers to SK RTB Bukit Changgang. Through this initiative, we hope to strengthen digital literacy and learning opportunities, while giving new life to valuable resources.

Supporting Education through Teach for Malaysia (TFM)

Through our strategic partnership with TFM, we continue to support quality education in underserved communities. In FY2025, Hartalega was the closing speaker at TFM's Kem SKORlah, a three-week holiday programme designed to prepare TFM Fellows before they begin their teaching placements. Held at SK La Salle in Jinjang, the programme saw 26 Fellows conducting English and History lessons for students aged six to 11, helping to cultivate communication, leadership and teamwork skills among young learners. Through our support for TFM, we have reached a total of 11,950 beneficiaries to date, demonstrating Hartalega's commitment to empowering communities through education.

Discover Muay Thai (DMT)

DMT is an intensive four-month development programme aimed at empowering at-risk and underprivileged Malaysian youth. Yayasan Hartalega has supported the programme for six years. In 2024, 16 participants successfully completed the programme and proceeded to embark on a three-month on-the-job monitoring phase. Beyond physical training, the programme teaches essential life values through classes in religion, morals, English and entrepreneurship, complemented by weekly volunteering activities.

Hartalega Scholarships

Hartalega offers scholarships ranging from RM20,000 and RM40,000 per year to support qualified students pursuing four-year degrees in Engineering or IT. With a target of sponsoring up to 20 students, one scholarship has been successfully awarded to date.

Protecting the Environment

Recognising the pressing need to address environmental challenges, Hartalega is dedicated to minimising the impact of our operations and preserving our planet. The initiatives outlined below demonstrate our ongoing efforts to reduce our environmental footprint and protect biodiversity.

Elephant Conservation

To support the National Elephant Conservation Centre's critical role in protecting Malaysia's elephant population, 70 Hartanians volunteered at the centre in Kuala Gandah, Pahang. The team assisted the caretakers with daily operations such as enclosure cleaning, food preparation and feeding activities, while also gaining a deeper understanding into meaningful conservation efforts.

River Clean-Up

A total of 40 Hartanians volunteered in a river cleaning initiative in Kampung Kuantan, Kuala Selangor, successfully removing 200kg of debris from the river downstream. The team also took part in environmental conservation activities such as watering plant nurseries and learning about the care of Berembang and Palm trees, which serve as vital habitats for the local firefly population.

Looking Ahead

Guided by strong corporate governance and a steadfast commitment to sustainability, we are dedicated to advancing positive social impact and environmental stewardship. We aim to continue innovating and collaborating with key stakeholders to drive meaningful progress for our communities and the planet.

STATEMENT OF ASSURANCE – INTERNAL REVIEW BY INTERNAL AUDIT

In line with Hartalega's commitment to transparency and accountability in sustainability reporting, this Sustainability Statement has been subjected to an internal review by the Internal Audit Department (IAD). The review covered the Bursa Malaysia Common Sustainability Matters (BCSM) and Bursa Common Indicators (BCI) to ensure that all material aspects are reported in accordance with Bursa Malaysia's Sustainability Reporting requirements.

The IAD's review supports Hartalega's pursuit of high-quality, credible sustainability disclosures and continuous improvement in ESG performance reporting.

Objective

This internal review was carried out to provide comfort to Hartalega's Board, Management, and its stakeholders that all material sustainability aspects have been accurately and reliably reported. The review focused on evaluating the completeness, traceability, and consistency of the reported data against source documentation and the internal controls surrounding the reporting process.

Independence and Governance

The IAD staff involved in this review had no role in the preparation of the FY2025 Sustainability Report or Integrated Annual Report. The scope and results of the review were endorsed by the Hartalega Audit Committee.

Standards Referenced

The verification was carried out based on the following standards:

a) International Professional Practices Framework (IPPF) 2017 as required by Bursa, with further adherence to The Institute of Internal Auditors' new Global Internal Audit Standards (GIAS), effective January 2025
b) Bursa Malaysia Sustainability Reporting Guide – 3rd Edition 2022 & Toolkits

Methodologies Adopted

a) Verification and validation of data and records presented in the Sustainability Statement, including assessment of sampled data.
b) Enquiry with relevant Management personnel responsible for data collection, collation and reporting.
c) Review and verification of the accuracy, traceability and consistency of information collected and reported in the Sustainability Statement.
d) Assessment of the disclosure and presentation of selected material matters to ensure consistency with the verified information.
e) Reperformance of selected aggregation calculations related to the material matters.

Scope of Sustainability Material Matters

The scope of the internal review covers the verification of the data collection process and methodology for FY2025, focusing on the following nine BCSM areas:

No.	BCSM	BCI		Page no. as per the Sustainability Statement
1	Anti-corruption	Bursa C1(a)	Percentage of employees that have received training on anti-corruption by employee category	Please refer to Sustainability Performance Report on pages 74 to 75 of the Sustainability Statement
		Bursa C1(b)	Percentage of operations assessed for corruption-related risks	
		Bursa C1(c)	Confirmed incidence of corruption and action taken	
2	Community / Society	Bursa C2(a)	Total amount invested in community where the target beneficiaries are external to the listed issuer	

No.	BCSM	BCI		Page no. as per the Sustainability Statement
		Bursa C2(b)	Total number of beneficiaries of the investment in communities	
3	Diversity	Bursa C3(a)	Percentage of employees by gender and age group, for each employee category	
		Bursa C3(b)	Percentage of directors by gender and age group	
4	Energy Management	Bursa C4(a)	Total energy consumption	
5	Health and Safety	Bursa C5(a)	Number of work-related fatalities	
		Bursa C5(b)	Lost time incident rate	
		Bursa C5(c)	Number of employees trained on health and safety standards	
6	Labour practices and standards	Bursa C6(a)	Total hours of training by employee category	
		Bursa C6(b)	Percentage of employees that are contractors or temporary staff	
		Bursa C6(c)	Total number of employee turnover by employee category	
		Bursa C6(d)	Number of substantiated complaints concerning human rights violations	
7	Supply chain management	Bursa C7(a)	Proportion of spending on local suppliers	
8	Data privacy and security	Bursa C8(a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	
9	Water	Bursa C9(a)	Total volume of water used	

Conclusion

Based on the procedures performed and evidence obtained, minor data-validation issues identified during the review were resolved with the respective data owners prior to finalisation of the report.

The verification exercise reinforces Hartalega's commitment to high-quality, reliable sustainability disclosures and supports continuous improvement of ESG performance reporting.

SUSTAINABILITY PERFORMANCE REPORT

Indicator	Measurement Unit	2024	2025
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
General Managers and Above	Percentage	32	70
Senior Managers and Managers	Percentage	38	78
Executives and Non-Executives	Percentage	75	80
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100	100
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	3
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	70	67
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	2,346,660	2,878,996
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	2,570	2,353
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.27	0.21
Bursa C5(c) Number of employees trained on health and safety standards	Number	706	1,269
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
General Managers and Above Under 30	Percentage	0	0
General Managers and Above Between 30-50	Percentage	79	79
General Managers and Above 50	Percentage	21	21
Senior Managers and Managers Under 30	Percentage	5	3
Senior Managers and Managers Between 30-50	Percentage	91	94
Senior Managers and Managers Above 50	Percentage	4	3
Executives and Non-Executives Under 30	Percentage	59	56
Executives and Non-Executives Between 30-50	Percentage	40	44
Executives and Non-Executives Above 50	Percentage	1	0
Gender Group by Employee Category			
General Managers and Above Male	Percentage	82	82
General Managers and Above Female	Percentage	18	18
Senior Managers and Managers Male	Percentage	62	62
Senior Managers and Managers Female	Percentage	38	38
Executives and Non-Executives Male	Percentage	85	85
Executives and Non-Executives Female	Percentage	15	15

Internal Assurance | External Assurance | No Assurance | (*) Restated

Indicator	Measurement Unit	2024	2025
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	70	70
Female	Percentage	30	30
Under 30	Percentage	0	0
Between 30-50	Percentage	30	30
Above 50	Percentage	70	70
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
General Managers and Above	Hours	1,299	891
Senior Managers and Managers	Hours	5,796	10,861
Executives and Non-Executives	Hours	100,519	77,639
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	66	64
Bursa C6(c) Total number of employee turnover by employee category			
General Managers and Above	Number	4	4
Senior Managers and Managers	Number	54	33
Executives and Non-Executives	Number	2,082	2,272
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	451,647	250,276
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	10,944	26,747

Note:
The scope of FY2024 disclosures include all entities under Hartalega Holdings Berhad.
The scope of FY2025 disclosures only includes Hartalega NGC Sdn Bhd.

Internal Assurance | External Assurance | No Assurance | (*) Restated

How We Are Governed

Board of Directors Profile

KUAN KAM HON @ KWAN KAM ONN
EXECUTIVE CHAIRMAN

AGE	78	GENDER	MALE

MALAYSIAN

Date Appointed to the Board
7 May 2007
Attended Board Meetings
5/5

Experience and Expertise

Mr. Kuan Kam Hon began his career in the building and construction sector in 1969 under Kuan Yuen & Sons Company, a well-known quality homebuilder in the 70s specialising in upper-class residential units in the Klang Valley. In 1978, he started Timol Weaving Sdn Bhd, one of the pioneers in woven labels and badges. In 1981, he formed Hartalega Sdn Bhd. Under his leadership, Hartalega Sdn Bhd has since become a reputable manufacturer of latex gloves in the industry and is now a public listed company on the Main Board of Bursa Malaysia Securities Berhad, known as Hartalega Holdings Berhad. During his tenure as the Managing Director, he established a set of management values that is quality-driven and encourages creativity and innovation to produce highly-skilled personnel.

He stepped down as Managing Director on 16 November 2012 and continues to play an integral role in the Group as Executive Chairman. He is primarily responsible for the overall business, strategic planning and entire operations of the Group, including research and development. He presently sits on the Board of several other private limited companies.

Directorships in Other Listed Companies:

NIL

KUAN MUN LEONG
CHIEF EXECUTIVE OFFICER

AGE	49	GENDER	MALE

MALAYSIAN

Date Appointed to the Board
7 May 2007
Attended Board Meetings
5/5

Experience and Expertise

Mr. Kuan Mun Leong began his career in the renewable energy sector as a project engineer overseeing EPCC (Engineering, Procurement, Construction and Commissioning) of renewable energy plants for two years before he joined Hartalega's engineering department in 2001. He moved up the ranks to be appointed as an Executive Director of the Group in 2007. He was also duly appointed as the Deputy Managing Director and subsequently as the Managing Director in 2012 and re-designated as the Chief Executive Officer on 18 May 2020. He holds a Bachelor's Degree in Mechanical Engineering from Monash University, Australia, and a Masters in Business Administration (MBA) from the University of Strathclyde, Scotland.

Mun Leong spearheaded the implementation of the sector's first oil palm empty fruit bunch fibre-fuelled renewable energy plant in 2004 and was instrumental in leading its successful registration with the United Nations Framework Convention on Climate Change (UNFCCC) or Kyoto Protocol. He went on to undertake several glove production capacity expansion projects that were key to Hartalega's current leading position in manufacturing technology and efficiency. He currently leads the organisation's transformation efforts, taking it to the next level by creating a vision to guide the necessary change to ensure sustainable growth by having the right systems, processes and people in place. In his capacity as Managing Director and Chief Executive Officer, Hartalega's sales revenue has grown more than four times through many expansion projects. He continues to chart the organisation's strategy with the aim for Hartalega to attain global mobility in the near future.

Directorships in Other Listed Companies:

NIL

KUAN MUN KENG

CHIEF BUSINESS OFFICER / NON-INDEPENDENT EXECUTIVE DIRECTOR

AGE	50	GENDER	MALE

MALAYSIAN

Date Appointed to the Board
4 July 2008
Attended Board Meetings
3/5

Experience and Expertise

Mr. Kuan Mun Keng holds a Bachelor's Degree in Business (Accounting) and a Bachelor's Degree in Computing from Monash University, Australia. Upon graduation, he joined Kassim Chan Business Services as an Analyst in the Information Technology Consultation Division in 1997. In 1998, he left to join Hartalega as a Production Executive. He then worked in the Accounts and Management Information Services Departments implementing various beneficial changes before he was promoted to Deputy Operations Manager in 2003. His long experience in operations is a complement to the Sales and Marketing team as he is able to align functions in the Company with the needs and wants of customers. He was subsequently promoted to the position of Sales and Marketing Director in 2008. During his tenure as Sales and Marketing Director, Hartalega's sales grew from RM257 million in FY2008 to more than RM6 billion in FY2021.

On 31 March 2021, he was re-designated as the Chief Business Officer.

Directorships in Other Listed Companies:

NIL

DATO' TAN GUAN CHEONG

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

AGE	81	GENDER	MALE

MALAYSIAN

Date Appointed to the Board
31 December 2011
Attended Board Meetings
5/5

Experience and Expertise

AC RC NC RMSC

Dato' Tan holds a Bachelor of Commerce degree from Otago University, New Zealand, majoring in economics, marketing management and accountancy. Earlier in his career, he has worked in international audit firm Coopers & Lybrand (now known as PricewaterhouseCoopers) in New Zealand and Malaysia. Additionally, Dato' Tan has wide working experience in the financial services industry and has served in various senior capacities. He joined Orix Leasing Malaysia Bhd, an international diversified financial services institution, in 1976 as a financial and accounting controller. Dato' Tan rose to become the Managing Director in 1988 and held this position until his retirement. He has been a member of the Malaysian Institute of Accountants since 1983.

Dato' Tan was appointed as an Independent Non-Executive Director on 31 December 2011. On 5 July 2022, he was re-designated as a Non-Independent Non-Executive Director.

Directorships in Other Listed Companies:

NIL

Chairman/ Chairperson | Member | AC Audit Committee | RC Remuneration Committee | NC Nomination Committee | RMSC Risk Management and Sustainability Committee

Board of Directors Profile

TAN SRI DATUK DR. REBECCA FATIMA STA. MARIA

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

AGE 67 **GENDER** FEMALE

MALAYSIAN

Date Appointed to the Board

23 August 2016

Attended Board Meetings

5/5

Experience and Expertise

AC RC NC RMSC

Until 31 December 2024, Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria was the executive director of the APEC Secretariat based in Singapore, which serves as advisory body, implementation arm and custodian of institutional memory for the 21 member economies that make up the APEC forum.

Prior to joining the APEC Secretariat, Tan Sri Datuk Dr. Rebecca was the Secretary-General of the Malaysian Ministry of International Trade and Investment from 2010 to 2016, where she oversaw the formulation of Malaysia's international trade policies and positions and often took the lead in their implementation as chief negotiator for bilateral and regional free trade agreements such as the Trans-Pacific Partnership and the Regional Comprehensive Economic Partnership. She played an integral role in Malaysia's participation in multilateral forums such as the Asia-Pacific Economic Cooperation (APEC), where she often represented Malaysia in APEC Ministerial Meetings. In the Association of Southeast Asian Nations (ASEAN), she chaired the body that drafted the ASEAN Economic Community 2015 Blueprint as well as the ASEAN Economic Community 2025 Blueprint.

An accomplished academic and writer, her scholarship has been recognised through awards from the American Academy of Human Resource Development and from the University of Georgia. In 2017, she authored a book about her personal slice of Malaysian heritage and cuisine, called The Smell of Home. In 2024, she was featured in Forbes' third annual 50 Over 50: Asia List, which showcases 50 inspirational women over the age of 50 from across the Asia-Pacific region.

Directorships in Other Listed Companies:

- Sunway Berhad
- Eco World International Berhad
- Dialog Group Berhad

DATUK LOO TOOK GEE

INDEPENDENT NON-EXECUTIVE DIRECTOR

AGE 69 **GENDER** FEMALE

MALAYSIAN

Date Appointed to the Board

5 November 2019

Attended Board Meetings

5/5

Experience and Expertise

NC

Datuk Loo graduated from University of Malaya with a Bachelor of Arts (Honours) Degree in 1978 and joined the government service upon graduation. She furthered her postgraduate studies in Japan in 1988 and graduated with a Master's Degree in Policy Science from Saitama University, Japan. She served in various capacities during her 38 years of service with the Federal Government of Malaysia. She had very broad experiences in policy formulation and implementation in human resources, financial management and infrastructure privatisation while serving at the Public Services Department, Ministry of Works and Ministry of Energy, Green Technology and Water.

Datuk Loo was appointed as the Secretary-General of the Ministry of Energy, Green Technology and Water in August 2010 and served in that capacity before her retirement in August 2016. Subsequently, she was appointed as the Advisor to the Minister of Energy, Green Technology and Water on a one-year contract from September 2016. During her tenure as the Secretary-General of the Ministry of Energy, Green Technology and Water, she also served as Chairman of MyPower Corporation as well as Board Member of various government agencies and corporations including Sarawak Hidro Sdn Bhd, Energy Commission, Malaysia Nuclear Power Corporation, Sustainable Energy Development Authority, Malaysia (SEDA), Malaysia-Thailand Joint Development Authority (MTJDA) and Pengurusan Aset Air Berhad.

She served as a Commission Member of Suruhanjaya Perkhidmatan Air Negara (SPAN), the regulatory body for the water services industry of Malaysia, from February 2023 until 31 January 2025.

Directorships in Other Listed Companies:

- YTL Power International Berhad

Chairman/ Chairperson | Member | AC Audit Committee | RC Remuneration Committee | NC Nomination Committee | RMSC Risk Management and Sustainability Committee

MR. YAP SENG CHONG

INDEPENDENT NON-EXECUTIVE DIRECTOR

AGE	64	GENDER	MALE

MALAYSIAN

Date Appointed to the Board
5 July 2022
Attended Board Meetings
5/5

Experience and Expertise

AC RC NC RMSC

Mr. Yap graduated with a Bachelor's Degree in Accounting from University Malaya in 1986. He had his entire career with Ernst & Young (EY), which spanned 35 years, two of which were with the London office, providing various types of assurance and business advisory services across a diversified clientele portfolio. He previously held positions in EY as Head of Assurance Practice, Professional Practice Director and ASEAN Regional and Country Independence Leader prior to his retirement in 2021.

He was also a member of the Interpretation Committee of the Malaysian Accounting Standards Board. He previously served as Malaysian Institute of Accountants (MIA) Council member, Chairman of the Disciplinary Committee of MIA, Member of the Accounting and Auditing Standards Board of MIA, Chairman of the Audit and Risk Committee of MIA and Member of the Public Practice Committee of MIA.

Directorships in Other Listed Companies:

- Malaysia Smelting Corporation Berhad
- United Plantations Berhad
- Apex Healthcare Berhad
- Malayan Cement Berhad

MR. KELVIN LOH HSIEN HAN

INDEPENDENT NON-EXECUTIVE DIRECTOR

AGE	50	GENDER	MALE

MALAYSIAN

Date Appointed to the Board
2 May 2024
Attended Board Meetings
5/5

Experience and Expertise

Mr. Kelvin Loh holds a double degree in Commerce (majoring in Accounting and Finance) and a Bachelor of Laws (LL.B) with Honours from the University of Sydney, Australia. With more than 24 years of experience in legal practice, including in the fields of corporate mergers and acquisitions, banking and finance, capital markets, Islamic finance and real estate, he began his career at a Malaysian law firm in 1999, and was made Partner in 2008. In 2012, he joined Rahmat Lim & Partners, where he regularly advises on syndicated loans and project finance (including cross-border project finance for the real estate, data centre and renewable energy sectors), and often acts for private equity and private credit firms. He has also led numerous bonds and *sukuk* transactions (both in Ringgit and foreign currency), including convertible and exchangeable bonds and guaranteed bonds, and has advised on sustainability-linked finance, structured finance and asset securitisation transactions.

Kelvin is ranked in Banking & Finance in *Chambers Asia-Pacific*, recognised as a Highly Regarded lawyer in Banking, Capital Markets and Islamic Finance in *IFLR1000*, and ranked as a Leading Partner in Banking and Finance in *The Legal 500 Asia Pacific*. He is also recognised as a Recommended lawyer in the areas of Banking and Capital Markets in the *WWL Southeast Asia Guide.*

Currently, he is the Co-Head of the Financial Services Department at Rahmat Lim & Partners, and is also a Partner at Allen & Gledhill LLP (Rahmat Lim & Partners' associate firm in Singapore).

Directorships in Other Listed Companies:

NIL

Family Relationship with Director and/or Major Shareholder
Kuan Kam Hon @ Kwan Kam Onn is the father of Kuan Mun Keng and Kuan Mun Leong. Save as disclosed herein, none of the Directors have any family relationships with any director and/or major shareholder of the Company.

Conflict of Interest
None of the Directors have any conflicts of interest with the Company.

Conviction of Offences
None of the Directors have been convicted of any offences in the past five (5) years.

Chairman/ Chairperson | Member | AC Audit Committee | RC Remuneration Committee | NC Nomination Committee | RMSC Risk Management and Sustainability Committee

Senior Management Profile

KUAN EU JIN

CHIEF OPERATING OFFICER

AGE	54	GENDER	MALE	MALAYSIAN

Date of Appointment: 18 May 2020

Experience:

Mr. Kuan Eu Jin is primarily responsible for Hartalega's Manufacturing Operations, Product Research & Development and Quality Assurance (QA) departments. He possesses a Bachelor's Degree in Business (Manufacturing Management) from Monash University and an MBA from the University of Strathclyde Business School, Scotland.

Upon graduating in 1993, he joined Hartalega as a Management Trainee, later transitioning to the QA Department where he swiftly ascended to the role of QA Manager within the same year. By 1996, he assumed the position of Deputy Operations Manager, overseeing the Group's manufacturing operations. Prior to his current role, he served as the Director of R&D and Technical, responsible for managing these critical functions.

His uncle, Kuan Kam Hon, and his cousins Kuan Mun Leong and Kuan Mun Keng are members of the Board. His father, Kuan Kam Peng, holds a significant shareholding in the Company.

LOH KEAN WOOI

CHIEF FINANCIAL OFFICER

AGE	50	GENDER	MALE	MALAYSIAN

Date of Appointment: 10 February 2020

Experience:

Mr. Loh Kean Wooi oversees the Finance and Procurement departments of the Group. He holds fellow membership with the Association of Chartered Certified Accountants (ACCA) and is a Chartered Accountant of the Malaysian Institute of Accountants (MIA).

His career began at Berjaya Group, where he started as a management trainee and eventually held the position of Group Accountant at one of the affiliate-listed companies. Thereafter, he gained extensive experience in fast-moving consumer goods businesses, including roles at Carlsberg, Reckitt Benckiser and Unilever in Malaysia.

Before joining Hartalega, he spent a decade with the FrieslandCampina group, initially as Financial Controller at Dutch Lady Milk Industries Berhad. He later relocated to the Netherlands in 2014 to serve as Corporate Controller at FrieslandCampina's corporate office. Following this role, he spent three years as Regional Business Controller based in Singapore. Prior to returning to Malaysia, he held the position of CFO in Bangkok for the Betagen Group, a joint venture between FrieslandCampina and a Thai family.

YOON SIEW FEI

CHIEF HUMAN RESOURCES OFFICER

AGE	47	GENDER	MALE	MALAYSIAN

Date of Appointment: 13 March 2023

Experience:

Mr. Yoon Siew Fei manages the Human Resources (HR) Department of the Group. He holds a Bachelor's Degree in Engineering from University Malaya.

He brings with him over 20 years of experience, predominantly in the semiconductor manufacturing industry. His extensive career experience spans both the Engineering and HR disciplines.

Before joining Hartalega, he served as Country HR Director at Texas Instruments, where he led a comprehensive range of HR functions. His responsibilities included overseeing HR Business Partners, Compensation and Benefits, Talent Development, Factory Training, Talent Acquisition, HR Operations, Employee Relations, as well as Ethics and Compliance.

LEE MING SIANG

CHIEF STRATEGY OFFICER

AGE	47	GENDER	MALE	MALAYSIAN

Date of Appointment: 1 July 2024

Experience:

Mr. Lee Ming Siang oversees the Group's long-term growth strategies, managing Mergers & Acquisitions (M&A) and driving strategies for the Sustainability and Corporate Development functions. His responsibilities are critical in maintaining the Company's leadership in an increasingly competitive market.

With over a decade of experience in strategic business development, he specialises in digital transformation and Supply Chain & Operations (SC&O), adept at identifying growth opportunities and fostering innovation.

Prior to joining Hartalega, he served as the Client Engagement Director at Touch 'N Go, where he spearheaded the development of innovative solutions for the transit and parking sectors. Before his tenure at Touch 'N Go, he spent 10 years at Accenture, a global consulting firm, where he implemented SC&O transformation solutions for numerous businesses, helping them to achieve operational excellence and efficiency.

LEANG WAH CHOON

DIRECTOR OF INFORMATION TECHNOLOGY

AGE	50	GENDER	MALE	MALAYSIAN

Date of Appointment: 1 April 2022

Experience:

Mr. Leang Wah Choon oversees the Information Technology (IT) Department of the Group. He graduated with a Bachelor of Science (Hons) Degree in Electronic and Information Technology from Sheffield Hallam University, United Kingdom.

With over 25 years of experience, he has been responsible for managing all aspects of IT systems and has a proven track record in assuming senior management roles across multiple industries. He possesses extensive knowledge in various frameworks and methodologies such as Lean Six Sigma, Information Risk Management, Information Technology Infrastructure Library, Project Management Professional Certification, Cisco Certified Network Associate, Cisco Certified Network Professional, Control Objectives for Information and Related Technology, IT Management, IT Governance, and other relevant disciplines.

Prior to joining Hartalega, he worked and gained valuable experience in various sectors, including financial services, oil and gas and telecommunications.

SEOW TECK CHOONG

DIRECTOR OF MANUFACTURING

AGE	46	GENDER	MALE	MALAYSIAN

Date of Appointment: 1 April 2024

Experience:

Mr. Seow Teck Choong oversees the Manufacturing Operations of the Group. He holds a Bachelor's Degree in Electronic System Design Engineering from the University of Northumbria in Newcastle, United Kingdom.

With more than 20 years of career experience in Production & Manufacturing across diverse industries, he brings a wealth of expertise to his role.

He joined Hartalega in August 2012 as Production Manager and played a pivotal role in establishing Hartalega's NGC in Sepang. Prior to his current role, he served as General Manager overseeing Hartalega's manufacturing operations.

Notes

Save as disclosed, none of the Key Senior Management have:
1. any directorship in public companies and listed issuers;
2. any family relationship with any Directors and/or major shareholders of the Company;
3. any conflict of interest with the Company;
4. any conviction for offences within the past five (5) years other than traffic offences; and
5. any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

Corporate Governance Overview Statement

This Corporate Governance Overview Statement is presented pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Board of Directors ("Board") of Hartalega Holdings Berhad (the "Company" or "Hartalega") remains committed to maintaining the highest standards of Corporate Governance ("CG") within the Company and adhering to the principles and best practices of CG, through observing and practising the core values of the Malaysian Code on Corporate Governance 2021 ("MCCG") and the Corporate Governance Guide issued by Bursa Securities. The commitment from the top paves the way for the Management and all employees to ensure the Company's businesses and affairs are effectively managed in the best interest of all stakeholders.

The Board has also provided specific disclosures on the application of each of the Practices in its Corporate Governance Report ("CG Report"). This CG Report was announced together with the Annual Report of the Company on 31 July 2025. Shareholders may obtain this CG Report by accessing the Corporate Governance section of the Company's website (https://hartalega.com.my/sustainability/corporate-governance/) for further details and are advised to read this overview statement together with the CG Report.

Principle A: Board Leadership and Effectiveness

I. Board Responsibilities

Board Charter and Board Committees

The Board takes full responsibility for the performance of the Group and guides the Group towards achieving its short- and long-term objectives, setting corporate strategies for growth and new business development while providing advice and direction to the Management to enable the Group to achieve its corporate goals and objectives.

The Board is mindful of the importance of the establishment of clear roles and responsibilities in discharging its fiduciary and leadership functions including those reserved for the Board's approval. The Board has defined its Board Charter and Schedule of Matters by setting out the roles, duties and responsibilities of the Board, the principles and practices of corporate governance to be followed as well as the key matters reserved for the Board's approval. The Board Charter and Schedule of Matters were reviewed and published on the Company's website under the Corporate Governance section at https://hartalega.com.my/sustainability/corporate-governance/.

The Board is led by an Executive Chairman who ensures the smooth functioning of the Board, so that the Board can perform its responsibilities effectively to meet the goals and objectives of the Group and the Company. Under the leadership of the Executive Chairman, the Board continues to function effectively in fulfilling its governance responsibilities during the financial year. The Executive Chairman also encourages healthy debates on important issues and promotes the active participation of Board members.

Although the current composition of the Board does not meet the requirement since 1 July 2025 for having at least half of its members as Independent Directors, the presence of Independent Directors continues to provide the necessary checks and balances for the Board's decision-making process. They possess integrity and extensive experience to provide unbiased and independent views to the Board. Their role is to challenge the Management and the Board in an effective and constructive manner as well as to provide justified and sound opinions to the Board.

The Board has established four (4) Board Committees, namely the Audit Committee, Risk Management and Sustainability Committee, Nomination Committee and Remuneration Committee. These Committees are given specific responsibilities and authority to assist the Board in carrying out its duties. The delegation of authority to the Committees enables the Board to achieve operational efficiency, by empowering each Committee to review, report and make recommendations to the Board on matters relevant to their roles and responsibilities. The terms of reference of each Board Committee are set out in the Board Charter and published on the Company's website under the Corporate Governance section at https://hartalega.com.my/sustainability/corporate-governance/. These Committees have the authority to examine issues and report to the Board with their recommendations. However, the ultimate responsibility for the final decision on all matters lies with the Board.

Code of Conduct and Ethics

Good governance at all levels is essential for sustainable development. The Board is committed to embrace the highest standards of corporate governance practices and ethical standards throughout the Group.

In this respect, the Group has established a Code of Conduct and Ethics to provide direction and guidance to all Directors, Senior Management and employees in discharge of their duties and responsibilities that will be in the best interests of the Group. The Code of Conduct and Ethics has been uploaded on the Company's website under the Corporate Governance section at https://hartalega.com.my/sustainability/corporate-governance/.

Whistleblowing Policy and Procedure

The Board is committed to achieve and maintain high standards of corporate governance practices across the Group. A Whistleblowing Policy and Procedure has been implemented to provide a channel to enable Directors, employees, shareholders, vendors or any parties with a business relationship with the Company with an avenue to report suspected wrongdoings that may adversely impact the Group. The Group treats all reports in a confidential manner and at the same time provides protection to anyone who reports such concerns in good faith. Whistleblowing reports are lodged to an independent outsourced service provider via email and/or website ("Hartalega Speak Up"). The reports can be made in multiple languages, namely English, Bahasa Malaysia, Burmese, Bengali and Nepali. The Whistleblowing Policy and Procedure is published on the Company's website under the Corporate Governance section at https://hartalega.com.my/sustainability/corporate-governance/.

Anti-Bribery and Anti-Corruption Policy

An Anti-Bribery and Anti-Corruption Policy was established to set out the Group's zero-tolerance approach against all forms of bribery, corruption and politicking and the Group takes a strong stance against such acts. The Group's practices are in accordance with the Malaysian Anti-Corruption Commission Act 2009 and its amendments. The Anti-Bribery and Anti-Corruption Policy is published on the Company's website under the Corporate Governance section at https://hartalega.com.my/sustainability/corporate-governance/.

Company Secretaries

The Board is supported by qualified and competent Company Secretaries who advise the Board, particularly with regard to compliance with regulatory requirements, guidelines, legislation and the principles of best corporate governance practices. All Directors have unrestricted access to the advice and services of the Company Secretaries. The appointment and removal of Company Secretaries or Secretaries of the Board Committees can only be made by the Board.

The Board understands that the supply, timeliness and quality of the information affect the effectiveness of the Board to oversee the conduct of business and to evaluate the Management's performance of the Group. The Board ensures that each Director is provided with timely notices. Board papers are issued prior to the Board meetings to enable the Directors to review and consider the agenda items to be discussed and where necessary, to obtain further explanations in order to be fully briefed before the meeting.

All Board members have unrestricted access to timely and accurate information in furtherance of their duties and subject to the Board's approval may seek independent professional advice when necessary in discharging its various duties, at the Company's expense.

The Company Secretaries ensure that all Board and Board Committee meetings are properly convened. The Company Secretaries will ensure that accurate and proper records of the proceedings and resolutions passed are recorded and the minutes are circulated to the Board members as soon as possible before the next meeting.

Sustainability Measures to Support Long-Term Strategy

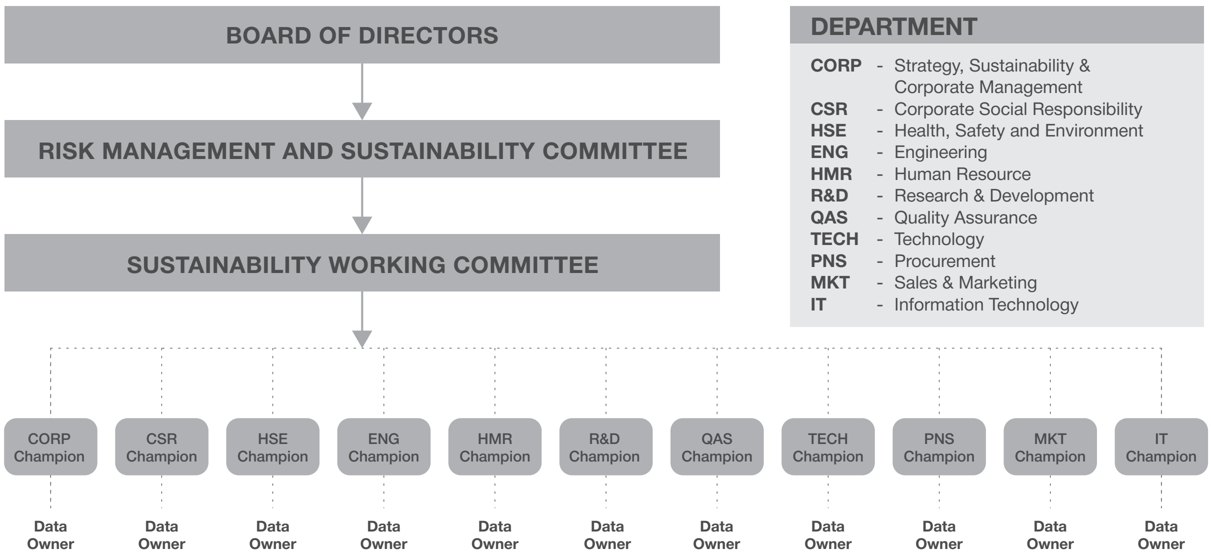
The Board provides oversight on the Group's sustainability and is assisted by the Management who oversee the implementation of the Group's sustainability measures.

The Board recognises its responsibility to set the “tone from the top” and ensure good governance within the Group. In this regard, the Board continues to play an active role in providing oversight on all Environmental, Social and Governance (“ESG”) topics disclosed in the Sustainability Statement. Aside from strategic guidance for management of its identified sustainability material matters and climate-related risks and opportunities, the Board is also committed to advancing the ESG agenda across the organisation.

Sustainability Governance

To drive the Group’s sustainability agenda which incorporates ESG practices, we have a structured and comprehensive framework in place that is applied across the organisation. This allows us to propel the Group forward in our sustainability journey in a holistic manner, while ensuring transparency and accountability.

Sustainability Governance Structure



Risk Management and Sustainability Committee

Sustainability governance is spearheaded at the Board level by the Risk Management and Sustainability Committee (RMSC). Ensuring that sustainability is deeply rooted throughout the organisation and embedded in decision-making processes, the key responsibilities of the RMSC include formulating relevant strategies, identifying priorities and setting targets in relation to ESG goals and sustainability risks and opportunities of material importance to the Group.

The RMSC convenes at least twice a year and when deemed necessary. The RMSC also evaluates sustainability reporting and provides recommendations to the Board for approval.

Sustainability Working Committee

The RMSC is supported by the Sustainability Working Committee (SWC), which is chaired by the Chief Executive Officer (CEO) and comprises members of the C-Suite and Senior Management from relevant departments. The primary responsibilities of the SWC include driving proper business conduct and putting in place the necessary management processes which integrate relevant ESG practices. Alongside this, the SWC closely tracks sustainability-related KPIs and guides the execution of initiatives to ensure progress is achieved as per defined goals and objectives.

The Strategy, Sustainability & Corporate Management Department was also established as a dedicated team led by the CEO to facilitate the management of material sustainability matters.

Sustainability Champions and Data Owners

To cultivate a culture premised on sustainability, employees are empowered as Sustainability Champions and Data Owners to be responsible for respective initiatives across departments and functions. Champions are charged with execution of initiatives and ensuring targets are met, in addition to furnishing the necessary information for sustainability reporting. Complementing this, Data Owners are tasked with collating data in a timely manner and ensuring records are well-managed and maintained.

Directors' Commitment

The underlying factors of Directors' commitment to the Group are devotion of time and continuous improvement of knowledge and skill sets.

The Board meets at least once every quarter and additional meetings are convened as and when necessary. During the financial year, five (5) Board meetings were held. The record of attendance is as follows:

Directors	Number of Meetings Attended
Mr. Kuan Kam Hon @ Kwan Kam Onn	5/5
Mr. Kuan Mun Leong	5/5
Mr. Kuan Mun Keng	3/5
Dato' Tan Guan Cheong	5/5
Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria	5/5
Dato' Radzman Hafidz bin Abu Zarim (Resigned on 2 July 2025)	5/5
Datuk Seri Nurmala binti Abd Rahim (Resigned on 1 July 2025)	5/5
Datuk Loo Took Gee	5/5
Mr. Yap Seng Chong	5/5
Mr. Kelvin Loh Hsien Han	5/5

The Directors are aware of their duty to undergo appropriate training from time to time to ensure that they are well equipped to carry out their duties effectively. The Board is mindful therefore of the need to keep abreast of changes in both the regulatory and business environments as well as with new developments within the industry in which the Group operates.

During the financial year ended 31 March 2025, the external training programmes and seminars attended by the Directors are as follows:

Conferences / Trainings / Seminars	Date	Attendees
Business and Leadership		
KL20 Summit by Ministry of Economy, Malaysia	22 April 2024	Datuk Loo Took Gee
Economic Growth in Middle-Income Countries: How Can Countries Escape the Middle-Income Trap by World Bank	11 June 2024	Datuk Loo Took Gee
Florida International Medical Expo 2024, USA	19-21 June 2024	Kuan Mun Keng
Project Finance Fundamentals: Infrastructure & Energy – Economist Online Course	15-17 July 2024	Dato' Razman Hafidz bin Abu Zarim
11th International Rubber Glove Conference Exhibition 2024	3-5 September 2024	Kuan Mun Leong Kuan Mun Keng

Conferences / Trainings / Seminars	Date	Attendees
Geopolitical Economy Report - Goodbye, Dollar dominance: BRICS plans on 'Multi-currency' system to transform global financial order - sponsored by ACCA Global	18 October 2024	Yap Seng Chong
MEDICA Trade Exhibition & Conference 2024, Germany	11-14 November 2024	Kuan Mun Keng
Regional Outlook Forum by ISEAS-Yusof Ishak Institute	09 January 2025	Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria
S Rajaratnam Endowment Dialogue by ISEAS-Yusof Ishak Institute	10 January 2025	Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria
AmCham Fireside Chat, ASEAN Trade Outlook by American Malaysian Chamber Of Commerce (AMCHAM Malaysia)	23 January 2025	Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria
FY2026 Strategy Retreat	12-15 February 2025	Kuan Mun Leong Kuan Mun Keng
Malaysia Outlook Conference by IDEAS	26 February 2025	Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria
MARGMA Networking 2025 and Closed-Door Dialogue with the Minister of Plantation & Commodities	27 February 2025	Kuan Mun Leong
Asia-New Zealand: Connecting Our Economies by Asia-New Zealand Foundation	10-11 March 2025	Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria
FY2026 MUN Global Strategy Retreat	12-14 March 2025	Kuan Mun Leong
Workshop on the Future of the International Trading System by British High Commission Singapore	24 March 2025	Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria
ASEAN-China Economic Relationship by Asia Society Policy Institute	08 April 2025	Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria
MARGMA Networking with the Minister of Plantation & Commodities	21 April 2025	Kuan Mun Leong
ASEAN 2025: Outlook and Expectations by Malaysian Administrative and Diplomatic Officers' Alumni	21 April 2025	Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria
ASEAN-Chile Trade and Investment Webinar by APEC Business Advisory Council, Chile	22 April 2025	Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria
3rd ASEAN-China Economic Relations Seminar by Institute of International Affairs, Qianhai, China	26-27 April 2025	Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria
Sustainability		
PwC Global - Talking ESG: Building effective sustainability reporting governance	16 May 2024	Yap Seng Chong
Deloitte Malaysia - Climate reporting, a knowledge sharing session	03 September 2024	Yap Seng Chong
ESG Training For SPAN Members by Suruhanjaya Perkhidmatan Air Negara (SPAN)	14 October 2024	Datuk Loo Took Gee
Gender, Climate Change and Health - WHO Webinar	16 October 2024	Dato' Razman Hafidz bin Abu Zarim
OECD Forum on Green Finance and Investment	16 October 2024	Datuk Loo Took Gee
Malaysian Institute of Accountants & IBM: The consolidation of ESG standards, streamlining sustainability reporting and planning	22 October 2024	Dato' Tan Guan Cheong
Lecture on Malaysian Water Transformation Plan 2040 (AIR 2040) by Ministry of Energy Transition and Water Transformation (PETRA)	29 October 2024	Datuk Loo Took Gee

Conferences / Trainings / Seminars	Date	Attendees
Recent Developments In Sustainability Reporting & Sustainability Assurance - Annual Dialogue Session (AOB Conversation with Audit Committees) by Securities Commission	19 November 2024	Datuk Seri Nurmala binti Abd Rahim
ASEAN Workshop on Sustainable Development 2025 by Sunway University	13-14 January 2025	Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria
Women Empowerment Conference by UCSI	11 April 2025	Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria
Innovation and Technology		
PwC Global - Finance transformation-powered by generative Artificial Intelligence	04 April 2024	Yap Seng Chong
Workshop: Social Media Excellence	30 July 2024	Kuan Mun Leong
MICPA - Leveraging AI for audit efficiency and quality	07 November 2024	Yap Seng Chong
Cyber Security Awareness : 2024 Malaysian Cyber Security Act by LGMS Berhad	12 November 2024	Datuk Loo Teck Gee Datuk Seri Nurmala binti Abd Rahim
AI and Changing Role of Finance Function - Financial Times Webinar	19 February 2025	Dato' Razman Hafidz bin Abu Zarim
C-Suite Roundtable Session by Malaysia Board of Technologies	27 February 2025	Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria
MADANI Digital Trade Dialogue by MATRADE	13 March 2025	Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria
Governance and Compliance		
Ceramah Integriti dan Anti-Rasuah Operator Air by Suruhanjaya Perkhidmatan Air Negara (SPAN)	13 May 2024	Datuk Loo Took Gee
Recent Developments with the Listing Requirements, including Conflict of Interest Amendments by Mr Chee Kai Mun	02 July 2024	Yap Seng Chong
Bursa Academy on Conflict of Interest (COI) and Governance of COI by Khoo Guan Huat, Skrine & Co	10 July 2024	Yap Seng Chong
Bursa Malaysia Mandatory Accreditation Programme (MAP)	17-18 July 2024	Kelvin Loh Hsien Han
Conflict of Interest (COI) and Governance of Conflict of Interest by Bursa Malaysia/Asia School of Business (ASB)	13 August 2024	Datuk Loo Took Gee
Bursa Malaysia Board Ethics - ICDM: Growing concerns from new technology, stakeholder interest and conflict of interest	16 October 2024	Dato' Tan Guan Cheong
Bursa Malaysia Mandatory Accreditation Programme (MAP) Part II : Leading for Impact (LIP)	18-19 November 2024	Dato' Tan Guan Cheong Datuk Loo Teck Gee Kelvin Loh Hsien Han
Bursa Malaysia Mandatory Accreditation Programme (MAP) Part II : Leading for Impact (LIP)	22-23 January 2025	Kuan Kam Hon
Enhanced Conflict of Interest by Malaysian Inst. of Corporate Governance	12 March 2025	Datuk Loo Took Gee
Financial and Audit Standards		
PwC Global - 2024 Q1 PwC quarterly accounting webcast	01 May 2024	Yap Seng Chong

Conferences / Trainings / Seminars	Date	Attendees
Managing Non-Financial Risks (NFR) For Organizational Performance by IERP - Ramesh Pillai	10 June 2024	Datuk Loo Took Gee Yap Seng Chong
KPMG Malaysia - Navigating capital gains tax	17 July 2024	Yap Seng Chong
PwC 2024 Global Q3 Quarterly accounting webcast	06 December 2024	Yap Seng Chong
MFRS updates - by KPMG Malaysia	07 January 2025	Yap Seng Chong
PwC 2024 Global Audit Committee webcast	20 January 2025	Yap Seng Chong
MIA webinar by Deloitte Malaysia - Global Minimum Tax: Latest Developments and Implications for Businesses & Public Sector Sustainability Reporting	13 February 2025	Yap Seng Chong

II. Board Composition

The Directors' Fit and Proper Policy was adopted by the Company to ensure a formal, rigorous and transparent process for the appointment/election of candidates as Directors of the Company and for the re-election of Directors. The Board Charter and Fit and Proper Policy have been uploaded on the Company's website under the Corporate Governance segment at https://hartalega.com.my/sustainability/corporate-governance/.

The Board comprises members who have vast experience in the glove industry as well as professionals in the finance and consulting sectors. The Board brings in a wide spectrum of diverse skills and expertise to the Group which allows it to meet its objectives in the competitive glove manufacturing landscape.

A brief profile of each Director is presented on pages 76 to 79 of this Annual Report.

As at 31 March 2025, the Board comprised ten (10) members, comprising one (1) Senior Independent Non-Executive Director, four (4) Independent Non-Executive Directors, two (2) Non-Independent Non-Executive Directors and three (3) Non-Independent Executive Directors. However, in light of the recent Board re-composition, the current composition of the Board stands at eight (8) members, comprising three (3) Independent Non-Executive Directors, two (2) Non-Independent Non-Executive Directors, and three (3) Non-Independent Executive Directors.

Mr. Kuan Kam Hon @ Kwan Kam Onn takes on the role of Executive Chairman of the Group. Given his capability to show leadership, entrepreneurship skills, business acumen and vast experience in the glove industry, the Board continues to maintain this arrangement which is in the best interests of the Group.

The Board acknowledges that the Executive Chairman is the single largest shareholder and there is the advantage of shareholder leadership and a natural alignment of interest. In addition, the Executive Chairman is the founder of the Group with extensive knowledge and experience and he is competent to lead the Group towards achieving the highest level of interest to the Group and all its stakeholders. In respect of potential conflicts of interest, the Board is comfortable that there is no undue risk involved as all related party transactions are disclosed and strictly dealt with in accordance with the MMLR of Bursa Malaysia Securities Berhad ("Listing Requirements") and all the Board had attended Mandatory Accreditation Programme (MAP). The Board is always mindful of the potential conflict of interest that may arise in each transaction, in which case, interested Directors are abstained from decision-making.

Although the current composition of the Board does not meet the requirement of having at least half of its members as Independent Directors, the presence of Independent Directors continues to provide the necessary check and balance on the decision-making process of the Board. They possess integrity and extensive experience to provide unbiased and independent views to the Board. They consistently challenge the management and the Board in an effective and constructive manner and therefore are able to function as check and balance and bring in justified opinions to the Board of Directors. The Executive Chairman also encourages healthy debates on important issues and promotes active participation by Board members.

All the Directors have given their undertaking to comply with the MMLR of Bursa Securities and the Independent Directors have confirmed their independence in writing.

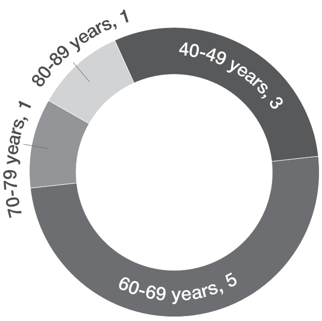
Annually, the Nomination Committee would review the independence of the Independent Directors. Criteria for assessment of independence is based on the requirements and definition of “independent director” as set out in the MMLR. Independent Directors are required to confirm their independence by giving the Board a written confirmation of their independence. In addition, consideration would also be given to assess whether the independent directors are able to meet the minimum criteria of “fit and proper” test of independence, which is part of an annual assessment test, as enumerated in the policy on appointment and continuous assessment of Directors and the suitability and ability of the Independent Non-Executive Director to perform his/her duties and responsibilities effectively shall be based on his/her calibre, qualifications, experience, expertise, personal qualities and knowledge of the Company and industry.

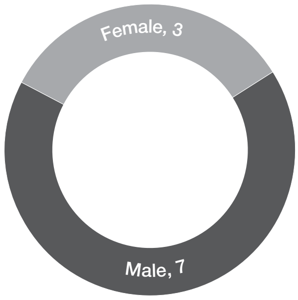
In accordance with the Board Charter, the maximum tenure of an Independent Non-Executive Director shall not exceed the cumulative term of nine (9) years from the date of first appointment as Director or upon the expiry of the ongoing term of appointment as Director, whichever is later. Any extension beyond nine (9) years will require Board justification and annual shareholders’ approval through a two-tier voting process unless the said Director wishes to be re-designated as Non-Independent Non-Executive Director which shall be a consideration for the Board to decide.

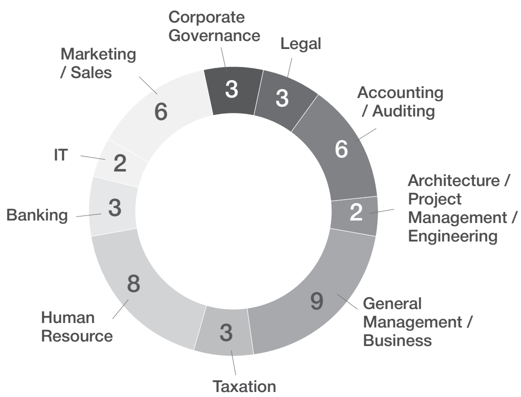
Diversity on Board

The appointment of the Board is based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. The Gender Diversity Policy has been adopted to set out the approach to diversity on the Board of Directors and uploaded on the Company’s website under the Corporate Governance segment at https://hartalega.com.my/sustainability/corporate-governance/.

The current diversity in the ethnicity, age distribution, gender and skill sets of the existing Board is as follows:







Nomination Committee

The Nomination Committee comprises the following members:

1) Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria (Chairperson)
2) Mr. Yap Seng Chong (Member)
3) Dato' Tan Guan Cheong (Member)
4) Datuk Loo Took Gee (Member)

The Board annually reviews the required mix of skills, experience and other qualities of the Directors to ensure that the Board is functioning effectively and efficiently.

The Nomination Committee's primary responsibilities include:

a) Leading the process for Board appointments and making recommendations to the Board.
b) Assessing Directors on an ongoing basis.
c) Annually reviewing the required skills and core competencies of Non-Executive Directors, including familiarisation with the Group's operations.

Identification of New Candidates for Appointment of Directors

The Board has entrusted the Nomination Committee with the responsibility to consider, review and recommend the appointment of potential candidates to the Board proposed by Management, any Director or shareholder, taking into consideration the candidates' skills, knowledge, expertise and experience, time commitment, character, professionalism and integrity based on the 'Fit and Proper' standards for Directors as prescribed in the Board Charter.

There were no new candidates put forward for appointment as Directors during the financial year.

Evaluation of Board, Board Committees and Individual Directors

The Nomination Committee annually performs Board self-evaluation to evaluate the performance of the Board, Board Committees and individual Directors, in order to verify that the Board is operating effectively and efficiently as a whole. Each Director completes a detailed questionnaire on the Directors' Performance Evaluation which covers matters relevant to the Board performance, among other things, contribution to interaction, quality of input, understanding of role and personal developments. An evaluation of each Board Committee is done by assessing the structure, roles and responsibilities, performance of the respective Chairman, as well as the Committee's performance against its Terms of Reference. These assessments are internally facilitated, whereby results of the assessments are compiled, documented and reported to the Board accordingly, as part of the Group's ongoing corporate governance practices.

Based on the assessment carried out during the financial year, the Nomination Committee concluded the following:

a) The Board was found to be competent and had a dynamic and balanced mix of skills and experience wherein the Directors were able to contribute effectively to the Board's decision-making process.
b) The current structure, size and composition of the Board, which comprises people who possess a wide range of expertise and experience in various fields with diverse backgrounds and specialisations, would enable the Board to lead and manage the Group effectively.
c) The Directors had discharged their responsibilities in a commendable manner, acted competently, contributed effectively to the Board and demonstrated full commitment to their duties as Directors.
d) The Board and Board Committees had contributed positively to the Group and its subsidiaries and were operating in an effective manner.
e) The Board Chairman provided leadership as well as contributed to the Board.
f) The performances of the Board Committees were found to be effective.

Re-Election of Directors

In accordance with the Company's Constitution, all Directors including Directors holding an executive position of Chief Executive Officer, if any, shall retire from office at each Annual General Meeting, provided always that every Director shall retire at least once every three (3) years. The retiring Directors shall be eligible to offer themselves for re-election. Directors who are appointed by the Board during the financial year shall hold office until the next Annual General Meeting and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

Restriction on Directorships

The number of Directorships held by the Directors is stated in the Profile of Directors in the Annual Report. Further to the Bursa listing requirement, all Directors of the Company must not hold more than five (5) directorships in listed issuers. The detailed Terms of Reference of the Nomination Committee is available on the Company's website under the Corporate Governance segment at https://hartalega.com.my/sustainability/corporate-governance/.

III. Remuneration

The Remuneration Committee consists of the following members:

1) Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria (Chairperson)
2) Mr. Yap Seng Chong (Member)
3) Dato' Tan Guan Cheong (Member)
4) Datuk Seri Nurmala binti Abd Rahim (Member) - Resigned on 1 July 2025

Remuneration Procedure

The remuneration of Directors is formulated to be competitive and realistic, with emphasis being placed on performance and calibre to attract, motivate and retain Directors with the relevant experience, expertise and quality needed to assist in managing the Group effectively.

For Executive Directors, the remuneration packages link rewards to corporate and individual performance whilst for the Non-Executive Directors, the level of remuneration is linked to their experience and level of responsibilities undertaken.

The level of remuneration for the Executive Directors is determined by the Remuneration Committee after giving due consideration to the compensation levels for comparable positions among other similar Malaysian public listed companies. The determination of the remuneration package for Non-Executive Directors, including the Executive Chairman, should be a matter for the Board as a whole. The individuals concerned should abstain from discussing their own remuneration.

The Remuneration Committee's primary responsibilities include establishing, reviewing and recommending to the Board the remuneration packages of each individual Executive Director and the Company Secretary.

The Remuneration Committee is also responsible for recommending the remuneration for the Senior Management and that the remuneration should reflect the responsibility and commitment that goes with it.

The primary roles and responsibilities of the Committee are clearly defined and include the following:

- To recommend to the Board a framework for remuneration for the Board and each Executive Director, which includes but is not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind; and
- To establish objectives performance criteria and measurement to evaluate the performance and effectiveness of the Board as a whole and to assess the contribution by each individual Director.

The detailed Terms of Reference of the Remuneration Committee is available on the Company's website under the Corporate Governance segment at https://hartalega.com.my/sustainability/corporate-governance/.

Directors' Remuneration

In the case of Executive Directors, the remuneration package is structured to reward corporate and individual performance while for Non-Executive Directors the remuneration reflects the experience and level of responsibilities undertaken. The remuneration of the Executive Directors is linked to sustainability-related key performance indicators (KPIs), including aspects of sustainable income and revenue stream, customers, employees and safety.

The Directors' remuneration paid and payable or otherwise made available to all Directors of the Group and the Company for the financial year ended 31 March 2025 are disclosed in the Corporate Governance Report which is available on the Company's website at www.hartalega.com.my/investor-relations/reports/.

Principle B: Effective Audit and Risk Management

I. Audit Committee

The Audit Committee consists of the following members:

1) Mr. Yap Seng Chong (Chairperson)
2) Dato' Tan Guan Cheong (Member)
3) Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria (Member)
4) Datuk Seri Nurmala binti Abd Rahim (Member) - Resigned on 1 July 2025

The Chairperson of the Audit Committee is not the Chairman of the Board. The Terms of Reference of the Audit Committee of the Company has been revised to include a policy that requires a former partner of an 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 Audit Committee. The Audit Committee Report is set out separately in this Annual Report. Full details of the Audit Committee's duties and responsibilities are stated in its Terms of Reference which is available on the Company's website at https://hartalega.com.my/sustainability/corporate-governance/.

Transparency and Professional Relationship with the External Auditors

The Board has a formal and transparent relationship with its external auditors, Deloitte PLT. The external auditors through its statutory audit function continues to review, evaluate and refine the Group's accounting policies and procedures including internal control measures.

The Audit Committee is empowered by the Board to review any matters concerning the appointment, re-appointment, resignations or dismissals of external auditors and review and evaluate factors relating to the independence of the external auditors. The terms of engagement for services provided by the external auditors are reviewed by the Audit Committee prior to submission to the Board for approval. Feedback based on the assessment areas is obtained from the Audit Committee, the Executive Directors, the Internal Auditors and Senior Management, where applicable.

The Audit Committee carries out annual assessment on the performance, suitability and independence of the external auditor based on four (4) key areas, namely quality of service, sufficiency of resources, communication and interaction, independence, objectivity, and professional scepticism.

In evaluation on the suitability and effectiveness of external auditors, the Audit Committee reviewed the overall comprehensiveness of the external audit plan, the audit approaches, the timelines and quality of deliverables and the competency, capability, and adequacy of the resources to achieve the scope outlined in the audit plan. The Audit Committee reviewed and assessed the independence of the external auditors, including but not limited to any relationships with the Company or any other person or entity that may impair or compromise, or appear to impair or compromise, the external auditors' independence.

The External Auditor Policy was established and published on the Company's website under the Corporate Governance segment at https://hartalega.com.my/sustainability/corporate-governance/.

II. Risk Management and Internal Control Framework

The Risk Management and Sustainability Committee consists of the following members:

1) Mr. Yap Seng Chong (Chairperson)
2) Dato' Tan Guan Cheong (Member)
3) Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria (Member)
4) Datuk Seri Nurmala binti Abd Rahim (Member) - Resigned on 1 July 2025

The RMSC comprises a majority of Independent Non-Executive Directors. The Risk Management and Sustainability Committee Report is set out separately in this Annual Report. Driven from the top, the Board of Directors through the RMSC, holds the highest authority to provide oversight and governance to the Group's sustainability strategies, implementation and performance across all business operations.

Full details of the RMSC's duties and responsibilities are stated in its Terms of Reference which is available on the Company's website under the Corporate Governance segment at https://hartalega.com.my/sustainability/corporate-governance/.

Quarterly RMSC meetings were held in the financial year 2025 to discuss the Group's risk agenda. Key activities that took place within the year included:

- Addressing competitive pricing, supply and demand imbalance within the glove industry with improved technology, enhanced cost efficiencies and sales strategies;
- Enhancement in capabilities to address potential exposure to cybersecurity and data breaches in Information Technology (IT) systems;
- Continuous monitoring of established action plans to manage the decommissioning of Bestari Jaya facilities;
- Ensuring a continuous pipeline of leadership talent to support business growth and sustainability; and
- Continuous assessment of bribery and corruption risks across all departments through reviews of internal and external audit findings as well as assessments by respective risk owners and Heads of Department.

The Board is committed to maintaining a sound system of internal control within the Group. The Board acknowledges that a good system of internal control covering all aspects of the business including compliance and risk management is required to safeguard shareholders' investment and the Group's assets.

Information on the Group's internal control is set out in the Statement on Risk Management and Internal Control on page 99 of this report.

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

I. Communication with Stakeholders

The Group recognises the importance of effective communication with its stakeholders and utilises multiple channels to disseminate information and interact with them. The Group has a website on which shareholders and the public can access up-to-date information about the business and the Group. The Group's website can be accessed via www.hartalega.com.my.

In addition, the Group makes various announcements on business developments using traditional mass media throughout the year. The Group also releases financial results on a quarterly basis according to Bursa Malaysia's requirements.

The Group also aims to have continuous interactions with fund managers, institutional investors and research analysts. The Group has established an Investor Relations team to facilitate two-way communication with its shareholders and the financial community. During the year, the Group arranged for Executive Directors and Senior Management representatives to communicate and meet with investors and analysts to provide updates on the ongoing industry landscape as well as to address queries pertaining to the business.

Information is disseminated in strict adherence to disclosure requirements of Bursa Malaysia Securities Berhad.

II. Conduct of General Meetings

The Annual General Meeting serves as an important means for shareholder communication. Notice of the Annual General Meeting and Annual Reports are sent to shareholders twenty-eight (28) days prior to the Meeting in accordance with the MCCG.

At each Annual General Meeting, the Board presents the progress and performance of the Group's business and encourages attendance and participation of shareholders during question-and-answer sessions. The Chairman and the Board will respond to all questions raised by the shareholders during the Annual General Meeting.

In the event that shareholders are unable to attend the AGM in person, they are encouraged to appoint one (1) or up to two (2) proxies to attend and vote in his/her stead. The outcome of the meeting is announced to Bursa Securities on the same day, which is also accessible on the Company's website.

The Company conducts poll voting on each resolution tabled during the general meetings to support shareholder participation. With the electronic poll voting, each shareholder present in person or represented by proxy at the general meeting will be entitled to vote on a one-share, one-vote basis. At least one (1) scrutineer is appointed to validate the votes cast at the meeting.

ADDITIONAL COMPLIANCE INFORMATION:

Statement of Directors' Responsibilities in respect of the Financial Statements

The Board is responsible to prepare financial statements for each financial year, which give a true and fair view of the state of affairs, the financial results and cash flow of the Group and the Company for the financial year end.

In preparing the financial statements, the Directors have:

i. Adopted the appropriate accounting policies and applied them consistently;
ii. Made judgements and estimates that are reasonable and prudent;
iii. Ensured applicable approved accounting standards have been followed and any material departures have been disclosed and explained in the financial statements; and
iv. Ensured the financial statements have been prepared on a going concern basis.

The Board is responsible for keeping proper accounting records of the Group and the Company, which disclose with reasonable accuracy the financial position of the Group and the Company, and which will enable them to ensure the financial statements have complied with the provisions of the Companies Act 2016 and the applicable approved accounting standards in Malaysia.

The Board is also responsible for taking reasonable steps to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

Compliance Statement

The Board is satisfied that the Group has substantially complied with the majority of the practices of the MCCG throughout the financial year. In pursuit of safeguarding the interest of the shareholders and other stakeholders, the Board is committed and will continue to strengthen its application of the best practices in corporate governance.

This Corporate Governance Overview Statement is made in accordance with the resolution of the Board of Directors dated 8 July 2025.

Audit Committee Report

The Audit Committee of Hartalega Holdings Berhad is pleased to present the Audit Committee Report for the financial year ended 31 March 2025.

A. Composition and Attendance

The Audit Committee comprises the following members and details of attendance of each member at Committee meetings held during the financial year ended 31 March 2025 are as follows:

Composition of the Committee	Attendance
Mr. Yap Seng Chong (Chairman / Independent Non-Executive Director)	5/5
Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria (Non-Independent Non-Executive Director) Redesignated on 8 July 2025	5/5
Datuk Seri Nurmala binti Abd Rahim (Independent Non-Executive Director) Resigned on 1 July 2025	5/5
Dato' Tan Guan Cheong (Non-Independent Non-Executive Director)	5/5

B. Composition Compliance

On 31 March 2025, the Audit Committee consists of four (4) members, three (3) of whom are Independent Non-Executive Directors and one (1) a Non-Independent Non-Executive Director, fulfilling the requirements that the majority should be independent and all members should be Non-Executive Directors. At least one (1) member must be a member of the Malaysian Institute of Accountants or possess such other qualifications and/or experience approved by Bursa Securities. None of the appointed Audit Committee members are Alternate Directors, in compliance with the requirements of Paragraph 15.09(2) of the MMLR.

The Audit Committee is chaired by Mr. Yap Seng Chong. He is a member of the Malaysian Institute of Accountants, which accordingly complies with Paragraph 15.09(1)(c)(i) of the MMLR. The Audit Committee members are financially literate, competent and possess a wide range of skills necessary to discharge their duties.

Following the resignation of Datuk Seri Nurmala binti Abd Rahim on 1 July 2025 and the redesignation of Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria as a Non-Independent Non-Executive Director of the Company on 8 July 2025, the Audit Committee currently comprises three (3) members: one (1) Independent Non-Executive Director and two (2) Non-Independent Non-Executive Directors. This composition complies with Paragraph 15.09(1)(a) of the MMLR of Bursa Malaysia Securities Berhad, which stipulates that an Audit Committee must consist of not fewer than three (3) members.

However, in light of the recent Board recomposition, the Company is only in partial compliance with Paragraph 15.09(1)(b) of the MMLR, which requires that the majority of Audit Committee members be independent directors. While all current members are non-executive directors as required, the majority are not independent. The Board is taking the necessary steps to address this and restore full compliance in due course.

C. Terms of Reference

The written Terms of Reference of the Audit Committee are consistent with the requirements of the MMLR and MCCG 2021.

The written Terms of Reference of the Audit Committee, which is accessible to the public for reference on the Company's website under the Corporate Governance segment at https://hartalega.com.my/sustainability/corporate-governance/, clearly set out the following:

i) Composition
ii) Chairman
iii) Meetings
iv) Objectives
v) Authority & Responsibilities
vi) Appointment Process

D. Meetings

The Audit Committee held five (5) meetings during the financial year ended 31 March 2025, attended by the Audit Committee members. The Audit Committee meetings held were also attended by the appointed Company Secretary and representatives from external and internal auditors, with the presence of Senior Management by invitation of the Audit Committee to facilitate direct communications and to provide clarifications on audit issues.

Details of the attendance of each Audit Committee member are outlined in Paragraph A above.

E. Summary of Activities

The following activities were carried out by the Audit Committee during the year under review:

i) Reviewed the quarterly financial statements and annual financial statements of the Group before submission to the Board for approval, focusing on major accounting policy changes, significant audit issues in relation to the estimates and judgement areas, significant and unusual events, and compliance with accounting standards and other legal requirements;
ii) Reviewed the audit fees and remuneration payable to external auditors;
iii) Reviewed and approved the risk-based annual audit plan of the internal auditors for the financial year;
iv) Reviewed the budget and resource plan of the internal auditors;
v) Approved the remuneration and decisions regarding the appointment of the head of internal audit;
vi) Reviewed the internal audit reports and ensured that appropriate actions were taken on the recommendations of the internal auditors;
vii) Reviewed the external audit scope of the audit and audit planning memorandum covering the main activities of the external audit approach, including evaluation of external auditors' responsibilities, client service team, materiality level, audit risk assessment, significant risks and areas of audit focus, consideration of fraud, the internal control system, involvement of internal auditors and internal specialists, involvement of component auditors, timing of audit, engagement on quality control, independence policies and procedures and financial reporting updates with the external auditors;
viii) Reviewed the financial year end statements with the external auditors, including audit issues and findings noted during the course of audit of the Group's and Company's financial statements and Management responses thereto;
ix) Reviewed, assessed and monitored the performance, suitability and independence of the external auditors;
x) Reviewed any related party transactions and recurring related party transactions that arose within the Group for ratification by the Board;
xi) Reviewed any material provision or allowance and writing off of bad debts in the quarterly financial statements and annual financial statements for Board approval;
xii) Reviewed the whistleblowing procedures and activities to monitor the actions taken in respect of whistleblowing reports received; and
xiii) Reviewed the Audit Committee Report and Statement of Risk Management and Internal Control and its recommendation to the Board for inclusion in the Annual Report.

The Committee discharged its duties and responsibilities in accordance with its Terms of Reference.

F. Internal Audit Function

The Board of Directors and the Audit Committee are assisted by the Internal Audit Department ("IAD") in ensuring that a sound system of internal controls is in place. The IAD reports to the Audit Committee on the performance of its duties and is guided by an Internal Audit Charter in its independent appraisal functions. The IAD assists the Group in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve on the effectiveness of governance, risk management and control processes.

The IAD functionally reports to the Board through the Audit Committee to allow an appropriate degree of independence from the operations of the Group. The Company appointed Ms. Sheetal Sharma as the new head of the IAD on 15 October 2024 in place of Ms. Yee Pui Ye. Ms. Sheetal Sharma has close to 14 years of experience encompassing audit, governance, risk management, and compliance, with exposure to roles in an international accounting firm as well as in the property development, technology, and broadcasting industries. Ms. Sheetal Sharma holds a Bachelor's Degree in Applied Accounting, is a Fellow Member of the Association of Chartered Certified Accountants, and a Chartered Member of The Institute of Internal Auditors. Ms. Sheetal Sharma is supported by three (3) internal audit staff who are accounting graduates from universities and members of The Malaysian Institute of Certified Public Accountants.

The IAD conducts its activities in accordance with the Global Internal Audit Standards™ issued by The Institute of Internal Auditors and the Internal Audit Charter as approved by the Audit Committee. The internal audit activities are carried out based on an annual audit plan developed using a risk-based approach to determine the priority of the internal audit activities approved by the Audit Committee. The risk-based annual audit plan, which includes both assurance and consulting activities, is established to achieve the following objectives:

- Compliance with legislation, regulations, policies and procedures;
- Economy and efficiency of operations;
- Safeguarding of assets;
- Reliability and integrity of financial and operational information; and
- Achievement of operational objectives.

The Audit Committee deliberates on the audit findings and recommendations as reported by the internal auditors and monitors to ensure appropriate actions are taken on the recommendations during the Audit Committee meetings every quarter. During the financial year ended 31 March 2025, a total of four (4) audit reviews were conducted on key business processes and management focus areas, which included audit on environmental, social and governance practices, shipping operations and staging errors, human resource management and cybersecurity. Three (3) follow-up reviews were performed on audit findings reported to monitor the status of the implementation of action plans by Management and were reported to the Audit Committee.

The total cost incurred by the IAD in discharging its functions and responsibilities for the financial year ended 31 March 2025 was RM482,181 (2024: RM726,351).

G. Review of the Audit Committee

The Audit Committee is satisfied that matters reported by it to the Board have been satisfactorily resolved and did not see any matter in breach of the MMLR that warrants reporting to Bursa Securities.

H. Evaluation of the Audit Committee

The Nomination Committee reviews the term of office and performance of the Audit Committee and each of its members through an annual effectiveness evaluation. The Nomination Committee is satisfied that the Audit Committee and members have carried out their duties in accordance with their terms of reference.

Statement On Risk Management And Internal Control

INTRODUCTION

The Statement on Risk Management and Internal Control (the "Statement") is prepared pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, a publication of Bursa Malaysia Securities Berhad.

BOARD RESPONSIBILITIES

The Board of Directors ("the Board") is committed in maintaining a sound system of risk management and internal control within the Group. The Board acknowledges that it is their responsibility to review, in an ongoing manner, the risk management and internal control system for its adequacy, effectiveness and integrity. Thus, the Board, through the Risk Management and Sustainability Committee ("RMSC"), maintains overall responsibility for risk oversight within the Group. Pursuant to the Malaysian Code on Corporate Governance ("MCCG") requirement for large organisations, the RMSC is made up of a majority of Independent Non-Executive Directors.

The system of risk management and internal control is designed to manage risk to a reasonable level rather than to eliminate risk of failure to achieve the Group's business objectives. It can therefore only provide reasonable and not absolute assurance against material misstatement or financial losses or fraud. In achieving the Group's business objectives, the Board assumes its responsibilities in designing the system of risk management and internal control based on the ongoing process of identifying and prioritising risk, evaluating the likelihood of risks being realised and its impact should they be realised, and then, managing them effectively, efficiently, and economically.

The Management is responsible for assisting the Board in implementing and monitoring the procedures and processes which identify, assess, and monitor strategic risks, business risks and internal controls, and to take responsive risk mitigation actions as and when needed.

The Board has received assurance from the Chief Executive Officer and the Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

The Board is of the view that the risk management and internal control system in place for the year under review and up to the date of issuance of the financial statements is adequate and effective to safeguard the shareholders' investment, the interests of customers, regulators and employees, and the Group's assets. The following outlines the nature and scope of risk management and internal control of the Group.

RISK MANAGEMENT & SUSTAINABILITY COMMITTEE

The RMSC is to assist the Board to oversee the management of all identified material risks including inter-alia reviewing risk management policies and frameworks, reviewing and approving risk appetite and tolerance, reviewing risk exposures and portfolio composition, and ensuring that infrastructure, resources, and systems are put in place for effective risk management oversight. The RMSC also ensures that the Risk Management Working Committee ("RMWC") provides regular reporting and updates to the Board on key risk management issues.

In discharging its responsibilities, the RMSC ensures corporate objectives are supported by a sound risk management strategy and an effective risk management framework that is appropriate to the nature, scale and complexity of the Group's activities and to provide effective oversight to ensure business activities are aligned to the risk strategy, risk appetite and policies approved by the Board of Directors. As part of risk governance, a risk heat map is reported to the RMSC on a bi-annual basis for oversight and mitigation status. Material risks identified are reported to the Board through the RMSC to ensure the Board is updated on significant risks and progress of mitigation actions.

In addition, the RMSC exercises oversight over the Group and subsidiaries' risk management and ensures that appropriate processes are established to monitor the subsidiaries' compliance with the Group's risk management policies.

In terms of Sustainability, the overall role of the RMSC is to provide assistance to the Board in fulfilling its oversight responsibilities on sustainability governance, including setting strategies, priorities and targets and implementing initiatives to address ESG matters and material sustainability risks and opportunities within the Group. The Group considers the integration of ESG factors as a component of the Board's fiduciary responsibility, and accountable therefore to the oversight and management of sustainability.

RISK MANAGEMENT FRAMEWORK

In line with the increasing focus of shareholders on corporate governance, the Group established and formalised its Enterprise Risk Management Framework ("ERM") in accordance with the Committee of Sponsoring Organisations ("COSO") Enterprise Risk Management framework and embarked on risk management initiatives. Under the ERM framework, a Risk Management Working Committee ("RMWC") is established to provide regular reporting on key risks to the RMSC and to address key risk management issues. The RMWC is also responsible to champion and promote the ERM and to ensure that the risk management process and culture are embedded throughout the Group.

The RMWC is headed by the Chief Executive Officer. The RMWC meets bi-annually where the risk owners have overall responsibility to monitor and report on key risks to the attention of the RMWC. The Chief Executive Officer is responsible to report to the RMSC and Board on a regular basis on major risk areas.

The key principles of the Group's ERM policy are:

- Effective risk management contributes to effective governance and is integral to the achievement of business objectives.
- It is the responsibility of every employee of the organisation to manage risks within their areas of responsibility.
- Risk management should be embedded into day-to-day management processes and is explicitly applied in strategic planning and decision-making.
- The risk management processes applied should aim to take advantage of opportunities, manage uncertainties and minimise threats.
- Regular reporting and monitoring activities emphasise the accountability and responsibility for managing risks.

To strengthen the risk management framework, the RMWC continuously enhances risk management practices and increases the scope across subsidiaries.

INTERNAL AUDIT AND ISO AUDIT FUNCTION

To maintain a sound system of internal control, the Group relies on its two (2) assurance mechanisms, namely:

i) Internal Audit; and
ii) ISO Audit

The Internal Audit Department ("IAD") was established by the Board to undertake continuous testing and assessments on the adequacy and effectiveness of the risk management, internal control and governance processes in order to provide reasonable assurance that such systems continue to operate efficiently and effectively. A risk-based approach is used to establish the Annual Audit Plan and approved by the Audit Committee of the Board. The internal audit reports, including significant findings, recommendations for improvements and management response to the recommendations are shared with the Management and reported to the Audit Committee on a quarterly basis. Follow-up reviews are performed and the status of the implementation of action plans by the Management are monitored and reported to the Audit Committee.

The IAD is placed under the direct supervision and authority of the Audit Committee of the Board to preserve its independence. The IAD's activities are guided by the Internal Audit Charter approved by the Audit Committee and the latest requirements in the Global Internal Audit Standards™ issued by The Institute of Internal Auditors.

Scheduled internal and external audits are conducted as per requirements of the ISO 9001:2015, ISO 13485:2016, Medical Device Single Audit Program (MDSAP), Medical Device Regulation (MDR) Regulation (EU) 2017/745 and ISO 14001:2015 certifications by TÜV SÜD; BRCGS Global Standard for Food Safety Certification by SGS; HACCP and Food GMP by Intertek; and HALAL certification by JAKIM. Issues arising from these external audits are forwarded to the Management for review and implementation of action plans.

OTHER KEY ELEMENTS OF RISK MANAGEMENT AND INTERNAL CONTROL

Apart from risk management and internal audit function, the Board has also put in place the following elements as part of the Group's system of internal control:

- Company policies and procedures that adhere to ISO 9001:2015, ISO 13485:2016 and ISO 14001:2015 management systems and are reviewed annually for their effectiveness;
- Whistleblowing policy was established to provide avenue for whistleblowing report and to promote good corporate governance. An independent third-party service provider is engaged to manage whistleblowing platform which can be made in multiple languages;
- Clearly defined organisational structure with proper delegation of responsibilities and accountability. Appropriate authority limits are established for the approval process, therefore minimising the risk of unauthorised transactions;
- Annual budget system is in place. There is requirement for the timely submission of monthly financial reports and key operational performance indicators to the Management;
- Human resource function sets out policies for recruitment, training and staff appraisal to ensure that staff are competent and adequately trained in carrying out their responsibilities; and
- All new products go through defined design control and thorough quality assurance programme. The new machines, production technology and processes go through a systematic and stringent verification and validation process before implementation.

CONCLUSION

During the financial year ended 31 March 2025, the Board is of the view that there have been no significant weaknesses identified in the risk management and internal control system. However, a number of non-critical internal control weaknesses were noted, all of which have been, or are being addressed. These were not expected to result in any material loss, contingencies or uncertainties that would require disclosure in this Annual Report.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control for the inclusion in the annual report of the Group for the year ended 31 March 2025 and reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and effectiveness of the risk management and internal control system.

Report of the Directors and Financial Statements

For The Financial Year Ended 31 March 2025

Directors' Report

The directors of Hartalega Holdings Berhad have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding.

The information on the name, place of incorporation, principal activities and percentage of issued share capital held by the holding company in each subsidiary is as disclosed in Note 12 to the financial statements.

RESULTS

The results of the Group and of the Company for the financial year are as follows:

	Group RM'000	Company RM'000
Profit for the financial year	74,410	158,953
Attributable to:		
Owners of the Company	74,542	158,953
Non-controlling interests	(132)	-
	74,410	158,953

In the opinion of the directors, the results of operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

Dividends paid, declared and proposed by the Company since the end of the previous financial year were:

(i) Final single tier exempt dividend of 0.35 sen per share amounting to RM11,946,000 in respect of the financial year ended 31 March 2024, declared on 6 September 2024 and paid on 8 October 2024.

(ii) First interim single tier exempt dividend of 0.56 sen per share amounting to RM19,114,000 in respect of the financial year ended 31 March 2025, declared on 12 November 2024 and paid on 11 December 2024.

(iii) Special single tier exempt dividend of 10.85 sen per share amounting to RM370,340,000 in respect of the financial year ended 31 March 2025, declared on 9 December 2024 and paid on 31 December 2024.

The directors do not recommend any final dividend in respect of the current financial year.

RESERVES AND PROVISIONS

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

ISSUE OF SHARES AND DEBENTURES

There were no new issue of shares or debentures during the financial year.

EMPLOYEE SHARE GRANT SCHEME

At an Extraordinary General Meeting held on 19 March 2024, shareholders approved the Executive Share Grant Scheme ("ESGS") to the eligible directors who are the executive directors of the Company and the chief executive of the Group and eligible employees.

The salient features and other terms of the ESGS are disclosed, as follows:

(i) The total number of shares made available during ESGS shall not exceed the maximum shares, in aggregate, i.e., exceed 1% of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time during ESGS period;

(ii) No allocation of more than 10% of the total ESGS will be made to any eligible person who, either singly or collectively through persons connected with them, hold 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any);

(iii) The aggregate maximum allocation to the eligible directors and senior management of the Group shall not be more than 50% of the total number of shares to be made available under the ESGS. This is after taking into consideration the past contribution of the eligible directors and senior management of the Group and to encourage them to contribute further to the success of the Group; and

(iv) The eligible directors and senior management of the Group do not participate in the deliberation or discussion of their respective allocations as well as to persons connected with them, if any.

The share options granted and vested during the financial year are as follows:

	Number of ESGS entitlement			
Date of Grant	At 1.4.2024	Granted	Vested	At 31.3.2025
1.5.2024	-	5,452,400	-	5,452,400

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

(a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and

(b) 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 had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances:

(a) which would render the amount written off for bad debts or the amount of provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

(c) 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; or

(d) 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.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and

(b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial year in which this report is made.

DIRECTORS

The directors of the Company in office during the financial year and during the period from the end of the financial year to the date of this report are:

KUAN KAM HON @ KWAN KAM ONN*
KUAN MUN LEONG*
KUAN MUN KENG*
DATO' TAN GUAN CHEONG
TAN SRI DATUK DR. REBECCA FATIMA STA. MARIA
DATUK LOO TOOK GEE
YAP SENG CHONG
KELVIN LOH HSIEN HAN (APPOINTED ON 2.5.2024)
DATUK SERI NURMALA BINTI ABD RAHIM (RESIGNED ON 1.7.2025)
DATO' RAZMAN HAFIDZ BIN ABU ZARIM (RESIGNED ON 2.7.2025)

*Directors of the Company and certain subsidiaries.

Other than as disclosed above, the directors who held office in the subsidiaries of the Company during the financial year and during the period from the end of the financial year to the date of this report are:

KUAN KAM PENG
KUAN EU JIN
LOH KEAN WOOI
MANOJ KUMAR BANSAL
LEONARD JOSEPH BROWN

DIRECTORS' INTERESTS

The interests in shares in the Company and in its related corporation of those who were directors of the Company at the end of the financial year according to the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act 2016 are as follows:

Shareholdings in the Company	Number of ordinary shares			
	At 1.4.2024	Bought	Sold	At 31.3.2025
Direct interests				
Kuan Kam Hon @ Kwan Kam Onn	100,284,462	-	(1,140,000)	99,144,462
Kuan Mun Leong	15,954,000	-	-	15,954,000
Kuan Mun Keng	10,900,800	-	-	10,900,800
Datuk Loo Took Gee	10,000	-	-	10,000
Indirect/Deemed interests				
Kuan Kam Hon @ Kwan Kam Onn [(1) (2) (3)]	1,482,523,754	-	-	1,482,523,754

(1) Shares held through Hartalega Industries Sdn. Bhd. and Budi Tenggara Sdn. Bhd. in which the director has substantial financial interests.

(2) Shares held through spouse/children of the director who herself/himself is not the director of the Company.

(3) Shares held through Yayasan Hartalega in accordance with Section 197 of the Companies Act 2016, in which the director is deemed to have an interest by virtue of his interest in Yayasan Hartalega, to the extent that Yayasan Hartalega has an interest in the Company.

In addition to the above, the following directors have an interest in the shares of the Company, by virtue of the options granted pursuant to the ESGS of the Company.

ESGS in the Company	Number of ESGS entitlement			
	At 1.4.2024	Granted	Vested	At 31.3.2025
Kuan Kam Hon @ Kwan Kam Onn	-	881,800	-	881,800
Kuan Mun Leong	-	881,800	-	881,800
Kuan Mun Keng	-	689,900	-	689,900

By virtue of his substantial interests in the shares of the Company, Mr. Kuan Kam Hon @ Kwan Kam Onn is also deemed to have an interest in the shares of the subsidiaries to the extent that the Company has an interest.

Other than as disclosed above, none of the other directors in office at the end of the financial year held shares or had beneficial interest in the shares of the Company or its related corporation during or at the beginning and end of the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate of remuneration received or due and receivable by directors or the fixed salary of a full-time employee of the Company as disclosed below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

	Group RM'000	Company RM'000
Directors:		
- Fees	1,600	1,528
- Other emoluments	5,280	44
- Benefits-in-kind	115	-
	6,995	1,572

During and at the end of the financial year, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Company maintains directors' and officers' liability insurance for purposes of Section 289 of the Companies Act 2016, throughout the year, which provides appropriate insurance cover for the directors and officers of the Company. The amount of insurance premium paid during the year amounted to RM123,000.

There was no indemnity given to or insurance effected for the auditors of the Company in accordance with Section 289 of the Companies Act 2016.

SUBSEQUENT EVENT

Significant event subsequent to end of the financial year is disclosed in Note 33 to the financial statements.

AUDITORS

The auditors, Deloitte PLT, have indicated their willingness to continue in office.

AUDITORS' REMUNERATION

The remuneration paid or payable to the auditors of the Group and of the Company for the financial year ended 31 March 2025 amounted to RM424,000 and RM85,000, respectively.

Signed on behalf of the Board, as approved by the Board in accordance with a resolution of the directors dated 8 July 2025.

KUAN KAM HON @ KWAN KAM ONN

KUAN MUN LEONG

Kuala Lumpur in Federal Territory
8 July 2025

Statement by Directors

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

We, the undersigned, being two of the directors of Hartalega Holdings Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements as set out on pages 113 to 169, are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025 and of the financial performance and the cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board, as approved by the Board in accordance with a resolution of the directors dated 8 July 2025.

KUAN KAM HON @ KWAN KAM ONN

KUAN MUN LEONG

Kuala Lumpur in Federal Territory
8 July 2025

Statutory Declaration

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

I, Kuan Kam Hon @ Kwan Kam Onn, being the director primarily responsible for the financial management of Hartalega Holdings Berhad, do solemnly and sincerely declare that, to the best of my knowledge and belief, the accompanying financial statements as set out on pages 113 to 169 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 Kuan Kam Hon @ Kwan Kam Onn at Kuala Lumpur in Federal Territory, this 8th day of July 2025.

KUAN KAM HON @ KWAN KAM ONN

Before me,

KAPT. (B) JASNI BIN YUSOFF (W465)
Commissioner for Oaths

Independent Auditors' Report to the Members of Hartalega Holdings Berhad

(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Hartalega Holdings Berhad, which comprise the statements of financial position as at 31 March 2025 of the Group and of the Company, and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 113 to 169.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 March 2025, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Key Audit Matter

Key audit matter presented below is the matter that, in our professional judgement, was of most significance in our audit of the financial statements of the Group for the current year. This matter was addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Key audit matter	*How the scope of our audit responded to the key audit matter*
Inventories Costing **(Refer to Note 14 to the financial statements)** Inventories are stated at the lower of cost and net realisable value. The cost of inventories comprises the cost of purchase plus the cost incurred in bringing the inventories to their present location and condition. Management's judgement is required to estimate the cost of finished goods and work-in-progress which comprises the cost of raw materials, direct labour, other direct costs, and the appropriate allocation of overheads based on normal operating capacity. The key bases and assumptions used in the estimation of the cost of inventories are disclosed in Notes 2(d)(iii) and 3(l) to the financial statements.	We have performed the following audit procedures in relation to review of inventory costing: • Obtained an understanding of the inventories valuation policy and processes implemented by management; • Evaluated design and implementation of the relevant controls surrounding inventories valuation and costing of inventories; • Verified the costing of inventories whether the inclusion of material costs, labour costs, production overheads and incidental costs incurred in bringing the inventories to their present location and condition are made in accordance with the Group's accounting policy and MFRS 102 *Inventories*; and • Assessed the appropriateness of the basis used by management for the allocation of production costs and overheads for the purpose of inventories valuation based on normal operating capacity.

Information Other than the Financial Statements and Auditors' Report Thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with the directors, we determine the matter that was of most significance in the audit of the financial statements of the Group for the current year and is therefore the key audit matter. We describe this matter in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 12 to the financial statements.

Other Matters

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

DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)

FARRUKH ZAFAR KHAN
Partner - 03572/04/2027 J
Chartered Accountant

Kuala Lumpur in Federal Territory
8 July 2025

Statements Of Profit Or Loss

For The Financial Year Ended 31 March 2025

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	4	2,585,649	1,838,110	130,004	-
Cost of sales		(2,341,380)	(1,682,443)	-	-
Gross profit		244,269	155,667	130,004	-
Other income		56,880	105,031	42,676	42,426
Distribution expenses		(40,840)	(34,201)	-	-
Administrative expenses		(150,231)	(145,193)	(3,913)	(3,751)
Other operating expenses		(60,065)	(35,197)	-	-
		(251,136)	(214,591)	(3,913)	(3,751)
Profit from operations		50,013	46,107	168,767	38,675
Finance costs		(2,064)	(7,649)	-	-
Profit before tax	5	47,949	38,458	168,767	38,675
Tax credit/(expense)	6	26,461	(18,675)	(9,814)	(9,675)
Profit for the financial year		74,410	19,783	158,953	29,000
Attributable to:					
Owners of the Company		74,542	12,501	158,953	29,000
Non-controlling interests		(132)	7,282	-	-
		74,410	19,783	158,953	29,000
Earnings per ordinary share attributable to owners of the Company:					
Basic earnings per ordinary share (sen)	7	2.18	0.37		

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Statements Of Other Comprehensive Income

For The Financial Year Ended 31 March 2025

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Profit for the financial year	74,410	19,783	158,953	29,000
Other comprehensive (loss)/income				
Items that may be reclassified subsequently to profit or loss				
Foreign currency translation, representing other comprehensive (loss)/income for the financial year, net of tax	(6,578)	5,433	-	-
Total comprehensive income for the financial year	67,832	25,216	158,953	29,000
Attributable to:				
Owners of the Company	67,679	17,752	158,953	29,000
Non-controlling interests	153	7,464	-	-
	67,832	25,216	158,953	29,000

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Statements Of Financial Position

As At 31 March 2025

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	8	2,573,123	1,901,008	-	-
Capital work-in-progress	9	400,785	1,025,132	-	-
Intangible assets	10	38,303	45,185	-	-
Right-of-use assets	11	2,663	4,607	-	-
Investments in subsidiaries	12	-	-	708,376	615,119
Deferred tax assets	13	992	1,426	-	-
Amount owing by subsidiaries	24	-	-	300,209	100,209
Total Non-Current Assets		3,015,866	2,977,358	1,008,585	715,328
Current Assets					
Inventories	14	338,364	385,630	-	-
Trade and other receivables	15	385,612	386,749	4,712	7,387
Tax assets	16	79,465	79,648	-	-
Derivative financial assets	17	114	865	-	-
Amount owing by subsidiaries	24	-	-	34	22
Cash, bank balances and short-term investments	18	923,121	1,427,366	610,808	1,135,112
Total Current Assets		1,726,676	2,280,258	615,554	1,142,521
TOTAL ASSETS		4,742,542	5,257,616	1,624,139	1,857,849
EQUITY AND LIABILITIES					
Equity Attributable to Owners of the Company					
Share capital	19	1,692,061	1,692,061	1,692,061	1,692,061
Reserves	20	2,630,218	2,955,682	(70,954)	163,236
		4,322,279	4,647,743	1,621,107	1,855,297
Non-controlling interests		(3,348)	(3,501)	-	-
Total Equity		4,318,931	4,644,242	1,621,107	1,855,297

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Non-Current Liabilities					
Loans and borrowings	21	-	4,315	-	-
Lease liabilities	22	1,298	2,471	-	-
Deferred tax liabilities	13	180,113	221,504	-	-
Total Non-Current Liabilities		181,411	228,290	-	-
Current Liabilities					
Trade and other payables	23	229,569	316,777	202	135
Loans and borrowings	21	4,051	62,268	-	-
Lease liabilities	22	1,502	2,306	-	-
Derivative financial liabilities	17	3,447	429	-	-
Tax liabilities	16	3,631	3,304	2,830	2,417
Total Current Liabilities		242,200	385,084	3,032	2,552
Total Liabilities		423,611	613,374	3,032	2,552
TOTAL EQUITY AND LIABILITIES		4,742,542	5,257,616	1,624,139	1,857,849

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Statements Of Changes In Equity

For The Financial Year Ended 31 March 2025

		← Attributable to Owners of the Company →							
			← Non-distributable →			Distributable			
Group	**Note**	**Share capital RM'000**	**Treasury shares RM'000**	**Translation reserve RM'000**	**Share-based payment reserve RM'000**	**Retained earnings RM'000**	**Sub-total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 April 2024		1,692,061	(106,495)	3,116	-	3,059,061	4,647,743	(3,501)	4,644,242
Comprehensive income/(loss)									
Profit/(Loss) for the financial year		-	-	-	-	74,542	74,542	(132)	74,410
Other comprehensive (loss)/income									
Foreign currency translation differences		-	-	(6,863)	-	-	(6,863)	285	(6,578)
Total comprehensive (loss)/income for the financial year		-	-	(6,863)	-	74,542	67,679	153	67,832
Transactions with owners									
Equity-settled share-based payment	20	-	-	-	8,257	-	8,257	-	8,257
Dividends	25	-	-	-	-	(401,400)	(401,400)	-	(401,400)
Total transactions with owners		-	-	-	8,257	(401,400)	(393,143)	-	(393,143)
At 31 March 2025		1,692,061	(106,495)	(3,747)	8,257	2,732,203	4,322,279	(3,348)	4,318,931

		Attributable to Owners of the Company						
		Non-distributable			Distributable			
Group	Note	Share capital RM'000	Treasury shares RM'000	Translation reserve RM'000	Retained earnings RM'000	Sub-total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 April 2023		1,692,061	(97,474)	(2,135)	3,047,609	4,640,061	18,302	4,658,363
Comprehensive income								
Profit for the financial year		-	-	-	12,501	12,501	7,282	19,783
Other comprehensive income								
Foreign currency translation differences		-	-	5,251	-	5,251	182	5,433
Total comprehensive income for the financial year		-	-	5,251	12,501	17,752	7,464	25,216
Transactions with owners								
Changes of ownership interests in a subsidiary	12	-	-	-	(1,049)	(1,049)	(29,267)	(30,316)
Acquisition of treasury shares	20	-	(9,021)	-	-	(9,021)	-	(9,021)
Total transactions with owners		-	(9,021)	-	(1,049)	(10,070)	(29,267)	(39,337)
At 31 March 2024		1,692,061	(106,495)	3,116	3,059,061	4,647,743	(3,501)	4,644,242

			← Non-distributable	→	Distributable	
Company	**Note**	**Share capital RM'000**	**Treasury shares RM'000**	**Share-based payment reserve RM'000**	**Retained earnings RM'000**	**Total equity RM'000**
At 1 April 2024		1,692,061	(106,495)	-	269,731	1,855,297
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	158,953	158,953
Transactions with owners						
Equity-settled share-based payment	20	-	-	8,257	-	8,257
Dividends	25	-	-	-	(401,400)	(401,400)
At 31 March 2025		1,692,061	(106,495)	8,257	27,284	1,621,107
At 1 April 2023		1,692,061	(97,474)	-	240,731	1,835,318
Profit for the financial year, representing total comprehensive income for the financial year		-	-	-	29,000	29,000
Transaction with owners						
Acquisition of treasury shares	20	-	(9,021)	-	-	(9,021)
At 31 March 2024		1,692,061	(106,495)	-	269,731	1,855,297

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Statements Of Cash Flows

For The Financial Year Ended 31 March 2025

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES				
Profit before tax	47,949	38,458	168,767	38,675
Adjustments for:				
Depreciation of property, plant and equipment	139,929	121,084	-	-
Depreciation of right-of-use assets	2,096	3,207	-	-
Impairment losses of assets, net	1,986	412	-	-
Fair value loss/(gain) on:				
Derivative financial instruments	3,769	(516)	-	-
Short-term investments	(1,078)	(201)	(1,078)	(201)
Amortisation of intangible assets	8,558	7,763	-	-
Interest expenses	2,064	7,621	-	-
Gain on disposal of property, plant and equipment	(6,062)	(4,409)	-	-
Property, plant and equipment written off	1,221	1,115	-	-
Intangible assets written off	-	86	-	-
Bad debts written off	-	2,075	-	-
Allowance for expected credit losses on trade receivables	2,728	-	-	-
Shared-based payment expense	8,257	-	-	-
Unrealised loss on foreign exchange	6,428	5,452	-	-
Inventories written down to net realisable value	2,274	1,413	-	-
Income from fixed income fund	(552)	(52)	(552)	(52)
Interest income	(42,019)	(60,663)	(40,986)	(42,174)
Operating Profit/(Loss) Before Working Capital Changes	177,548	122,845	126,151	(3,752)
Decrease/(Increase) in inventories	43,239	(154,653)	-	-
(Increase)/Decrease in receivables	(6,944)	(61,927)	(11)	210
(Decrease)/Increase in payables	(87,131)	67,608	67	(82)
Cash Generated From/(Used In) Operations	126,712	(26,127)	126,207	(3,624)
Tax paid	(16,833)	(31,872)	(9,401)	(8,829)
Tax refunded	2,759	-	-	-
Net Cash From/(Used In) Operating Activities	112,638	(57,999)	116,806	(12,453)

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES					
Additions to:					
Property, plant and equipment		(56,614)	(25,291)	-	-
Intangible assets		(140)	(1,942)	-	-
Capital work-in-progress		(136,170)	(139,771)	-	-
Proceeds from disposal of property, plant and equipment		6,383	7,039	-	-
Income received from fixed income fund		552	52	552	52
Interest received		44,693	56,788	43,660	37,614
Investment in subsidiaries		-	(30,316)	(85,000)	(24,500)
Increase in investments in deposits maturing more than three months		(37,175)	-	-	-
Net Cash (Used In)/From Investing Activities		(178,471)	(133,441)	(40,788)	13,166
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES					
Acquisition of treasury shares		-	(9,021)	-	(9,021)
Net changes in borrowings	(a)	(61,567)	(91,577)	-	-
Dividends paid		(401,400)	-	(401,400)	-
Interest paid		(1,889)	(7,487)	-	-
Repayment of lease liabilities	(a) (b)	(2,304)	(3,317)	-	-
Advances to subsidiaries		-	-	(200,000)	-
Repayment of advances from subsidiaries		-	-	-	630,926
Net Cash (Used In)/From Financing Activities		(467,160)	(111,402)	(601,400)	621,905

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(532,993)	(302,842)	(525,382)	622,618
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,427,366	1,724,468	1,135,112	512,293
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(9,505)	5,539	-	-
FAIR VALUE GAIN ON SHORT-TERM INVESTMENTS	1,078	201	1,078	201
CASH AND CASH EQUIVALENTS AT END OF YEAR (NOTE 18)	885,946	1,427,366	610,808	1,135,112

Notes:

(a) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the statements of cash flows as cash flows from financing activities.

Group	As at 1 April RM'000	Net changes from financing cash flows (i) RM'000	Non-cash changes (ii) RM'000	As at 31 March RM'000
2025				
Loans and borrowings (Note 21)	66,583	(61,567)	(965)	4,051
Lease liabilities (Note 22)	4,777	(2,304)	327	2,800
2024				
Loans and borrowings (Note 21)	149,571	(91,577)	8,589	66,583
Lease liabilities (Note 22)	4,827	(3,317)	3,267	4,777

(i) The cash flows make up the net amount of proceeds and repayments of borrowings and lease liabilities including interest on lease liabilities in the statements of cash flows.

(ii) Non-cash changes consist of unrealised foreign exchange loss arising from revaluation of term loans, and additions and fair value adjustment on lease liabilities.

(b) Cash outflow for leases as a lessee

	Group	
	2025 RM'000	2024 RM'000
Included in net cash used in financing activities		
Payment for the principal portion of lease liabilities	2,129	3,183
Interest paid in relation to lease liabilities	175	134
	2,304	3,317

The annexed notes form an integral part of, and should be read in conjunction with, these financial statements.

Notes To The Financial Statements

For The Financial Year Ended 31 March 2025

1. CORPORATE INFORMATION

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

The registered office of the Company is located at B-25-2, Block B, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at C-G-9, Jalan Dataran SD1, Dataran SD PJU9, Bandar Sri Damansara, 52200 Kuala Lumpur.

The Company is principally engaged in investment holding.

The information on the name, place of incorporation, principal activities and percentage of issued share capital held by the holding company in each subsidiary is as disclosed in Note 12.

The financial statements were authorised for issue in accordance with a Board of Directors' resolution dated 8 July 2025.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

(a) Statement of compliance

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

Adoption of Amendments to MFRSs

In the current financial year, the Group and the Company have adopted all the amendments to MFRSs issued by the Malaysian Accounting Standards Board ("MASB") that are mandatorily effective for annual financial periods beginning on or after 1 April 2024.

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 these amendments to MFRSs did not result in significant changes in the accounting policies of the Group and of the Company and has no significant effect on the financial performance or position of the Group and of the Company.

New Standards and Amendments to MFRSs in Issue But Not Yet Effective

At the date of authorisation for issue of these financial statements, the New Standards and Amendments to MFRSs which were in issue but not yet effective and not early adopted by the Group and the Company are as listed below:

MFRS 18	Presentation and Disclosure in Financial Statements[3]
MFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to:	
MFRS 121	Lack of Exchangeability[1]
MFRSs	Annual Improvements to MFRS Accounting Standards-Volume 11[2]
MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity[2]
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]

1 Effective for annual periods beginning on or after 1 January 2025, with earlier application permitted.
2 Effective for annual periods beginning on or after 1 January 2026, with earlier application permitted.
3 Effective for annual periods beginning on or after 1 January 2027, with earlier application permitted.
4 Effective date deferred to a date to be determined and announced by MASB.

The directors anticipate that abovementioned New Standards and Amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective. The adoption of these New Standards and Amendments to MFRSs may have an impact on the financial statements of the Group and of the Company in the period of initial application. However, it is not practicable to provide a reasonable estimate of these effects from the adoption of the said New Standards and Amendments to MFRSs until the Group and the Company undertake a detailed review.

(b) Basis of accounting

The financial statements of the Group and of the Company have been prepared on the historical cost convention except for certain financial instruments that are measured at fair value or at amortised cost at the end of the reporting date as explained in the material accounting policy information below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of MFRS 2 *Share-based Payment*, leasing transactions that are within the scope of MFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 *Inventories* or value in use in MFRS 136 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

(c) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM") which is also the Company's functional currency. All financial information presented in RM has been rounded to the nearest RM thousand, unless otherwise stated.

(d) Critical judgements and key sources of estimation uncertainty

The preparation of financial statements of the Group and of the Company require management to make assumptions, estimates and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the assumption or estimate is revised and in any future periods affected.

Significant areas of critical judgements and estimation uncertainty used in applying accounting principles that have significant effect on the amount recognised in the financial statements are as follows:

(i) Tax expense (Note 6) - Significant judgement is required in determining the capital allowances, reinvestment allowances and deductibility of certain expenses when estimating the provision for taxation of the Group. There were transactions during the ordinary course of business for which the ultimate tax determination of whether additional taxes will be due is uncertain. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax in the periods in which the outcome is known.

(ii) Useful lives of property, plant and equipment (Note 8) - The cost of property, plant and equipment of the Group is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these property, plant and equipment, excluding freehold land and long-term leasehold land, to be within 4 to 50 years. These are the common life expectancies applied generally. Changes in the expected level of usage and advancements in technologies could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(iii) Inventories (Note 14) - In determining the costing of inventories of the Group, management's judgement is required in determining the bases of finished goods and work-in-progress valuation which comprise costs of raw materials, direct labour, other direct costs, and the appropriate allocation of fixed overheads based on normal operating capacity.

(iv) Determination of functional currency - Functional currency is the currency of the primary economic environment in which the entities of the Group operate. When indicators of the primary economic environment are mixed, management uses its judgement to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The Group has determined that the functional currency of the Group is RM.

3. MATERIAL ACCOUNTING POLICIES

(a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries made up to 31 March each year. Control is achieved when the Company:

- has the power over the investee;

- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the statement of profit or loss and statements of other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used to be in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders with present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to the acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Changes in the Group's interests in subsidiaries that do not result in the Group in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted at the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable MFRS Accounting Standards).

The fair value of any investment retained in the subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9 *Financial Instruments* when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

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

(b) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with MFRS 112 *Income Taxes* and MFRS 119 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with MFRS 2 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with MFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to fair value at the acquisition-date and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items of which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

(c) Foreign currencies

(i) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the Group's functional currency (foreign currencies) are recorded in the Group entities' functional currency using the exchange rates prevailing on the dates of the transactions. Monetary items denominated in foreign currencies at the reporting date are re-translated to the functional currency at the exchange rates on the reporting date. Non-monetary items denominated in foreign currencies are not retranslated at the end of the reporting period except for those that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined.

Exchange differences arising on the settlement of monetary items and on the translation of monetary items are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation. These are initially taken directly to the translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised in profit or loss in the Company's separate financial statements or the individual financial statements of the foreign operation, as appropriate.

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

(ii) Foreign operations denominated in functional currencies other than Ringgit Malaysia ("RM")

The results and financial position of foreign operations that have a functional currency different from the presentation currency ("RM") of the consolidated financial statements are translated into RM as follows:

(i) Assets and liabilities for each reporting date presented are translated at the closing rate prevailing on the reporting date;

(ii) Income and expenses are translated at average exchange rates for the year, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used; and

(iii) All resulting exchange differences are taken to other comprehensive income and accumulated in a foreign exchange translation reserve (attributed to non-controlling interests as appropriate).

Upon disposal of a foreign subsidiary, the cumulative amount of translation differences at the date of disposal of the subsidiary is reclassified to the consolidated profit or loss.

(d) Revenue recognition

(i) Goods sold

Revenue from the sale of goods is measured at fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when (or as) a performance obligation in the contract with customer is satisfied, i.e. control over a product underlying the particular performance obligation has been transferred to the buyer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group or the Company transfers control of goods at a point in time unless one of the following over time criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;

(b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

(ii) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(iii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(e) Employee benefits

(i) Short-term employee benefits

Wages, salaries, social security contributions and bonuses are recognised as an expense in the year in which the associated services are rendered by employees of the Group and of the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plan

As required by law, companies in Malaysia make contributions to the state pension scheme, i.e. the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense as incurred.

(iii) Share-based payment

Equity-settled share-based payment

The Group operates an equity-settled share-based Executive Share Grant Scheme (“ESGS”) for its subsidiaries’ employees and directors. The ESGS will be satisfied by way of transfer of shares held in treasury upon vesting.

Equity-settled share-based payment to employees and directors are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. The fair value determined at the grant date of the equity-settled share-based payment is expensed on a straight-line basis over the vesting period, based on the Group’s estimate of the number of equity instruments that will eventually vest.

At each reporting date, the Group revises its estimate of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

As the Company grants rights to its equity instruments to the employees and directors of its subsidiaries, the Company does have an obligation to settle the transactions with the subsidiaries’ employees and directors by providing the Company’s own equity instruments. As such, the Company recognises an entry to debit the investments in subsidiaries and credit equity with an amount equal to the expense recognised in the subsidiaries. This is on the basis that the Company had made a capital contribution to the subsidiaries (assuming the subsidiaries had not paid fair value as reimbursement to the Company) by taking on the cost of remunerating the subsidiaries’ employees and directors that the subsidiaries would otherwise have had to bear, and had also granted an equity instrument in accepting the obligation to those employees and directors.

(f) Borrowing costs

All borrowing costs are recognised in profit or loss using the effective interest method, in the period in which they are incurred except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of a qualifying asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

(g) Tax expense

Tax expense in profit or loss represents the aggregate amount of current and deferred tax.

Current tax is the expected amount payable in respect of taxable profit for the year, using tax rates enacted or substantially enacted by the end of the reporting period, and any adjustments recognised for prior years’ current tax. When an item is recognised outside profit or loss, the related tax effect is recognised either in other comprehensive income or directly in equity.

Deferred tax is recognised using the liability method, on all temporary differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax is not recognised if the temporary difference arises from goodwill or from the initial recognition of an asset or liability in a transaction, which is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to apply in the period in which the assets are realised or the liabilities are settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised only to the extent that there are sufficient taxable profits relating to the same taxable entity and the same tax authority to offset or when it is probable that future taxable profits will be available against which the assets can be utilised.

Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefits will be realised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will be available for the assets to be utilised.

Deferred tax assets relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transactions either in other comprehensive income or directly in equity and deferred tax arising from business combination is adjusted against goodwill on acquisition or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the acquisition cost.

(h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Subsequent costs are included in the assets' carrying amount or recognised as separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Freehold land is not depreciated.

The principal annual rates used for this purpose are:

Long-term leasehold land	92 to 96 years
Buildings	2%
Plant and machinery	5%
Furniture, fittings and equipment	10% - 25%
Motor vehicles	20%
Renovation	10%

The residual values, useful lives and depreciation method are reviewed at each reporting date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these property, plant and equipment.

(i) Capital work-in-progress

Capital work-in-progress is stated at cost during the period of construction, less any recognised impairment loss, if any.

No depreciation is provided on capital work-in-progress and upon completion of construction that is ready for their intended use, the cost will be transferred to property, plant and equipment.

(j) Intangible assets

Intangible assets representing IT software, patent rights and golf club memberships, which have finite useful lives, are stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is recognised in the profit or loss on a straight-line method to allocate the cost of IT software, patent rights and golf club memberships over their useful lives. The principal annual rates used for this purpose are:

IT software	8 years
Patent rights	15 years
Golf club memberships	38 years

The residual values, useful lives and amortisation method are reviewed at each reporting date to ensure that the amount, method and period of amortisation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the 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.

(k) Impairment of non-financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of fair value less cost to sell and the value in use, which is measured by reference to discounted future cash flows and is determined on an individual asset basis, unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs to. An impairment loss is recognised whenever the carrying amount of an item of asset exceeds its recoverable amount. An impairment loss is recognised as expense in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value and cost is determined on the weighted average basis. The costs of raw materials, spare parts, consumables and goods-in-transit comprise cost of purchase plus the cost of bringing the inventories to their present location and condition. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportion of fixed overheads based on normal operating capacity. The cost of formers comprises cost of purchase plus the cost of bringing the inventories to their present location and condition and is recognised in profit or loss progressively over the period of their consumption.

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.

(m) Financial instruments

(i) Initial recognition and measurement

Financial instruments are recognised in the Group's and the Company's statements of financial position when the Group and the Company become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(ii) Financial instrument categories and subsequent measurement

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Financial assets are classified as subsequently measured at amortised costs, fair value through profit or loss ("FVTPL") or fair value through other comprehensive income ("FVTOCI"). The classification depends on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

A financial asset is any asset that is cash, a contractual right to receive cash or another financial asset from another enterprise, a contractual right to exchange financial instruments with another enterprise under conditions that are potentially favourable, or an equity instrument of another enterprise.

(i) Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the financial asset is held within a business model whose objective is 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.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income from financial assets is recognised on an effective interest method for debt instruments other than those financial assets classified as FVTPL.

(ii) Financial assets at FVTPL

Financial assets that do not meet the amortised cost criteria or the FVTOCI criteria are measured at FVTPL. In addition, financial assets that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL are measured at fair value at the end of each report period, with any fair value gains or losses recognised in profit or loss.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or measured at amortised cost.

(i) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities held for trading include derivatives entered into by the Group that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives do not include exchange differences.

(ii) Financial liabilities at amortised cost

Financial liabilities that are not held for trading, or designated as at FVTPL, are initially measured at fair value, net of transaction costs.

These financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or a shorter period, to the net carrying amount on initial recognition.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity, is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(iv) Impairment of financial assets

The Group and the Company recognise a loss allowance for expected credit losses ("ECL") on investment in debt instruments that are measured at amortised cost, trade and other receivables and amount owing from subsidiaries. The amount of expected credit losses is updated at the end of each reporting period to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group and the Company recognise lifetime ECL for trade receivables and other receivables and amount owing from subsidiaries. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period, including time value of money where appropriate.

For all other financial instruments, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12-month ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information, where available.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the end of the reporting period. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

At the end of each reporting period, the Group and the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes significant financial difficulty of the issuer, default or delinquency in interest or principal payments, or the borrower or it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Receivables assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

In respect of receivables carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised in profit or loss as bad debts recovered.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

The gross carrying amount of a financial asset is written off (either partially or fully) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determine 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. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

(n) Cash and cash equivalents

The Group and the Company adopt the indirect method in the preparation of the statements of cash flows. Cash and cash equivalents comprise cash in hand, bank balances, demand deposits and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

(o) Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of their liabilities. Ordinary shares are equity instruments. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(p) Repurchase of share capital

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares and are presented as a deduction from total equity. Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the distributable reserves. Where treasury shares are reissued by re-sale in the open market, the difference between the sale consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

(q) Derivative financial instruments

The Group enters into foreign exchange forward contracts to manage its exposure to foreign exchange rate.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

(r) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs that are directly attributable to the issuance of the guarantee and are subsequently measured at higher of the amount of the loss allowance determined in accordance with MFRS 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15 *Revenue from Contracts with Customers*.

(s) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

(t) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liabilities or assets are not recognised in the statements of financial position of the Group and of the Company.

(u) Segment reporting

For management purposes, the Group is organised into operating segments that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. The operating segment's operating results are reviewed regularly by the chief operating decision maker, which is the Chief Executive Officer of the Group, to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

4. REVENUE

	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Revenue from contracts with customers:				
At a point in time:				
- Sales of goods	2,585,649	1,838,110	-	-
Revenue from other sources:				
- Dividend income (Note 20)	-	-	130,004	-
	2,585,649	1,838,110	130,004	-

5. PROFIT BEFORE TAX

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

(a) Staff costs (including executive directors as disclosed in Note 5(b))

	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Staff costs	387,262	369,089	480	480
Included in staff costs are:				
Contributions to defined contribution plan	18,683	19,127	-	-
Share-based payment expense	8,257	-	-	-

(b) Directors' remuneration

	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
Directors of the Company				
Executive Directors:				
- Fees	552	552	480	480
- Other emoluments	5,238	4,150	2	-
Non-Executive Directors:				
- Fees	1,048	912	1,048	912
- Other emoluments	42	48	42	48
	6,880	5,662	1,572	1,440

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors of the subsidiaries				
Executive Directors:				
- Fees	48	48	-	-
- Other emoluments	2,919	2,841	-	-
	2,967	2,889	-	-
	9,847	8,551	1,572	1,440

The estimated monetary value of benefits-in-kind of the Group received by the directors of the Company and of the subsidiaries are RM115,000 (2024: RM123,000) and RM17,000 (2024: RM17,000), respectively.

(c) Other items

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Depreciation of:				
- property, plant and equipment (Note 8)	139,929	121,084	-	-
- right-of-use assets (Note 11)	2,096	3,207	-	-
Impairment loss/(Reversal of impairment loss) on:				
- property, plant and equipment (Note 8)	1,929	(1,373)	-	-
- capital work-in-progress (Note 9)	57	1,785	-	-
	1,986	412	-	-
Reversal of allowance for expected credit loss on asset upon liquidation of a foreign subsidiary company (Note 12)	-	(18,987)	-	-
Fair value loss/(gain) on:				
- derivative financial instruments (Note 17)	3,769	(516)	-	-
- short-term investments	(1,078)	(201)	(1,078)	(201)
Interest expenses in respect of:				
- term loans	1,889	7,481	-	-
- lease liabilities	175	134	-	-
- others	-	6	-	-
	2,064	7,621	-	-
Loss/(Gain) on foreign exchange:				
- realised	43,675	(9,553)	-	-
- unrealised	6,428	5,452	-	-
Amortisation of intangible assets (Note 10)	8,558	7,763	-	-

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Auditors' remuneration:				
Audit services by auditors of the Company	424	452	85	80
Audit services by other auditors	311	211	-	-
Other services by member firms of auditors of the Company	323	865	42	79
Gain on disposal of property, plant and equipment	(6,062)	(4,409)	-	-
Property, plant and equipment written off	1,221	1,115	-	-
Intangible assets written off	-	86	-	-
Inventories written down to net realisable value (Note 14)	2,274	1,413	-	-
Bad debts written off	-	2,075	-	-
Allowance for expected credit losses on trade receivables (Note 15)	2,728	-	-	-
Interest income in respect of:				
- deposits with licensed banks	(42,019)	(60,663)	(33,688)	(25,040)
- advances to subsidiaries (Note 24)	-	-	(7,298)	(17,134)
	(42,019)	(60,663)	(40,986)	(42,174)
Income from fixed income fund	(552)	(52)	(552)	(52)

6. TAX CREDIT/(EXPENSE)

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Current tax				
Malaysia income tax				
Current year	(13,101)	(15,149)	(9,814)	(9,679)
Overprovision in prior years	1,516	1,919	-	4
Overseas income tax				
Current year	(2,999)	(11,210)	-	-
Overprovision in prior years	-	17	-	-
	(14,584)	(24,423)	(9,814)	(9,675)
Deferred tax				
Origination and reversal of temporary differences	46,757	1,710	-	-
(Under)/Overprovision in prior years	(5,712)	4,038	-	-
	41,045	5,748	-	-
Tax credit/(expense)	26,461	(18,675)	(9,814)	(9,675)

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before tax	47,949	38,458	168,767	38,675
Tax at the Malaysian statutory income tax rate of 24% (2024: 24%)	11,508	9,230	40,504	9,282
Effect of different tax rate of foreign subsidiaries	704	2,377	-	-
Tax effects of:				
Non-deductible expenses	8,261	9,467	770	446
Non-taxable income	(451)	(1,546)	(31,460)	(49)
Double deduction of allowable expenses	(2,166)	(1,239)	-	-
Unutilised tax incentives (Note (a))	(49,657)	(4,812)	-	-
Deferred tax assets not recognised	1,144	11,172	-	-
(Over)/Under provision in prior years:				
Current tax	(1,516)	(1,936)	-	(4)
Deferred tax	5,712	(4,038)	-	-
Tax (credit)/expense	(26,461)	18,675	9,814	9,675

(a) The Group has claimed Reinvestment Allowance ("RA") under the provisions of the Income Tax Act 1967 for capital expenditure incurred on qualifying projects from the Year of Assessment ("YA") 2019 to YA 2025, in accordance with the general guidelines issued by the Inland Revenue Board of Malaysia. The qualifying period of 15 consecutive YA commences from the YA the Group first makes the claim. The unutilised tax incentives arising from RA can only be carried forward for a maximum period of 7 consecutive YA upon expiry of qualifying period of the RA, i.e., YA 2040. Any unutilised RA after the end of the 7 consecutive YA will be disregarded.

On 29 November 2023, the Malaysian Pillar Two Model Rules ("Pillar Two") was enacted via Finance (No.2) Act 2023 whereby the legislation and operational framework for the implementation of Domestic Top-up Tax and Multinational Top-up Tax is applicable for the entities with financial year beginning on or after 1 January 2025 ("Global Minimum Tax legislation") in Malaysia. As such, it has yet to be effective for the Group's financial statements in current year, except for the subsidiary in Australia where the Australian legislation had been enacted and came into effect from 1 January 2024.

The Global Minimum Tax legislation in Malaysia includes provisions for a Transitional Country-by-Country Reporting ("CbCR") Safe Harbour, which allows subsidiaries in jurisdictions that have met the Transitional CbCR Safe Harbour test to deem the top-up tax to be zero, thereby minimising the compliance burden during the early years of Pillar Two implementation.

Following a comprehensive assessment, the Group has determined that it qualifies for the Transitional CbCR Safe Harbour in all the jurisdictions in which the Group operates. In this regard, the Group does not foresee any exposure to Pillar Two Top-up Tax for the financial year ended 31 March 2025.

7. EARNINGS PER ORDINARY SHARE

	Group	
	2025	**2024**
Basic earnings per ordinary share		
Profit attributable to owners of the Company (RM'000)	74,542	12,501
Number of ordinary shares in issue as at beginning of the financial year ('000)	3,413,262	3,417,462
Effect on acquisition of treasury shares ('000)	-	(2,009)
Weighted average number of ordinary shares in issue ('000)	3,413,262	3,415,453
Basic earnings per ordinary share (sen)	2.18	0.37

The diluted earnings per ordinary share is not presented as the unexercised ESGS has immaterial dilutive effect on weighted average number of ordinary shares and earnings per ordinary shares.

8. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Long-term leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
Cost								
At 1 April 2024	38,299	101,105	794,154	2,052,686	438,129	6,726	6,068	3,437,167
Additions	-	20,000	13,075	15,756	5,850	1,925	8	56,614
Disposals	-	-	-	(54,842)	(899)	(680)	-	(56,421)
Write-off	-	-	(10)	(1,327)	(1,191)	-	-	(2,528)
Transfer from capital work-in-progress (Note 9)	-	145,224	235,824	269,951	105,874	-	2,051	758,924
Translation differences	-	(13)	-	-	(192)	-	-	(205)
At 31 March 2025	38,299	266,316	1,043,043	2,282,224	547,571	7,971	8,127	4,193,551
Accumulated depreciation								
At 1 April 2024	-	9,513	114,624	792,482	274,796	2,148	3,280	1,196,843
Charge for the financial year (Note 5)	-	2,179	15,506	79,893	40,875	1,266	210	139,929
Disposals	-	-	-	(34,579)	(644)	(419)	-	(35,642)
Write-off	-	-	(2)	(572)	(703)	-	-	(1,277)
Translation differences	-	(13)	-	-	(169)	-	-	(182)
At 31 March 2025	-	11,679	130,128	837,224	314,155	2,995	3,490	1,299,671
Accumulated impairment								
At 1 April 2024	-	-	116,772	207,943	12,726	-	1,875	339,316
Impairment loss (Note 5)	-	-	-	-	1,929	-	-	1,929
Disposals	-	-	-	(20,237)	(221)	-	-	(20,458)
Written off	-	-	-	(26)	(4)	-	-	(30)
At 31 March 2025	-	-	116,772	187,680	14,430	-	1,875	320,757
Net carrying amount								
At 31 March 2025	38,299	254,637	796,143	1,257,320	218,986	4,976	2,762	2,573,123

Group	Freehold land RM'000	Long-term leasehold land RM'000	Buildings RM'000	Plant and machinery RM'000	Furniture, fittings and equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
Cost								
At 1 April 2023	38,299	101,105	785,649	2,020,424	412,839	11,060	5,680	3,375,056
Additions	-	-	5,681	10,168	5,211	4,231	-	25,291
Disposals	-	-	-	(1,451)	(4,280)	(8,565)	-	(14,296)
Write-off	-	-	-	(699)	(4,111)	-	-	(4,810)
Transfer from capital work-in-progress (Note 9)	-	-	2,824	24,244	28,784	-	388	56,240
Translation differences	-	-	-	-	(314)	-	-	(314)
At 31 March 2024	38,299	101,105	794,154	2,052,686	438,129	6,726	6,068	3,437,167
Accumulated depreciation								
At 1 April 2023	-	8,455	101,923	721,634	246,586	7,024	3,184	1,088,806
Charge for the financial year (Note 5)	-	1,058	12,701	71,531	34,277	1,421	96	121,084
Disposals	-	-	-	(558)	(2,849)	(6,297)	-	(9,704)
Write-off	-	-	-	(125)	(3,085)	-	-	(3,210)
Translation differences	-	-	-	-	(133)	-	-	(133)
At 31 March 2024	-	9,513	114,624	792,482	274,796	2,148	3,280	1,196,843
Accumulated impairment								
At 1 April 2023	-	-	118,063	209,295	13,788	-	1,990	343,136
(Reversal of impairment loss)/ Impairment loss (Note 5)	-	-	(1,291)	7	26	-	(115)	(1,373)
Disposals	-	-	-	(881)	(1,081)	-	-	(1,962)
Written off	-	-	-	(478)	(7)	-	-	(485)
At 31 March 2024	-	-	116,772	207,943	12,726	-	1,875	339,316
Net carrying amount								
At 31 March 2024	38,299	91,592	562,758	1,052,261	150,607	4,578	913	1,901,008

(a) The long-term leasehold land of the Group has remaining unexpired lease period of more than 50 years.

(b) Net carrying amount of the property, plant and equipment amounting to RM132,609,000 (2024: RM514,492,000) is pledged as security by way of legal charge, specific debenture and fixed and floating charges for banking facilities granted to the Group as disclosed in Note 21.

9. CAPITAL WORK-IN-PROGRESS

	Group	
	2025 RM'000	2024 RM'000
At beginning of year	1,025,132	951,864
Additions	136,170	139,771
Transfer to property, plant and equipment (Note 8)	(758,924)	(56,240)
Transfer to intangible assets (Note 10)	(1,536)	(8,478)
Impairment loss (Note 5)	(57)	(1,785)
At end of year	400,785	1,025,132

The capital work-in-progress is mainly in respect of construction of new factory building and set up of new production plant and machinery.

During the financial year, the Group has recognised an impairment loss of RM57,000 (2024: RM1,785,000) in the profit or loss in the other operating expenses line item as disclosed in Note 5.

10. INTANGIBLE ASSETS

Group	IT software RM'000	Patent rights RM'000	Golf club memberships RM'000	Total RM'000
Cost				
At 1 April 2024	80,055	10,862	267	91,184
Additions	140	-	-	140
Transfer from capital work-in-progress (Note 9)	1,536	-	-	1,536
At 31 March 2025	81,731	10,862	267	92,860
Accumulated amortisation				
At 1 April 2024	39,412	6,530	57	45,999
Amortisation during the financial year (Note 5)	7,850	700	8	8,558
At 31 March 2025	47,262	7,230	65	54,557
Net carrying amount				
At 31 March 2025	34,469	3,632	202	38,303
Cost				
At 1 April 2023	70,176	10,838	175	81,189
Additions	1,826	24	92	1,942
Write-off	(425)	-	-	(425)
Transfer from capital work-in-progress (Note 9)	8,478	-	-	8,478
At 31 March 2024	80,055	10,862	267	91,184
Accumulated amortisation				
At 1 April 2023	32,697	5,828	50	38,575
Amortisation during the financial year (Note 5)	7,054	702	7	7,763
Write-off	(339)	-	-	(339)
At 31 March 2024	39,412	6,530	57	45,999
Net carrying amount				
At 31 March 2024	40,643	4,332	210	45,185

11. RIGHT-OF-USE ASSETS

Group	Land RM'000	Factory equipment RM'000	Premises RM'000	Total RM'000
Cost				
At 1 April 2024	1,129	7,808	4,280	13,217
Additions	-	-	152	152
Derecognition	(1,129)	(445)	-	(1,574)
At 31 March 2025	-	7,363	4,432	11,795
Accumulated depreciation				
At 1 April 2024	879	4,873	2,858	8,610
Charge during the financial year (Note 5)	250	1,019	827	2,096
Derecognition	(1,129)	(445)	-	(1,574)
At 31 March 2025	-	5,447	3,685	9,132
Net carrying amount				
At 31 March 2025	-	1,916	747	2,663
Cost				
At 1 April 2023	1,129	6,239	3,030	10,398
Additions	-	1,569	1,564	3,133
Derecognition	-	-	(314)	(314)
At 31 March 2024	1,129	7,808	4,280	13,217
Accumulated depreciation				
At 1 April 2023	502	3,710	1,505	5,717
Charge during the financial year (Note 5)	377	1,163	1,667	3,207
Derecognition	-	-	(314)	(314)
At 31 March 2024	879	4,873	2,858	8,610
Net carrying amount				
At 31 March 2024	250	2,935	1,422	4,607

The Group leases land, factory equipment and premises from various parties under non-cancellable operating leases. The tenure of these leases ranges between 1 to 5 years (2024: 1 to 5 years), with the option to renew upon expiry.

12. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025 RM'000	**2024 RM'000**
Unquoted shares, at cost		
At beginning of year	615,119	590,619
Additions	85,000	24,500
At end of year	700,119	615,119
Capital contribution to subsidiaries		
At beginning of year	-	-
Additions	8,257	-
At end of year	8,257	-
Total carrying amount	708,376	615,119

The particulars of subsidiaries are as follows:

Name of company	**Country of incorporation**	**Principal activities**	**Proportion of ownership interests and voting rights held by the Group**	
			2025	**2024**
Hartalega Sdn. Bhd.	Malaysia	Manufacturing of latex gloves	100%	100%
Hartalega NGC Sdn. Bhd.	Malaysia	Manufacturing of latex gloves	100%	100%
Hartalega Research Sdn. Bhd.	Malaysia	Research and development	100%	100%
MUN Global Sdn. Bhd. (5)	Malaysia	Sales and marketing of gloves	100%	100%
Hartalega NSM Sdn. Bhd. (5)	Malaysia	Manufacturing of latex gloves	100%	100%
Hartalega Corporate Services Sdn. Bhd.	Malaysia	Leasing of property, research and development of automation systems	100%	100%

Subsidiaries of Hartalega Sdn. Bhd.				
MUN (Australia) Pty Limited [1][4]	Australia	Retail and wholesale of gloves	-	100%
Yancheng MUN Medical Equipment Co. Ltd.[2]	People's Republic of China	Retail and wholesale of gloves	70%	70%
MUN Health Product (India) Pvt Ltd [1]	India	Retail and wholesale of gloves	81%	81%
Derma Care Plus Products (M) Sdn. Bhd.	Malaysia	Sales and marketing of gloves	100%	100%
Foshan Dynamic Limited [1][3]	People's Republic of China	Dormant, business license revoked	70%	70%
Subsidiaries of MUN Global Sdn. Bhd.				
MUN (Australia) Pty Limited [1][6]	Australia	Retail and wholesale of gloves	100%	-
Subsidiary of MUN (Australia) Pty Limited				
MUN (New Zealand) Limited [1][4][6]	New Zealand	Retail and wholesale of gloves	100%	100%

[1] Audited by a firm of auditors other than Deloitte PLT.

[2] During the financial year, Yancheng Economic and Technological Development Zone People's Court had given a bankruptcy ruling and announced that Yancheng MUN Medical Equipment Co. Ltd. ("MUN China") is officially wound up. As MUN China is dormant and has insignificant transactions in the current and previous financial years, thus the results of discontinued operations and effect on liquidation are not presented separately. In the previous financial year, the Group obtained further confirmation from the liquidation committee and reversed allowance of expected credit loss of RM18,987,000 as disclosed in Note 5.

[3] During the year, the Group initiated the liquidation process for Foshan Dynamic Limited ("FDL"). As FDL is dormant and has insignificant transactions in the current and previous financial years, thus the results of discontinued operations and effect on liquidation are not presented separately.

[4] On 8 November 2023, a wholly-owned subsidiary of the Group, Hartalega Sdn. Bhd. acquired remaining 18% of the issued share capital of MUN (Australia) Pty Limited ("MUN Australia") amounting to RM30,316,000. Accordingly, MUN (Australia) Pty Limited and MUN (New Zealand) Limited became wholly-owned subsidiaries of the Group.

[5] During the year, the Company increased additional 85,000,000 shares in MUN Global Sdn. Bhd. for RM85,000,000. Whilst for previous year, the Company increased additional 24,500,000 shares in Hartalega NSM Sdn. Bhd. for RM24,500,000.

[6] During the year, a wholly-owned subsidiary of the Group, MUN Global Sdn. Bhd. acquired 100% of the issued share capital of MUN (Australia) Pty Limited ("MUN Australia") amounting to RM76,052,000 from another wholly-owned subsidiary of the Group, Hartalega Sdn. Bhd.. The internal reorganisation did not result in any changes to the Group's ownership interest in MUN Australia. Accordingly, MUN Australia and MUN (New Zealand) Limited remained wholly-owned subsidiaries of the Group.

Composition of the Group

Information about the composition of the Group at the end of the reporting period is as follows:

Principal activities	Country of incorporation	Number of wholly-owned subsidiaries 2025	Number of wholly-owned subsidiaries 2024
Manufacturing of latex gloves	Malaysia	3	3
Research and development	Malaysia	1	1
Sales and marketing of gloves	Malaysia	2	2
Leasing of property, research and development of automation systems	Malaysia	1	1
Retail and wholesale of gloves	Australia	1	1
Retail and wholesale of gloves	New Zealand	1	1
		9	9

Principal activities	Country of incorporation	Number of non wholly-owned subsidiaries 2025	Number of non wholly-owned subsidiaries 2024
Retail and wholesale of gloves	India	1	1
Retail and wholesale of gloves (under bankruptcy proceeding)	People's Republic of China	1	1
Export and trading of medical products (dormant)	People's Republic of China	1	1
		3	3

The table below shows details of non wholly-owned subsidiaries of the Group that have material non-controlling interests ("NCI"):

	Percentage of ownership interests and voting powers held by NCI	Profit/(Loss) allocated to non-controlling interests RM'000	Accumulated non-controlling interests RM'000
2025			
Other individually immaterial subsidiaries	19% - 30%	(132)	(3,348)
2024			
MUN (Australia) Pty Limited	18%[1]	3,151	-
Other individually immaterial subsidiaries	19% - 30%	4,131	(3,501)
		7,282	(3,501)

(1) Upon the acquisition of remaining 18% of the issued share capital of MUN Australia in previous financial year, an amount of RM29,267,000 (being the proportion share of the carrying amount of net assets in MUN Australia) had been transferred from non-controlling shareholder. Changes in the Group's ownership interests in MUN Australia that did not result in a loss of control were accounted for as equity transactions, of which an amount of RM1,049,000 had been recognised directly in equity and attributed to the owners of the Group.

13. DEFERRED TAX ASSETS AND LIABILITIES

	Group	
	2025 RM'000	**2024 RM'000**
Deferred tax assets		
At beginning of year	1,426	2,251
Recognised in profit or loss	(494)	(901)
Translation differences	60	76
At end of year	992	1,426
Deferred tax liabilities		
At beginning of year	221,504	228,152
Recognised in profit or loss	(41,539)	(6,649)
Translation differences	148	1
At end of year	180,113	221,504

Deferred tax assets/(liabilities) provided in the financial statements are in respect of the tax effects of the following:

	Group	
	2025 RM'000	**2024 RM'000**
Deferred tax assets		
Temporary differences in respect of deductible expenses	4,972	8,425
Unabsorbed capital allowances	33,683	15,050
Unutilised tax incentives	58,623	8,966
Temporary differences in respect of unrealised foreign exchange losses	1,365	1,301
Others	593	1,083
	99,236	34,825
Offsetting	(98,244)	(33,399)
Deferred tax assets (after offsetting)	992	1,426
Deferred tax liabilities		
Temporary differences between the carrying amount of property, plant and equipment and its tax base	277,504	253,602
Temporary differences in respect of unrealised foreign exchange gains	-	234
Temporary differences in respect of taxable income	284	19
Others	569	1,048
	278,357	254,903
Offsetting	(98,244)	(33,399)
Deferred tax liabilities (after offsetting)	180,113	221,504

The estimated temporary differences for which no deferred tax assets have been recognised in the financial statements due to uncertainty of realisation are as follows:

	Group	
	2025 RM'000	2024 RM'000
Temporary differences in respect of:		
- The carrying amount of property, plant and equipment and its tax base	93,144	100,951
- Deductible expenses	-	4,906
Unabsorbed capital allowances	52,506	41,118
Unused tax losses	65,180	59,087
	210,830	206,062

The comparative information disclosed above has been restated to conform with the actual income tax computation submitted to the tax authorities. The unabsorbed capital allowances are available indefinitely to offset against future taxable profits of the Group.

Details of the unused tax losses of the Group are as follows:

Business loss incurred in year of assessment ("YA")	RM'000	Carried forward up to YA	Unutilised amount will be disregarded in YA
2017	300	2027	2028
2023	9,948	2033	2034
2024	48,839	2034	2035
2025	6,093	2035	2036
	65,180		

14. INVENTORIES

	Group	
	2025 RM'000	2024 RM'000
Raw materials	60,405	49,681
Work-in-progress	43,092	73,814
Finished goods	172,431	201,011
Goods-in-transit	3,332	5,453
Formers	37,636	39,025
Spare parts and consumables	21,468	16,646
	338,364	385,630

The cost of inventories recognised as expenses included cost of sales and inventories written down during the financial year amounted to RM2,335,935,000 and RM2,274,000 (2024: RM1,679,799,000 and RM1,413,000), respectively.

During the financial year, the Group has written off inventories amounting to RM3,440,000, which was written down to the profit or loss in the previous financial year.

15. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade				
Trade receivables	304,369	289,872	-	-
Less: Allowance for expected credit losses ("ECL")	(2,728)	-	-	-
Trade receivables, net	301,641	289,872	-	-
Non-trade				
Other receivables	22,185	33,836	4,707	7,382
Deposits	25,539	25,355	5	5
Prepayments	36,247	37,686	-	-
	83,971	96,877	4,712	7,387
	385,612	386,749	4,712	7,387

(a) Credit term of trade receivables

The Group's normal trade credit terms extended to customers range from 30 to 90 days (2024: 30 to 90 days). Other credit terms are assessed and approved on a case by case basis.

(b) Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables at the reporting date is as follows:

	Group	
	2025 RM'000	2024 RM'000
Neither past due nor impaired	192,692	217,385
1 to 30 days past due not impaired	102,507	60,458
31 to 60 days past due not impaired	5,408	10,286
61 to 90 days past due not impaired	2	676
91 to 120 days past due not impaired	773	737
More than 121 days past due not impaired	259	330
	108,949	72,487
Impaired - More than 121 days past due	2,728	-
	304,369	289,872

<u>Receivables that are neither past due nor impaired</u>

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records and mostly are regular customers that have been transacting with the Group.

None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

Trade receivables of the Group amounting to RM108,949,000 (2024: RM72,487,000) which are past due but not impaired because there have been no significant changes in credit quality of the debtors and the amounts are still considered recoverable.

Receivables that are impaired

The Group applies the simplified approach whereby allowance for ECL is measured at lifetime expected credit loss as disclosed in Note 3.

The impaired debtors at the reporting date had defaulted in payment. These receivables are not secured by any collateral or credit enhancements. The movement of allowance for ECL on trade receivables is as follows:

	Group	
	2025 RM'000	**2024 RM'000**
At beginning of year	-	94
Additions (Note 5)	2,728	-
Write-off	-	(98)
Translation differences	-	4
At end of year	2,728	-

(c) Trade receivables denominated in foreign currency are as follows:

	Group	
	2025 RM'000	**2024 RM'000**
United States Dollar	291,523	279,782
Australian Dollar	7,878	8,394

(d) Deposits

Included in deposits of the Group is an amount of RM22,869,000 (2024: RM22,869,000) in respect of the deposit paid for the acquisition of the land. As at reporting date, the Group is yet to fulfil the Conditions Precedent stipulated in the agreement.

(e) Prepayments

Included in prepayments of the Group is an amount of RM19,707,000 (2024: RM20,140,000) in respect of the royalty fees paid for the patent of antimicrobial glove.

16. TAX ASSETS AND LIABILITIES

These are in respect of tax recoverable and payable from/(to) the tax authority.

17. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	Group			
	Contract notional amount		Fair value	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Derivative Financial Assets				
Non-hedging derivative at fair value through profit or loss:				
- USD denominated	13,778	28,807	114	865
Derivative Financial Liabilities				
Non-hedging derivative at fair value through profit or loss:				
- USD denominated	404,686	707,052	(3,447)	(429)

The Group uses forward currency contracts to manage sales transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting. Forward currency contracts are used to hedge the Group's trade receivables and sales denominated in United States Dollar ("USD"), extended to July 2025.

During the financial year, the Group recognised a loss of RM3,769,000 (2024: gain of RM516,000) arising from fair value changes of derivative financial instruments. The method and assumption applied in determining the fair value of derivatives is disclosed in Note 29.

18. CASH, BANK BALANCES AND SHORT-TERM INVESTMENTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fixed income fund with licensed fund management companies (redeemable upon 1 day notice)	62,581	60,258	62,581	60,258
Deposits with licensed banks	597,175	1,015,000	545,000	965,000
Cash at banks and on hand	263,365	352,108	3,227	109,854
Total cash, bank balances and short-term investments	923,121	1,427,366	610,808	1,135,112
Less: Deposits maturing more than three months	(37,175)	-	-	-
Cash and cash equivalents	885,946	1,427,366	610,808	1,135,112

Deposits with licensed banks at the end of the reporting period earn interests ranging from 3.55% to 4.20% and 3.70% to 4.20% (2024: 3.55% to 4.20% and 3.90% to 4.20%) per annum, with maturity period ranging from 3 to 12 months (2024: 1 to 3 months) for the Group and within 3 months (2024: 3 months) for the Company.

Included in cash at banks of the Group and of the Company are amounts of RM190,812,000 (2024: RM260,720,000) and RM3,227,000 (2024: RM109,854,000), respectively which earn interest at effective interest rates ranging from 0.95% to 3.50% (2024: 1.45% to 4.50%) per annum.

Cash and bank balances of the Group denominated in foreign currency are as follows:

	Group	
	2025 RM'000	2024 RM'000
United States Dollar	86,970	59,319
Australian Dollar	52,786	54,090

19. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2025 '000	2024 '000	2025 RM'000	2024 RM'000
Issued and fully paid shares classified as equity instrument:				
At beginning/end of year	3,427,606	3,427,606	1,692,061	1,692,061

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

20. RESERVES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Distributable				
Retained earnings	2,732,203	3,059,061	27,284	269,731
Non-distributable				
Share-based payment reserve	8,257	-	8,257	-
Translation reserve	(3,747)	3,116	-	-
Treasury shares	(106,495)	(106,495)	(106,495)	(106,495)
	(101,985)	(103,379)	(98,238)	(106,495)
	2,630,218	2,955,682	(70,954)	163,236

(a) Retained earnings

The retained earnings of the Company is available to be distributed as single tier dividend to the shareholders of the Company.

(b) Share-based payment reserve

The share-based payment reserve represents the equity-settled share granted to directors and employees of the Group. This reserve is made up of the cumulative value of services received from directors and employees recorded on grant of share.

Management has determined that additional detailed disclosures regarding the terms, conditions, and fair value calculations of the ESGS are immaterial and therefore not required to be disclosed.

(c) Translation reserve

The translation reserve comprises all foreign currency differences arising from translation of the financial statements of the entities within the Group with functional currencies other than RM.

(d) Treasury shares

In the previous financial year, the Company repurchased 4,200,000 units of its issued ordinary shares from the open market at an average price of RM2.15 per share. The total consideration paid for the repurchase was RM9,021,000. The shares repurchased were being held as treasury shares in accordance with Section 127 (4)(b) of the Companies Act 2016 and no treasury shares have been cancelled or resold to date.

21. LOANS AND BORROWINGS

Group	Short-term borrowings Within 1 year RM'000	Long-term borrowings 1 to 2 years RM'000	Total RM'000
2025			
Secured variable rate instrument			
Term loan			
- United States Dollar	4,051	-	4,051
2024			
Secured variable rate instruments			
Term loans			
- United States Dollar	62,268	4,315	66,583

The term loans of the Group include the following:

Term Loan 1
Term Loan 1 is repayable over 47 monthly principal repayments of USD300,000 each with a final month principal repayment of USD900,000 commencing the 19th month from the date of the first drawdown.

The Term Loan 1 has been fully repaid during the financial year. Accordingly, the security of the term loan has been discharged at the end of financial year.

Term Loan 2
Term Loan 2 is repayable over 47 monthly principal repayments of USD1,042,000 each commencing the 8th month from the date of the first drawdown.

The Term Loan 2 has been fully repaid during the financial year. The Group is in the process of obtaining a deed of revocation to discharge the security of the term loan.

Term Loan 3
The Term Loan is repayable over 35 monthly principal repayments of USD304,800 each with final month principal repayment of USD304,400 commencing 1st month from the date of first drawdown.

The term loans of the Group are secured by:

(i) legal charges over certain buildings of the borrower (Note 8) for Term Loan 1;

(ii) specific debenture and fixed and floating charges over certain plant and machinery of the borrower (Note 8) for Term Loan 1, Term Loan 2 and Term Loan 3; and

(iii) corporate guarantee from the Company for Term Loan 1 and Term Loan 3.

The average effective interest rate of the term loans is ranging from 5.68% to 6.71% (2024: 5.83% to 6.97%).

At the reporting date, the Group has credit facilities totalling RM133,342,000 (2024: RM171,578,000) obtained from local licensed banks.

22. LEASE LIABILITIES

	Group	
	2025 RM'000	2024 RM'000
Lease liabilities payments:		
- not later than 1 year	1,671	2,787
- later than 1 year and not later than 5 years	1,376	2,662
	3,047	5,449
Future finance charges on lease liabilities		
- not later than 1 year	(169)	(481)
- later than 1 year and not later than 5 years	(78)	(191)
	(247)	(672)
Principal amount relating to lease liabilities	2,800	4,777
Principal amount relating to lease liabilities:		
- not later than 1 year	1,502	2,306
- later than 1 year and not later than 5 years	1,298	2,471
	2,800	4,777

The incremental borrowing rates applied to the lease liabilities are:

	Group	
	2025 %	2024 %
Interest rate per annum	3 - 5	3 - 5

23. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade				
Trade payables	80,941	64,158	-	-
Non-trade				
Other payables	46,560	58,976	37	-
Accruals	102,068	193,643	165	135
	148,628	252,619	202	135
	229,569	316,777	202	135

Trade payables

The normal trade credit terms granted to the Group range from 30 to 90 days (2024: 30 to 90 days).

Trade payables denominated in foreign currency are as follows:

	Group	
	2025 RM'000	2024 RM'000
United States Dollar	29,860	37,413

Other payables

Included in other payables of the Group are amounts of RM18,815,000 and RM14,556,000 (2024: RM16,223,000 and RM14,287,000) in respect of advance payments received from customers and balances owing to contractors for the construction and set up of new production plant and machinery.

Other payables denominated in major foreign currency are as follows:

	Group	
	2025 RM'000	2024 RM'000
United States Dollar	13,444	19,391
Australian Dollar	3,690	3,243

Accruals

Included in accruals of the Group is an amount of RM40,388,000 (2024: RM101,080,000) in respect of accrued expenses for natural gas and purchase of raw materials.

24. RELATED PARTY TRANSACTIONS

The non-current portion of amount owing by subsidiaries arose from advances amounting to RM300,209,000 (2024: RM100,209,000) which bears interest rates of 3.00% (2024: ranging from 2.75% to 3.00%) per annum and is not expected to be repaid within the next 12 months.

The current portion of amount owing by subsidiaries are non-trade in nature, unsecured and are repayable on demand.

Identity of related parties

Parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group and the Company and the party are subject to common control or common significant influence. The Group and the Company have related party relationships with the subsidiaries, key management personnel and companies related to directors.

Related party transactions

	Company	
	2025 RM'000	2024 RM'000
Received and receivable from subsidiaries:		
- Dividend income (Note 4)	130,004	-
- Interest income (Note 5)	7,298	17,134

Compensation of key management personnel

Key management personnel include personnel having authority and responsibility for planning, directing, and controlling the activities of the entities, directly or indirectly. The key management personnel of the Group and of the Company include directors of the Company and of the subsidiaries, and certain senior management personnel of the Group.

The compensation of the key management personnel of the Group other than the directors of the Company and of the subsidiaries as disclosed in Note 5 is as follows:

	Group	
	2025 RM'000	2024 RM'000
Short-term employee benefits	4,809	5,239
Defined contribution plan	543	620
Estimated monetary value of benefits-in-kind	102	91
	5,454	5,950

25. DIVIDENDS

	Group and Company	
	2025 RM'000	2024 RM'000
Final single tier exempt dividend of 0.35 sen per share in respect of the financial year ended 31 March 2024	11,946	-
First interim single tier exempt dividend of 0.56 sen per share in respect of the financial year ended 31 March 2025	19,114	-
Special single tier exempt dividend of 10.85 sen per share in respect of the financial year ended 31 March 2025	370,340	-
	401,400	-

The directors do not recommend any final dividend in respect of the current financial year.

26. CAPITAL COMMITMENT

In respect of acquisition of property, plant and equipment:

	Group	
	2025 RM'000	**2024 RM'000**
Approved and contracted for	236,119	355,169

27. SEGMENT INFORMATION

The Group's business mainly comprises the manufacturing and sale of gloves. The Group's manufacturing activities are operated solely in Malaysia whilst its revenue is mainly earned through exports. On this basis, the Chief Executive Officer of the Group reviews the operating results of the Group as a whole. Accordingly, no reportable operating segment is presented as all information required has been disclosed in the financial statements.

Information about geographical areas

Revenue information based on the geographical location of customers is as follows:

	Group	
	2025 RM'000	**2024 RM'000**
North America	1,448,760	881,165
Europe	528,867	411,503
Asia (excluding Malaysia)	412,535	337,215
Australia	110,224	136,584
Malaysia	47,097	13,147
Middle East	19,364	17,096
Others	18,802	41,400
	2,585,649	1,838,110

Non-current assets which do not include capital work-in-progress and deferred tax assets analysed by geographical location of the assets are as follows:

	Group	
	2025 RM'000	**2024 RM'000**
Malaysia	2,613,547	1,950,216
Australia	360	376
India	182	208
	2,614,089	1,950,800

Information about major customers

The following is a major customer with revenue equal or more than 10% of Group revenue:

	Geographical location	Group 2025 RM'000	Group 2024 RM'000
Customer A	North America	551,649	268,552

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk.

The Group's risk management seeks to minimise the potential adverse effects from the exposures to variety of risks in the normal course of business.

The Group's and the Company's exposure to the financial risks and the objectives, policies and processes put in place to manage these risks are disclosed below.

(a) Credit risk management

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations.

The Group's and the Company's exposure to credit risk arises mainly from its receivables and the maximum risk associated with the recognised financial assets is the carrying amounts as presented in the statements of financial position and corporate guarantee provided by the Company to banks on a subsidiary's term loans.

The Group has a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's net trade receivables at the reporting date is as follows:

	Group			
	2025		2024	
	RM'000	% of total	RM'000	% of total
By country:				
United States of America	178,657	59.2	135,886	46.9
Singapore	37,067	12.3	6,927	2.4
Germany	32,397	10.7	42,934	14.8
Canada	13,813	4.6	21,559	7.4
Japan	9,124	3.0	15,046	5.2
Australia	8,319	2.8	8,687	3.0
Denmark	3,046	1.0	15,117	5.2
United Kingdom	1,124	0.4	14,678	5.1
Others	18,094	6.0	29,038	10.0
	301,641	100.0	289,872	100.0

At the reporting date, approximately 42.2% (2024: 23.1%) of the Group's trade receivables was due from two (2024: two) major customers. Trade receivable balances from those major customers amounted to RM127,274,000 (2024: RM66,872,000).

Financial guarantee

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to a subsidiary. The Company monitors on an ongoing basis the repayments made by the subsidiary and its financial performance.

The maximum exposure to credit risk amounting to RM4,051,000 (2024: RM66,583,000) representing the outstanding borrowings of the subsidiary guaranteed by the Company at the reporting date. The fair value of such financial guarantees is not expected to be material as the probability of the subsidiary defaulting on the credit lines is remote.

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

i) The subsidiary is unlikely to pay its credit obligation to the bank in full; or

ii) The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

As at the end of the reporting period, there was no indication that the subsidiary would default on repayment. Hence, no recognition of liabilities on the financial guarantees.

(b) Liquidity risk management

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations associated with financial liabilities. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group actively manages its operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to its overall debt position.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and of the Company's financial liabilities at the reporting date based on contractual undiscounted repayment of obligations.

	Carrying amount RM'000	Contractual cash flows RM'000	On demand or within 1 year RM'000	1 to 2 years RM'000	2 to 5 years RM'000
2025					
Group					
Financial liabilities:					
Trade and other payables	229,569	229,569	229,569	-	-
Lease liabilities	2,800	3,047	1,671	1,062	314
Loans and borrowings	4,051	4,318	4,318	-	-
Company					
Financial liabilities:					
Trade and other payables	202	202	202	-	-
Financial guarantee contracts*	-	4,051	4,051	-	-
2024					
Group					
Financial liabilities:					
Trade and other payables	316,777	316,777	316,777	-	-
Lease liabilities	4,777	5,449	2,787	1,897	765
Loans and borrowings	66,583	70,923	66,324	4,599	-
Company					
Financial liabilities:					
Trade and other payables	135	135	135	-	-
Financial guarantee contracts*	-	66,583	66,583	-	-

* This liquidity risk exposure is included for illustration purpose only as the related financial guarantees have not crystalised.

The table below summarises the maturity profile of the Group's derivative financial liabilities based on contractual undiscounted repayment obligations. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis.

	Group			
	Carrying amount RM'000	**Contractual cash flows RM'000**	**Within 1 month RM'000**	**1 to 12 months RM'000**
2025				
Financial liability				
Forward foreign currency contracts	3,447	3,447	1,078	2,369
2024				
Financial liability				
Forward foreign currency contracts	429	429	384	45

(c) Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of the Group's and of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from deposits placed with licensed banks, fixed income fund and borrowings. The fixed income fund at variable rate expose the Group and the Company to cash flow interest rate risk.

Borrowings amounting to RM4,051,000 (2024: RM66,583,000) expose the Group to interest rate risk.

The Group and the Company manage their interest rate risk exposure by reviewing their investments and debts portfolio to ensure favourable rates are obtained.

Sensitivity analysis for interest rate risk

At the reporting date, a change of 75 (2024: 75) basis points in interest rates, with all other variables held constant, would decrease/increase the equity and profit after tax of the Group by approximately RM23,000 (2024: RM380,000), arising mainly as a result of higher/lower interest expense on floating rate financial liabilities.

(d) Foreign currency risk management

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

The Group is exposed to foreign currency risk arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily Ringgit Malaysia ("RM"), United States Dollar ("USD") and Australian Dollar ("AUD"). The foreign currency in which these transactions are denominated is mainly USD.

The Group also holds cash and cash equivalents denominated in USD for working capital purposes and has term loans denominated in USD.

Forward foreign currency contracts are used by the Group to reduce exposure to fluctuations in foreign currency risk. In addition, the Group holds cash and cash equivalents denominated in USD to pay its foreign purchases as a natural hedge against fluctuations in foreign currency risk.

The Group is also exposed to currency translation risk arising from its net investments in foreign operations. The Group's net investment in Australia and India are not hedged as currency positions in AUD and Indian Rupee ("Rs") are considered to be long-term in nature.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit for the financial year to a reasonably possible change in the USD exchange rate against RM, with all other variables held constant.

	Group	
	2025 RM'000	**2024 RM'000**
USD/RM		
- strengthened 5%	12,451	8,214
- weakened 5%	(12,451)	(8,214)

29. FAIR VALUE OF FINANCIAL INSTRUMENTS

The methods and assumptions used to estimate the fair value of the following classes of financial assets and liabilities are as follows:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables

The carrying amounts of these financial assets and financial liabilities carried at amortised cost in the financial statements approximate their fair values due to the short maturities of these financial instruments.

(ii) Amount owing by subsidiaries

The fair value of the long-term financial asset is determined by the present value of future cash flows estimated and discounted using the current interest rates for similar instruments at the end of the reporting period. There is no material difference between the fair value and carrying value of the asset at the end of the reporting period.

(iii) Derivative financial instruments

Forward currency contracts are valued using a valuation technique with market observation inputs. The fair value of the forward foreign currency contracts is determined by reference to discounting the difference between the contracted rate and the current forward price at the reporting date for the residual maturity of the contracts using risk-free interest rate (based on government bonds).

(iv) Loans and borrowings

The fair value of variable rate loans and borrowings, which are estimated using discounted cash flow analysis, based on current lending rate for similar types of borrowing arrangements, are as follows:

	Group	
	Carrying amount RM'000	Fair value RM'000
2025		
Financial Liability		
Loans and borrowings	4,051	4,318
2024		
Financial Liability		
Loans and borrowings	66,583	70,923

30. FAIR VALUE HIERARCHY

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

(i) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 fair value measurements are those derived from 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); and

(iii) Level 3 fair value measurements are those derived from inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value of financial instruments that are measured at fair value in the statements of financial position at the end of the reporting date

	Fair value RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Group				
2025				
Short-term investments	62,581	62,581	-	-
Foreign currency forward contracts				
Derivative financial assets	114	-	114	-
Derivative financial liabilities	(3,447)	-	(3,447)	-
2024				
Short-term investments	60,258	60,258	-	-
Foreign currency forward contracts				
Derivative financial assets	865	-	865	-
Derivative financial liabilities	(429)	-	(429)	-
Company				
2025				
Short-term investments	62,581	62,581	-	-
2024				
Short-term investments	60,258	60,258	-	-

During the financial years ended 31 March 2025 and 31 March 2024, there was no transfer between fair value measurement hierarchy.

Fair value of financial instrument that is not measured at fair value in the statements of financial position at the end of the reporting date (but fair value disclosure is required)

	Group			
	Fair value RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
2025				
Financial Liability				
Loans and borrowings	4,318	-	-	4,318
2024				
Financial Liability				
Loans and borrowings	70,923	-	-	70,923

The fair value of loans and borrowings, which is estimated using discounted cash flow analysis, based on current lending rate for similar types of borrowing arrangements.

31. CATEGORY OF FINANCIAL INSTRUMENTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financial assets				
FVTPL:				
Short-term investments	62,581	60,258	62,581	60,258
Derivative financial assets	114	865	-	-
At amortised costs:				
Trade receivables and other receivables	349,365	349,063	4,712	7,387
Amount owing by subsidiaries	-	-	300,209	100,231
Deposits with licensed banks	597,175	1,015,000	545,000	965,000
Cash at banks and on hand	263,365	352,108	3,227	109,854
Financial liabilities				
FVTPL:				
Derivative financial liabilities	3,447	429	-	-
At amortised costs:				
Trade and other payables	229,569	316,777	202	135
Lease liabilities	2,800	4,777	-	-
Loans and borrowings	4,051	66,583	-	-

32. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders' value.

The Group's capital includes its shareholders' funds and interest-bearing borrowings. The Group manages its capital structure and makes adjustments to it, in light of changes in economic and business conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Board of Directors has announced a policy to distribute a minimum of 60% of the Group annual net profit to its shareholders effective from the financial year ended 31 March 2018.

No changes were made in the objectives, policies and processes since the financial year ended 31 March 2024.

As at 31 March 2025, the total capital managed by the Group which comprises shareholders' equity, amounted to RM4,322,279,000 (2024: RM4,647,743,000).

The Group is not subject to any externally imposed capital requirements.

The Group and the Company monitor capital using gearing ratio, which is net debts divided by total capital. Net debts comprise interest bearing borrowings and lease liabilities less cash, bank balances and short-term investments whilst total capital is the total equity of the Group and of the Company. The gearing ratios as at 31 March 2025 and 31 March 2024, which are within the Group's and the Company's objectives of capital management are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash, bank balances and short-term investments	923,121	1,427,366	610,808	1,135,112
Less: Total interest bearing borrowings and lease liabilities	(6,851)	(71,360)	-	-
Total net cash	916,270	1,356,006	610,808	1,135,112
Total equity	4,318,931	4,644,242	1,621,107	1,855,297
Gearing ratio (%)	*	*	*	*

* As at 31 March 2025 and 31 March 2024, the Group and the Company are at net cash position, thus the gearing ratio is not presented.

33. SUBSEQUENT EVENT

On 2 April 2025, MUN Global Sdn. Bhd., a wholly-owned subsidiary of the Company ("MUN Global") has entered into a share sale agreement with the shareholders of Medico Sdn. Bhd. ("Medico") to acquire 70% of the issued and paid-up share capital of Medico for a consideration of RM6,700,000. The acquisition has been completed on 23 April 2025. Accordingly, Medico became a subsidiary of the Group subsequent to the current financial year end.

On 23 May 2025, the directors of Medico allotted 5,000,000 shares, which rank pari passu with the existing shares of Medico. In respect of the allotment of shares, MUN Global increased additional 3,500,000 shares in Medico for RM3,500,000.

Corporate Information

BOARD OF DIRECTORS	
Kuan Kam Hon @ Kwan Kam Onn	Executive Chairman
Kuan Mun Leong	Chief Executive Officer
Kuan Mun Keng	Chief Business Officer
Dato' Tan Guan Cheong	Non-Independent Non-Executive Director
Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria	Non-Independent Non-Executive Director
Datuk Loo Took Gee	Independent Non-Executive Director
Yap Seng Chong	Independent Non-Executive Director
Kelvin Loh Hsien Han	Independent Non-Executive Director

AUDIT COMMITTEE	
Yap Seng Chong	Chairperson
Dato' Tan Guan Cheong	Member
Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria	Member

REMUNERATION COMMITTEE	
Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria	Chairperson
Yap Seng Chong	Member
Dato' Tan Guan Cheong	Member

NOMINATION COMMITTEE	
Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria	Chairperson
Yap Seng Chong	Member
Dato' Tan Guan Cheong	Member
Datuk Loo Took Gee	Member

RISK MANAGEMENT & SUSTAINABILITY COMMITTEE	
Yap Seng Chong	Chairperson
Dato' Tan Guan Cheong	Member
Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria	Member

COMPANY SECRETARIES

Wong Maw Chuan (MIA 7413)
SSM PC No.: 202008003554

Wong Youn Kim (f) (MAICSA 7018778)
SSM PC No.: 201908000410

Lee Chin Wen (f) (MAICSA 7061168)
SSM PC No.: 202008001901

FACTORY LOCATION

No. 1, Persiaran Tanjung
Kawasan Perindustrian Tanjung
43900 Sepang
Selangor Darul Ehsan, Malaysia
Tel: +603-8707 3000

REGISTERED OFFICE

B-25-2, Block B, Jaya One
No. 72A, Jalan Prof Diraja Ungku Aziz
46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel: +603-7955 0955 Fax: +603-7955 0959

REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel: +603-7890 4700 Fax: +603-7890 4670

PRINCIPAL BANKERS

Hong Leong Bank Berhad

Standard Chartered Bank Malaysia Berhad

CIMB Bank Berhad

Sumitomo Mitsui Banking Corporation Malaysia Berhad

AUDITORS

DELOITTE PLT (LLP0010145-LCA) (AF0080)
Level 16, Menara LGB
1, Jalan Wan Kadir
Taman Tun Dr Ismail
60000 Kuala Lumpur, Malaysia

INVESTOR RELATIONS

Email: ir@hartalega.com.my
Tel: +603-6277 1733, ext. 399

CORPORATE OFFICE

C-G-9, Jalan Dataran SD1
Dataran SD, PJU 9
Bandar Sri Damansara
52200 Kuala Lumpur
Tel: +603-6277 1733
URL: www.hartalega.com.my
Email: info@hartalega.com.my

STOCK EXCHANGE

Main Market of Bursa Malaysia Securities Berhad
Stock Name: Harta
Stock Code: 5168

Additional Compliance Information

A. Utilisation of Proceeds Raised from Corporate Proposals

During the financial year ended 31 March 2025, there were no proceeds raised from any corporate proposals.

B. Related Party Transactions

A list of the significant related party transactions between the Company and its subsidiaries, and between the Group and other related parties including relevant Key Management personnel for the financial year ended 31 March 2025 is set out on page 159 to 160 of the Annual Report.

C. Audit and Non-Audit Fees

The amount of audit and non-audit fees paid/payable by the Company and the Group for services rendered by the external auditor, Deloitte PLT and its affiliates in respect of the financial year ended 31 March 2025 is set out under Note 5(c) to the financial statements, page 140 of the Annual Report.

D. Material Contracts and Contracts Relating to Loan

During the financial year under review, there were no material contracts and/or contracts relating to loan entered by the Company and/or its subsidiaries, involving the interests of the Directors and substantial shareholders.

List of Properties

As At 31 March 2025

Location Address	Existing Use	Approximate Age of Building	Tenure	Date of Acquisition	Area (m^2)	NBV (RM'000)
H.S.(D) 36055, P.T. No. 5785 Mukim of Labu Daerah Sepang Selangor Darul Ehsan	Factory and office building	Between 5 to 9 years	Leasehold expiring on 9 October 2110	2015 to 2019	284,464 (build-up area)	476,335
H.S.(D) 56146, P.T. No. 9571 Mukim of Labu Daerah Sepang Selangor Darul Ehsan	Factory and office building	Between 1 year	Leasehold expiring on 9 October 2110	2024 to 2025	89,021 (build-up area)	208,576
H.S.(D) 36055, P.T. No. 5785 Mukim of Labu Daerah Sepang Selangor Darul Ehsan	Industrial land	N/A	Leasehold expiring on 9 October 2110	2013	384,449	86,783
H.S.(D) 36056, P.T. No. 5786 Mukim of Labu Daerah Sepang Selangor Darul Ehsan	Agriculture land	N/A	Leasehold expiring on 9 October 2110	2013	68,800	3,474
H.S.(D) 56146, P.T. No. 9571 Mukim of Labu Daerah Sepang Selangor Darul Ehsan	Industrial land	N/A	Leasehold expiring on 9 October 2110	2024 to 2025	245,761	164,106
H.S.(D) 36057, P.T. No. 5787 Mukim of Labu Daerah Sepang Selangor Darul Ehsan	Industrial land	N/A	Leasehold expiring on 9 October 2110	2014	650	152
H.S.(D) 36055, P.T. No. 5785 Mukim of Labu Daerah Sepang Selangor Darul Ehsan	Hostel building	Between 5 to 9 years	Leasehold expiring on 9 October 2110	2015 to 2019	75,146 (build-up area)	77,162
H.S.(D) 56146, P.T. No. 9571 Mukim of Labu Daerah Sepang Selangor Darul Ehsan	Hostel building	Between 1 year	Leasehold expiring on 9 October 2110	2024 to 2025	40,520 (build-up area)	32,851
GRN 193487, Lot 4864 Pekan Bestari Jaya Daerah Kuala Selangor Selangor Darul Ehsan	Industrial land	N/A	Freehold	1993 and 2001	43,158	4,901
H.S.(D) 276179, P.T. No. 7320 Pekan Bestari Jaya Daerah Kuala Selangor Selangor Darul Ehsan	Industrial land	N/A	Freehold	2006 and 2007	57,987	10,031
H.S.(D) 279954, PT 7321 Seksyen 4, Pekan Bestari Jaya Daerah Kuala Selangor Selangor Darul Ehsan	Industrial land	N/A	Freehold	2010 and 2011	45,220	11,671
GRN 332891, Lot 10459 Pekan Bestari Jaya Daerah Kuala Selangor Selangor Darul Ehsan	Vacant	N/A	Freehold	2023	41,700	11,578

Location Address	Existing Use	Approximate Age of Building	Tenure	Date of Acquisition	Area (m^2)	NBV (RM'000)
H.S.(M) 1742, P.T. No. 2965 Mukim of Batang Berjuntai Daerah Kuala Selangor Selangor Darul Ehsan	Vacant land	N/A	Leasehold expiring on 14 Mar 2090	1998	3,237	121
C-G-9, Jalan Dataran SD1 Dataran SD, PJU 9 Bandar Sri Damansara 52200 Kuala Lumpur	4-storey office buiding	17 years	Leasehold expiring on 27 Aug 2102	2007	410 (build-up area)	1,221
No.2A, Jalan Seri Bestari 3 Taman Seri Bestari 45600 Bestari Jaya Selangor Darul Ehsan	Single storey house-hostel	20 years	Freehold	2009	143	24
No.6, Jalan Seri Bestari 3 Taman Seri Bestari 45600 Bestari Jaya Selangor Darul Ehsan	Single storey house-hostel	20 years	Freehold	2009	144	23
No.8, Jalan Seri Bestari 3 Taman Seri Bestari 45600 Bestari Jaya Selangor Darul Ehsan	Single storey house-hostel	20 years	Freehold	2009	145	23
No.10, Jalan Seri Bestari 3 Taman Seri Bestari 45600 Bestari Jaya Selangor Darul Ehsan	Single storey house-hostel	20 years	Freehold	2009	146	23
No.12, Jalan Seri Bestari 3 Taman Seri Bestari 45600 Bestari Jaya Selangor Darul Ehsan	Single storey house-hostel	20 years	Freehold	2010	147	24

Analysis of Shareholdings

As At 25 June 2025

Number of Total Issued and Paid Up Share Capital : 3,413,216,863 (excluding 14,345,000 share buy back)
Class of Shares : Ordinary Share
Voting Rights : One vote per ordinary share
Number of Shareholders : 41,176

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	No. of Shares	%
Less than 100	451	8,079	0.00
100 - 1,000	12,876	7,734,004	0.23
1,001 - 10,000	19,816	85,529,061	2.51
10,001 to 100,000	6,984	208,780,075	6.12
100,001 to 170,663,093 (*)	1,046	1,452,430,377	42.55
170,663,093 and above(**)	3	1,658,780,267	48.60
	41,176	3,413,261,863	100

Remark: * Less than 5% of issued holdings
** 5% and above of issued holdings

SUBSTANTIAL SHAREHOLDERS

The following are the substantial shareholders of the Company according to the Register of Substantial Shareholders.

Name of Shareholders	No. of Shares	%
Hartalega Industries Sdn Bhd	1,175,317,618	34.43
Budi Tenggara Sdn Bhd	294,917,656	8.64
Kumpulan Wang Persaraan (Diperbadankan)	188,544,993	5.52

DIRECTORS' SHAREHOLDINGS

	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Kuan Kam Hon @ Kwan Kam Onn	99,144,462	2.91	1,482,523,754*^#+	43.25
Kuan Mun Leong	15,954,000	0.47	-	-
Kuan Mun Keng	10,900,800	0.32	-	-
Dato' Tan Guan Cheong	-	-	-	-
Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria	-	-	-	-
Datuk Loo Took Gee	10,000	-	-	-
Yap Seng Chong	-	-	-	-
Kelvin Loh Hsien Han	-	-	-	-

* Deemed interest through his shareholding in Budi Tenggara Sdn Bhd by virtue of Section 8 of the Companies Act 2016.
^ Deemed interest through his shareholding in Hartalega Industries Sdn Bhd by virtue of Section 8 of the Companies Act 2016.
# Indirect Interest shares held through spouse/children of the director who herself/himself is not the director of the Company.
+ Deemed interest through his shareholding in Yayasan Hartalega by virtue of Section 197 of Companies Act 2016.

30 Largest Shareholders

As At 25 June 2025

No.	Name of Shareholders	No. of Shares	%
1	HARTALEGA INDUSTRIES SDN BHD	1,175,317,618	34.43
2	BUDI TENGGARA SDN BHD	294,917,656	8.64
3	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	188,544,993	5.52
4	KUAN KAM HON @ KWAN KAM ONN	97,555,862	2.86
5	KUAN KAM PENG	92,987,480	2.72
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	70,821,600	2.08
7	WONG KIN SENG @ WONG KIM SENG	50,000,000	1.47
8	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR DBS BANK LTD (SFS-PB)	35,100,000	1.03
9	ANG WEE WEE	29,340,400	0.86
10	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD (AHAM AM)	26,572,100	0.78
11	CITIGROUP NOMINEES (TEMPATAN) SDN. BHD. EMPLOYEES PROVIDENT FUND BOARD	26,096,900	0.77
12	KUAN EU JIN	25,959,400	0.76
13	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	21,928,494	0.64
14	JASON TEN JHIA SEENG	20,681,432	0.61
15	ANDY TEN	20,680,436	0.61
16	KEVIN TEN	20,640,436	0.61
17	CHCSA SDN. BHD.	20,000,000	0.59

No.	Name of Shareholders	No. of Shares	%
18	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD EMERGING MARKETS STOCK INDEX FUND	19,775,110	0.58
19	CARTABAN NOMINEES (TEMPATAN) SDN BHD PAMB FOR PRULINK EQUITY FUND	19,573,300	0.57
20	DB (MALAYSIA) NOMINEE (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	16,477,161	0.48
21	KINETIC REGION SDN. BHD.	16,306,880	0.48
22	KUAN MUN LEONG	15,954,000	0.47
23	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG VALUE FUND	15,000,000	0.44
24	AMANAHRAYA TRUSTEES BERHAD AMANAH SAHAM BUMIPUTERA 2	14,582,800	0.43
25	LEMBAGA TABUNG HAJI	13,298,000	0.39
26	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (RHBISLAMIC)	13,122,100	0.38
27	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC)	12,525,800	0.37
28	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 14)	11,655,020	0.34
29	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR VANGUARD FIDUCIARY TRUST COMPANY INSTITUTIONAL TOTAL INTERNATIONAL STOCK MARKET INDEX TRUST II	11,363,800	0.33
30	LIM BOON KIONG	11,097,000	0.33

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Nineteenth (19th) Annual General Meeting of the Company will be held at Ballroom 2 & 3, 1st Floor, Sime Darby Convention Centre, No. 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Tuesday, 2 September 2025, at 9.30 a.m. for the following purposes:

A G E N D A

AS ORDINARY BUSINESS

1. To table the Audited Financial Statements for the year ended **31 March 2025** together with the Reports of the Directors and Auditors thereon.

(Please refer to Note A)

2. To approve the payment of Directors' Fees of RM1,528,000 and benefits of RM44,250 for the financial year ended **31 March 2025**.

(Resolution 1)

3. To approve the payment of Directors' Fees of up to RM2,468,000 and benefits of up to RM80,000 from 1 April 2025 until the next Annual General Meeting.

(Resolution 2)

4. To re-elect the following Directors retiring in accordance with Clause 91 of the Constitution of the Company:

(a) Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria **(Resolution 3)**
(b) Mr. Yap Seng Chong **(Resolution 4)**
(c) Mr. Kuan Mun Leong **(Resolution 5)**

5. To re-appoint DELOITTE PLT (LLP0010145-LCA) (AF0080) as Auditors of the Company and to authorise the Directors to fix their remuneration.

(Resolution 6)

AS SPECIAL BUSINESS

To consider and if thought fit, to pass with or without any modifications, the following as Ordinary Resolutions:

6. **ORDINARY RESOLUTION - AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 & 76 OF THE COMPANIES ACT 2016**

"THAT subject to the Companies Act 2016 ("Act"), the Constitution of the Company and the approvals of the Securities Commission, Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant governmental and/or regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised and empowered pursuant to Sections 75 & 76 of the Companies Act 2016 to allot and issue shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten per centum (10%) of the total issued share capital of the Company for the time being and THAT the Directors be and are also empowered to obtain the approval for the listing and quotation of the additional shares so issued on the Bursa Securities and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.

THAT pursuant to Section 85 of the Companies Act 2016, read together with Clause 13(d) of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares pursuant to Sections 75 & 76 of the Companies Act 2016."

(Resolution 7)

7. **ORDINARY RESOLUTION - PROPOSED RENEWAL OF AUTHORITY FOR PURCHASE OF OWN SHARES BY THE COMPANY**

"THAT subject always to the provisions of the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and other relevant statutory and/or regulatory requirements, the Company be authorised, to the fullest extent permitted by law, to buy-back such amount of 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 interests of the Company, provided that:

(i) the aggregate number of Shares bought-back does not exceed 10% of the total issued and paid-up ordinary share capital of the Company at any time;

(ii) the maximum amount of funds to be allocated for the shares buy-back shall not exceed the Company's audited retained earnings at any point in time;

(iii) the Shares purchased shall be treated in the following manner:

(a) the purchased Shares shall be cancelled; or
(b) the purchased Shares shall be retained as treasury shares for distribution as dividend to the shareholders and/or resale on Bursa Securities in accordance with the relevant rules of Bursa Securities and/or cancellation subsequently; or
(c) part of the purchased Shares shall be retained as treasury shares and the remainder shall be cancelled; or
(d) in such other manner as Bursa Securities and other relevant authorities may allow from time to time; or
(e) any combination of (a), (b), (c) and (d) above.

AND THAT the authority conferred by this resolution shall commence upon the passing of this resolution until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the general meeting at which such resolution was passed, at which time the authority will lapse unless renewed by ordinary resolution, either unconditionally or subject to conditions; or

(ii) the expiration of the period within which the next AGM after that date is required by law to be held; or

(iii) revoked or varied by resolution passed by the Company in general meeting;

whichever occurs first.

AND FURTHER THAT authority be and is hereby given to the Directors of the Company to take all such steps as may be necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities (Central Depository) Industry Act 1991, and the entering into and execution of all agreements, arrangements and guarantees with any party or parties) to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities and with full power to do all such acts and things thereafter (including without limitation, the cancellation or retention as treasury shares of all or any part of the Shares bought-back) in accordance with the provisions of the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and all other relevant statutory and/or regulatory requirements."

(Resolution 8)

By Order of the Board

WONG MAW CHUAN (MIA 7413) (SSM PC No.: 202008003554)
WONG YOUN KIM (F) (MAICSA 7018778) (SSM PC No.: 201908000410)
LEE CHIN WEN (F) (MAICSA 7061168) (SSM PC No.: 202008001901)
Company Secretaries

31 July 2025

Notes:

(A) The Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this agenda item is not put forward for voting.

(1) A member of the Company entitled to attend and vote at this Meeting is entitled to appoint a proxy or proxies (or being a corporate member, a corporate representative) to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 334(1) of the Companies Act 2016 shall not apply to the Company.

(2) Subject to Note (3) below, where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.

(3) The instrument appointing a proxy in the case of an individual shall be signed by the appointor or his attorney or in the case of a corporation executed under its common seal or signed on behalf of the corporation by its attorney duly authorised.

(4) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(5) Where the Form of Proxy is executed by a corporation, it must be executed under its seal or under the hand of its attorney.

(6) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, must, to be valid, be deposited at the office of the Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or via electronic means through the Boardroom Smart Investor Portal at https://investor.boardroomlimited.com by logging in and selecting "Hartalega Holdings Berhad Nineteenth (19th) Annual General Meeting" from the list of Corporate Meetings to deposit the proxy form electronically not less than forty-eight (48) hours before the time appointed for holding of the meeting or at any adjournment thereof.

(7) Only a depositor whose name appears on the Record of Depositors as at 25 August 2025 shall be entitled to attend the said meeting and to appoint a proxy or proxies to attend, speak and/or vote on his/her behalf.

(8) Pursuant to Clause 58 of the Constitution of the Company, all resolutions set out in this Notice will be put to vote by way of poll.

Explanatory notes on Special Business:

(9) **Resolution 7**

Ordinary Resolution - Authority to allot and issue shares pursuant to Sections 75 & 76 of the Companies Act 2016

The proposed Ordinary Resolution 7 is a renewable mandate for the issue of shares under Sections 75 & 76 of the Companies Act 2016. If passed, it will give flexibility to the Directors of the Company to issue shares up to a maximum of ten per centum (10%) of the issued share capital of the Company at the time of such issuance of shares (other than bonus or rights issue) and for such purposes as they consider would be in the best interests of the Company without having to convene separate general meetings. This authority, unless revoked or varied at a general meeting, will expire at the conclusion of the next Annual General Meeting of the Company.

THAT pursuant to Section 85 of the Companies Act 2016, read together with Clause 13(d) of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from any issuance of new shares pursuant to Sections 75 & 76 of the Companies Act 2016.

No shares have been issued and allotted by the Company since obtaining the said authority from its shareholders at the last Annual General Meeting held on 6 September 2024 pursuant to this authority.

The general mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to the placing of shares, funding future investment(s), acquisition(s) and working capital and thereby reducing administrative time and cost associated with the convening of such meeting(s).

(10) **Resolution 8**

Ordinary Resolution - Proposed renewal of authority for purchase of own shares by the Company

The proposed Ordinary Resolution 8, if passed, will empower the Company to purchase and/or hold up to ten per centum (10%) of the issued and paid-up share of the Company. This authority unless revoked or varied by the Company at a General Meeting will expire at the next Annual General Meeting.

Further information on the Proposed Renewal of Authority for Purchase of Own Shares by the Company is set out in the Share Buy-Back Statements to Shareholders of the Company which is dispatched together with this Annual Report.

Statement Accompanying The Notice of Annual General Meeting

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

1. The Directors who are standing for re-election in accordance with Clause 91 of the Constitution of the Company at the Annual General Meeting of the Company are as follows:

    (a) Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria **(Resolution 3)**
    (b) Mr. Yap Seng Chong **(Resolution 4)**
    (c) Mr. Kuan Mun Leong **(Resolution 5)**

2. The detailed profiles of the above Directors who are standing for re-election are set out in the Directors' Profiles set out on page 76 to 79 of the Annual Report and their securities holdings in the Company are set out in the Analysis of Shareholdings on page 175 to 176.

3. Board Meetings held in the financial year ended 31 March 2025

    There were five (5) Board Meetings held during the financial year ended 31 March 2025. Details of the attendance of the Directors are as follows:

Directors	Attendance
MR. KUAN KAM HON @ KWAN KAM ONN	5/5
MR. KUAN MUN LEONG	5/5
MR. KUAN MUN KENG	3/5
DATO' TAN GUAN CHEONG	5/5
DATO' RAZMAN HAFIDZ BIN ABU ZARIM (Resigned w.e.f. 2 July 2025)	5/5
TAN SRI DATUK DR. REBECCA FATIMA STA. MARIA	5/5
DATUK SERI NURMALA BINTI ABD RAHIM (Resigned w.e.f. 1 July 2025)	5/5
DATUK LOO TOOK GEE	5/5
MR. YAP SENG CHONG	5/5
MR. KELVIN LOH HSIEN HAN	5/5

4. Place, Date and Time of Meeting

    The Nineteenth (19th) Annual General Meeting of the Company will be held at Ballroom 2 & 3, 1st Floor, Sime Darby Convention Centre, No. 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Tuesday, 2 September 2025, at 9.30 a.m.

GRI Context Index

GRI Standards	Disclosure		Page(s) and/or URL reference
General Disclosures			
GRI 2: General Disclosures 2021	**The organisation and its reporting practices**		
	2-1	Organisational details	About This Report, Page 2
	2-2	Entities included in the organisation's sustainability reporting	Sustainability at Hartalega, Page 36
	2-3	Reporting period, frequency and contact point	About This Report, Page 2
	2-4	Restatements of information	There are no restatements in this report.
	2-5	External assurance	About This Report, Page 2
Activities and workers			
	2-6	Activities, value chain, and other business relationships	Our Business, Page 5
	2-7	Employees	Employee Management, Page 61
	2-8	Workers who are not employees	Employee Management, Page 61
Governance			
	2-9	Governance structure and composition	How We Are Governed, Page 76; Corporate Governance Overview Statement, Page 82
	2-10	Nomination and selection of the highest governance body	Corporate Governance Overview Statement, Page 82
	2-11	Chair of the highest governance body	How We Are Governed, Page 76
	2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Overview Statement, Page 82
	2-13	Delegation of responsibility for managing impacts	Corporate Governance Overview Statement, Page 82
	2-14	Role of the highest governance body in sustainability reporting	Corporate Governance Overview Statement, Page 82
	2-15	Conflict of interest	Socioeconomic Compliance, Page 60
	2-16	Communication of critical concerns	Corporate Governance Overview Statement, Page 82
	2-17	Collective knowledge of the highest governance body	Corporate Governance Overview Statement, Page 85
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement, Page 82
	2-19	Remuneration process	Corporate Governance Overview Statement, Page 91
	2-20	Process to determine remuneration	Corporate Governance Overview Statement, Page 91
Strategy, policies and practices			
	2-22	Statement on sustainable development strategy	Chairman's Review, Page 14; Our Climate Change Action Plan, Page 35
	2-23	Policy commitments	Business Ethics and Governance, Page 38; Health and Safety, Page 53; Human Rights, Page 56; Socioeconomic Compliance, Page 60; Corporate Governance Overview Statement, Page 82

GRI Standards	Disclosure		Page(s) and/or URL reference
	2-24	Embedding policy commitments	Material Matters and Our Response, Page 27
	2-25	Processes to remediate negative impacts	Human Rights, Page 56
	2-26	Mechanisms for seeking advice and raising concerns	Human Rights, Page 56
	2-27	Compliance with laws and regulations	Environmental Compliance, Page 50; Socioeconomic Compliance, Page 60
	2-28	Membership associations	1. Malaysian Rubber Glove Manufacturers Association (MARGMA) 2. Federation of Malaysian Manufacturers (FMM) 3. Responsible Glove Alliance (RGA)
Stakeholder engagement			
	2-29	Approach to stakeholder engagement	Stakeholder Engagement, Page 22
	2-30	Collective bargaining agreements	Human Rights, Page 59
GRI 3: Material Topics 2021			
Disclosure on material topics	3-1	Process to determine material topics	Material Matters, Page 26
	3-2	List of material topics	Material Matters, Page 26
	3-3	Management of material topics	Material Matters and Our Response, Page 27
Topic-Specific Standard: Economic			
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Market Presence, Page 43 Employee Management, Page 65
	202-2	Proportion of senior management hired from the local community	Market Presence, Page 43
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Supply Chain Management, Page 42
GRI 205: Anticorruption 2016	205-1	Operations assessed for risk related to corruption	Business Ethics and Governance, Page 38
	205-2	Communication and training about anti-corruption policies and procedures	Business Ethics and Governance, Page 38
	205-3	Confirmed incidents of corruption and actions taken	Business Ethics and Governance, Page 38
GRI 301: Materials 2016	301-2	Recycled input materials used	Product Quality and Innovation, Page 39
Topic-Specific Standard: Environmental			
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Energy and Emissions Management, Page 46
	302-3	Energy intensity	Energy and Emissions Management, Page 46
	302-4	Reduction of energy consumption	Energy and Emissions Management, Page 46
GRI 303: Water and Effluents 2018	303-1	Interactions with water as shared resource	Water and Effluent Management, Page 48

GRI Standards	Disclosure		Page(s) and/or URL reference
GRI 303: Water and Effluents 2018	303-2	Management of water discharge-related impacts	Water and Effluent Management, Page 48
	303-3	Water withdrawal	Water and Effluent Management, Page 49
	303-4	Water discharge	Water and Effluent Management, Page 49
	305-5	Water consumption	Water and Effluent Management, Page 49
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Energy and Emissions Management, Page 48
	305-2	Energy indirect (Scope 2) GHG emissions	Energy and Emissions Management, Page 48
	305-3	Other indirect (Scope 3) GHG emissions	Energy and Emissions Management, Page 48
	305-4	GHG emissions intensity	Energy and Emissions Management, Page 48
	305-5	Reduction of GHG emissions	Energy and Emissions Management, Page 48
	305-7	Nitrogen oxides (NO_x), sulfur oxides (SO_x) and other significant air emissions	Environmental Compliance, Page 50
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Waste Management, Page 51
	306-2	Management of significant waste-related impacts	Waste Management, Page 51
	306-3	Waste generated	Waste Management, Page 51
	306-4	Waste diverted from disposal	Waste Management, Page 51
	306-5	Waste directed to disposal	Waste Management, Page 51
Topic-Specific Standard: Social			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Employee Management, Page 61
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Management, Page 61
	401-3	Parental leave	Employee Management, Page 61
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Health and Safety, Page 53
	403-2	Hazard identification, risk assessment, and incident investigation	Health and Safety, Page 53
	403-3	Occupational health services	Health and Safety, Page 53
	403-4	Worker participation, consultation, and communication on occupational health and safety	Health and Safety, Page 53
	403-5	Worker training on occupational health and safety	Health and Safety, Page 53
	403-6	Promotion of worker health	Health and Safety, Page 53
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety, Page 53
	403-8	Workers covered by an occupational health and safety management system	Health and Safety, Page 53
	403-9	Work-related injuries	Health and Safety, Page 53

GRI Standards	Disclosure		Page(s) and/or URL reference
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Employee Management, Page 66
	404-2	Programs for upgrading employee skills and transition assistance programs	Employee Management, Page 66
	404-3	Percentage of employees receiving regular performance and career development reviews	Employee Management, Page 65
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Employee Management, Page 63
	405-2	Ratio of basic salary and remuneration of women to men	Employee Management, Page 65
GRI 406: Nondiscrimi-nation 2016	406-1	Incidents of discrimination and corrective actions taken	Human Rights, Page 56
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights, Page 56
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Human Rights, Page 56
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Human Rights, Page 56
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	Local Communities, Page 68
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	Supply Chain Management, Page 42
	414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management, Page 42
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and services categories	Product Quality and Innovation, Page 39
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Product Quality and Innovation, Page 39
GRI 417: Marketing and Labelling 2016	417-1	Requirements for product and service information labelling	Product Quality and Innovation, Page 39
	417-2	Incidents of non-compliance concerning product and service information and labelling	Product Quality and Innovation, Page 39
	417-3	Incidents of non-compliance concerning marketing	Product Quality and Innovation, Page 39
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Customer Satisfaction and Relationship Management, Page 44

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PROXY FORM

Hartalega

HARTALEGA HOLDINGS BERHAD
Registration No. 200601022130 (741883-X)
(Incorporated in Malaysia)

*I/*We ....
(Full name in block letters)

of ....
(Address)

Mobile Number: .... Email Address: ....

being a member/members of Hartalega Holdings Berhad, hereby appoint:

1) Name of proxy: .... NRIC No.: ....
(Full name in block letters)

Address: .... No. of Shares Represented: ....

Mobile Number: .... Email Address: ....

2) Name of proxy: .... NRIC No.: ....
(Full name in block letters)

Address: .... No. of Shares Represented: ....

Mobile Number: .... Email Address: ....

or, *the Chairman of the Meeting as *my/*our proxy to vote for *me/*us on *my/*our behalf at the **Nineteenth (19th) Annual General Meeting** of **Hartalega Holdings Berhad** to be held at Ballroom 2 & 3, 1st Floor, Sime Darby Convention Centre, No. 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur on Tuesday, 2 September 2025, at 9.30 a.m. or at any adjournment thereof.

*My/*Our Proxy(ies) is/are to vote as indicated below:

NO.	RESOLUTIONS	FOR*	AGAINST*
1.	To approve the payment of Directors' Fees of RM1,528,000 and benefits of RM44,250 for the financial year ended 31 March 2025.		
2.	To approve the payment of Directors' Fees of up to RM2,468,000 and benefits of up to RM80,000 from 1 April 2025 until the next Annual General Meeting.		
3.	To re-elect Tan Sri Datuk Dr. Rebecca Fatima Sta. Maria as Director		
4.	To re-elect Mr. Yap Seng Chong as Director		
5.	To re-elect Mr. Kuan Mun Leong as Director		
6.	To re-appoint DELOITTE PLT (LLP0010145-LCA) (AF0080) as Auditors of the Company and to authorise the Directors to determine their remuneration.		
7.	**Special Business** - Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016.		
8.	**Special Business** - Authority for purchase of own shares by the Company		

(Please indicate with an "X" in the appropriate space above how you wish your votes to be cast. If you do not do so, the Proxy will vote or abstain from voting at his discretion.)

Dated this ______ day of ____________ 2025

Signature / Seal of Shareholders: ________________________
[*Delete if not applicable]

Number of shares held	
CDS Account No.	

Notes:

(A) The Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. Hence, this agenda item is not put forward for voting.

(1) A member of the Company entitled to attend and vote at this Meeting is entitled to appoint a proxy or proxies (or being a corporate member, a corporate representative) to attend and vote in his stead. A proxy may but need not be a member of the Company and the provisions of Section 334(1) of the Companies Act 2016 shall not apply to the Company.

(2) Subject to Note (3) below, where a member appoints two (2) or more proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.

(3) The instrument appointing a proxy in the case of an individual shall be signed by the appointor or his attorney or in the case of a corporation executed under its common seal or signed on behalf of the corporation by its attorney duly authorised.

(4) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account") as defined under the Securities Industry (Central Depositories) Act 1991, there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(5) Where the Form of Proxy is executed by a corporation, it must be executed under its seal or under the hand of its attorney.

(6) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, must, to be valid, be deposited at the office of the Share Registrar, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia or via electronic means through the Boardroom Smart Investor Portal at https://investor.boardroomlimited.com by logging in and selecting "Hartalega Holdings Berhad Nineteenth (19th) Annual General Meeting" from the list of Corporate Meetings to deposit the proxy form electronically not less than forty-eight (48) hours before the time appointed for holding of the meeting or at any adjournment thereof.

(7) Only a depositor whose name appears on the Record of Depositors as at 25 August 2025 shall be entitled to attend the said meeting and to appoint a proxy or proxies to attend, speak and/or vote on his/her behalf.

(8) Pursuant to Clause 58 of the Constitution of the Company, all resolutions set out in this Notice will be put to vote by way of poll.

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Stamp

HARTALEGA HOLDINGS BERHAD
Registration No. 200601022130 (741883-X)

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan

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Hartalega

Corporate Office

C-G-9, Jalan Dataran SD1
Dataran SD, PJU 9
Bandar Sri Damansara
52200 Kuala Lumpur, Malaysia
Tel : +603-6277 1733
Fax : +603-6280 2533
Email : info@hartalega.com.my

Factory

No. 1, Persiaran Tanjung
Kawasan Perindustrian Tanjung
43900 Sepang
Selangor Darul Ehsan, Malaysia

www.hartalega.com.my