



HEXZA CORPORATION BERHAD

196901000339 (8705-K)



2025 Annual Report



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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Fifty-Sixth (56th) Annual General Meeting (“56th AGM” and/or “AGM”) of Hexza Corporation Berhad (“Hexza” or “the Company”) will be held at Kinta 2, Level 1, Hotel Travelodge Ipoh, Jalan Raja Dihilir, 30350 Ipoh, Perak Darul Ridzuan on Saturday, 22 November 2025 at 10.00 a.m. for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this Notice:

AGENDA

As **ORDINARY BUSINESS:**

	ORDINARY RESOLUTION
1. To receive the Audited Financial Statements for the financial year ended 30 June 2025, together with the Directors’ and Auditors’ Reports thereon.	(Please refer to Note 2)
2. To approve the payment of a single-tier final dividend of 5.0 sen per ordinary share in respect of the financial year ended 30 June 2025.	1
3. To approve the payment of Directors’ fees amounting to RM60,000 per annum for Deputy Chairman and RM55,000 per annum for each of the Non-Executive Directors in respect of the financial year ended 30 June 2025.	2
4. To approve the payment of Directors’ Benefits to Non-Executive Directors up to an amount of RM250,000 from the 56th AGM until the next AGM of the Company.	3
5. To re-elect the following Directors retiring in accordance with Rule 131.1 of the Company’s Constitution and being eligible, offer themselves for re-election.	
5.1 Chong Yoke Seng	4
5.2 Foong Leon Kah	5
6. To re-elect the following Directors who were appointed during the year and retire in accordance with Rule 116 of the Company’s Constitution and being eligible, offer themselves for re-election:	
6.1 Foong Leon Chiew	6
6.2 Foong Leon Sing	7
6.3 Ding Jia Jia	8
7. To re-appoint Messrs Crowe Malaysia PLT as External Auditors of the Company for the financial year ending 30 June 2026 and to authorise the Directors to fix their remuneration.	9

NOTICE OF ANNUAL GENERAL MEETING

As **SPECIAL BUSINESS**, to consider and, if thought fit, pass the following resolution:

8. Proposed Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act, 2016 **10**

“THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 (“Act”), the Directors be and are hereby empowered to allot and issue shares in the Company at any time and from time to time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company for the time being, subject always to the Constitution of the Company and approval of all relevant regulatory bodies being obtained for such allotment and issuance.

THAT pursuant to Section 85 of the Act, read together with Rule 7.1 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 issuance of new shares pursuant to this Mandate.

AND THAT the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company.”

9. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016.

By Order of the Board
Chan May Yoke
(SSM PC No. 202008002012)
(MAICSA 7019010)

Chan Eoi Leng
(SSM PC No. 202008003055)
(MAICSA 7030866)
Chartered Secretaries

Ipoh, Perak Darul Ridzuan, Malaysia
17 October 2025

Notes:

1. Proxy

Only members whose names appear on the Record of Depositors as at 12 November 2025 shall be entitled to attend the AGM or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead. A proxy must be 18 years of age and above and may but need not be a member of the Company.

A member, other than an exempt authorised nominee is entitled to appoint one (1) or two (2) proxies to attend and vote instead of him/her. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

NOTICE OF ANNUAL GENERAL MEETING

Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds but the proportion of holdings to be represented by each proxy must be specified.

The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. If under the hand of attorney/authorised officer, the Power of Attorney or Letter of Authorisation must be attached.

The instrument appointing a proxy or proxies must be deposited at Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the holding of the meeting or any adjournment thereof either by hand, post, courier or electronic mail to bsr.helpdesk@boardroomlimited.com before the Form of Proxy lodgement cut-off time as mentioned above.

Alternatively, the form of proxy can be submitted by electronic means through the Share Registrar's website, Boardroom Smart Investor Portal. Kindly follow the link at <https://investor.boardroomlimited.com> to login and deposit your form of proxy electronically, also forty-eight (48) hours before the meeting.

2. To receive Audited Financial Statements

Agenda 1 is meant for discussion only as Section 340(1) of the Companies Act 2016 only requires the Audited Financial Statements to be laid before the Company at the AGM and do not require shareholders' approval. Hence, Agenda will not be put forward for voting.

3. Final Dividend

– Proposed Dividend Reinvestment Plan ("Proposed DRP") Applicable to the Single-Tier Final Dividend in respect of the Financial Year Ended 30 June 2025.

Section 131 of the Companies Act, 2016 states that a company may only make a distribution to the shareholders out of profits of the company available, provided the company remains solvent. The Board of Directors having considered the available profits, has resolved to recommend the proposed final dividend for the shareholders' approval.

The Board of Directors is satisfied that the Company will be solvent as it will be able to pay its debts as and when the debts become due within twelve (12) months immediately after the distribution is made.

In addition, the Board has also determined the Proposed DRP shall be applied to the entire proposed Final Dividend ("**First DRP**"). The issue price of the new ordinary shares of Hexza to be issued pursuant to the First DRP, books closure date and payment date in respect of the proposed final dividend will be determined and announced at a later date. The implementation of the Proposed DRP is subject to shareholders' approval at an Extraordinary General Meeting to be held at a date to be announced at a later date, as well as other requisite regulatory approvals. Further information on the Proposed DRP and the First DRP are set out in the announcement made by the Company dated 11 September 2025.

4. Directors' Fees and Benefits

Section 230(1) of the Companies Act, 2016 provides amongst others, that "fees" of the Directors and "any benefits" payable to Directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval is sought for these payments in two (2) separate resolutions as follows:

- | | | |
|-----------------------|---|---|
| Ordinary Resolution 2 | : | Payment of Directors' fees in respect of the financial year ended 30 June 2025. |
| Ordinary Resolution 3 | : | Payment of Directors' benefits from the 56th AGM until the next AGM of the Company. |

NOTICE OF ANNUAL GENERAL MEETING

Summary of the Payment of Directors' Fees and Directors' Benefits to Directors from the 56th AGM until the next AGM in year 2026:

Description – Directors' Fee	FY 2025 per annum per Director (For Approval at 56th AGM)
Deputy Chairman	RM60,000
Non-Executive Directors	RM55,000

Description – Committees Fee	56th AGM until 57th AGM (For approval at 56th AGM)
Audit Committee - Chairman	RM10,000
Audit Committee – Member	RM7,000
Nomination and Remuneration Committee – Chairman	RM6,000
Nomination and Remuneration Committee – Member	RM4,000

Description – Meeting Allowance	Amount
Directors' Meeting	RM2,000 per meeting
Audit Committee	RM1,000 per meeting
Nomination and Remuneration Committee	RM1,000 per meeting

Note:

The Directors' benefits payable to the Non-Executive Directors are calculated based on the current composition of the Board and Board Committees and the number of meetings scheduled for the Board and Board Committees and include all benefits payable to the Directors, such as meeting allowances, committees' fees, subsidiaries' directors' fees, etc.

5. Re-election of Directors

Ms. Chong Yoke Seng and Mr. Foong Leon Kah, who are retiring by rotation, are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at this AGM.

Mr. Foong Leon Chiew, Mr. Foong Leon Sing and Ms. Ding Jia Jia, who were appointed as Directors of the Company during the year are standing for re-election as Director of the Company and being eligible, have offered themselves for re-election at this AGM.

The Board has via the Nomination and Remuneration Committee conducted an assessment on the effectiveness and contributions of the said retiring Directors including their skills, experience, competency, and time commitment, and has recommended for them to be re-elected to the Board. The profiles of the retiring Directors are set out in the Profile of Directors of the Annual Report 2025.

NOTICE OF ANNUAL GENERAL MEETING

6. **Re-appointment of External Auditors (“EA”)**

The Audit Committee (“AC”) had on 28 August 2025 deliberated the outcome of the annual assessment of the EA, which included an assessment of the engagement teams’ qualifications, credentials and experience, their audit work approach, and their ability to provide value-added advice and services, as well as to perform the work within Hexza Group’s timeline by completing an assessment questionnaire. The AC in its assessment found Messrs Crowe Malaysia PLT to be sufficiently objective and independent and was satisfied with the suitability based on the quality of audit, performance and resources in terms of their audit team provided to the Group.

The Board, therefore, approved the AC’s recommendation that the re-appointment of Messrs Crowe Malaysia PLT as External Auditors of the Company for the financial year ending 30 June 2026 be put forward for shareholders’ approval at the AGM

7. **Proposed Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act, 2016**

The proposed Ordinary Resolution 10, if passed, will empower the Directors of the Company, from the date of the above AGM until the next AGM to allot and issue shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total issued shares of the Company for the time being for such purposes as the Directors consider would be in the interests of the Company. This authority, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

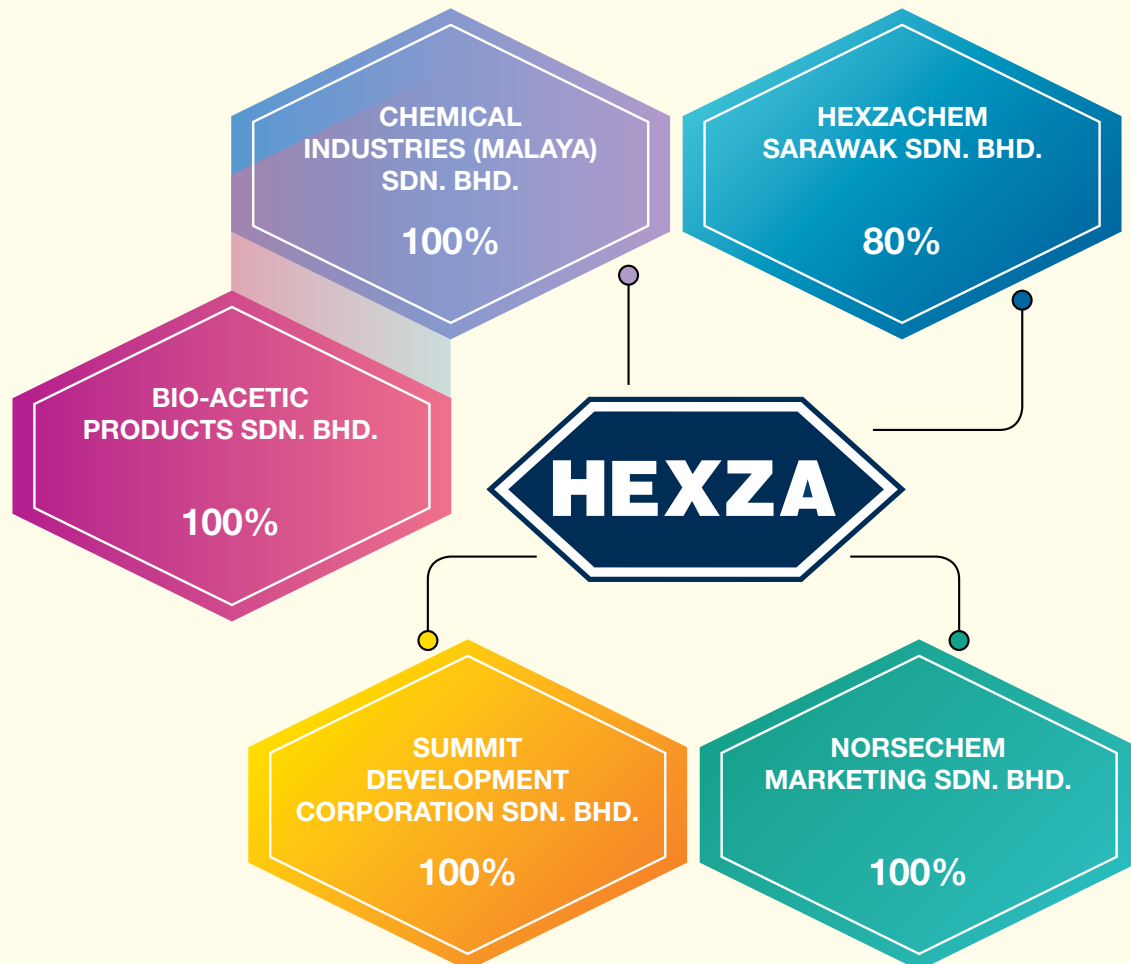
The general mandate sought for allotment and issue of shares is a renewal of the general mandate sought in the preceding year. As at the date of Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Fifty-Fifth (55th) AGM held on 16 November 2024 and hence no proceeds were raised therefrom. The general mandate will provide flexibility to the Company for any possible fundraising activities, including but not limited to placing of shares for purpose of funding future investment project(s), working capital and/or acquisitions.

At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make announcement in respect thereof.

Annual Report 2025 and Corporate Governance Report 2025

The Annual Report 2025 and Corporate Governance Report 2025 may be downloaded at www.hexza.com.my

CORPORATE STRUCTURE AS AT 30 JUNE 2025



Hexza Corporation Berhad and its operating subsidiaries

CORPORATE INFORMATION

BOARD OF DIRECTORS

Datuk Dr. Foong Weng Sum
Executive Chairman

Mr. Foong Leon Chiew
Executive Director

Ms. Chong Yoke Seng
Independent Non-Executive Director

Ms. Ding Jia Jia
Independent Non-Executive Director

Mr. Tsen Keng Yam
Deputy Chairman/Independent Non-Executive Director

Mr. Ooi Ying Hong
Non-Independent Non-Executive Director

Mr. Foong Leon Kah
Non-Independent Non-Executive Director

Mr. Foong Leon Sing
Non-Independent Non-Executive Director

AUDIT COMMITTEE

Ms. Chong Yoke Seng, *Chairman*
Mr. Ooi Ying Hong
Mr. Tsen Keng Yam

NOMINATION AND REMUNERATION COMMITTEE

Ms. Chong Yoke Seng, *Chairman*
Mr. Ooi Ying Hong
Mr. Tsen Keng Yam

COMPANY SECRETARIES

Chan May Yoke
(SSM PC No. 202008002012)
(MAICSA 7019010)
Chan Eoi Leng
(SSM PC No. 202008003055)
(MAICSA 7030866)

PRINCIPAL BANKERS

Deutsche Bank AG
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
RHB Bank Berhad
United Overseas Bank (Malaysia) Bhd.

REGISTERED OFFICE / PRINCIPAL PLACE OF BUSINESS

Lot 6 & 20, Persiaran Tasek,
Kawasan Perindustrian Tasek,
31400 Ipoh,
Perak Darul Ridzuan.

Tel : 605-291 7823
Fax : 605-291 8546
Email : hcb@hexza.com.my
Website : <http://www.hexza.com.my>

SHARE 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.

Tel : 603-7890 4700
Fax : 603-7890 4670
Email : bsr.helpdesk@boardroomlimited.com

AUDITORS

Crowe Malaysia PLT
Chartered Accountants
59C, Hala Pusat Perdagangan Canning 1,
Pusat Perdagangan Canning II,
30350 Ipoh, Perak Darul Ridzuan.

Tel : 605-237 8800

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Code : 3298
Stock Short Name : HEXZA

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors ("Board"), it is my honour to present to you the Annual Report and Audited Financial Statements of Hexza Corporation Berhad ("Hexza" or the "Group") for the financial year ended 30 June 2025 ("FY2025").

FY2025 was an investment and inflection year for the Group. Our ethanol division, under Chemical Industries (Malaya) Sdn. Bhd. ("CIM") successfully completed the installation of the corn-based ethanol plant project in June 2025, converting our existing plant from using molasses to using corn as primary feedstock for our ethanol production. This is an important milestone for CIM and the Group and further exemplifies our unwavering commitment to quality, sustainability and the advancement of our operations through modern, circular production methods.

CIM's corn-based ethanol plant can produce high quality ethanol with an annual capacity of up to 10 million litres, and with minimal waste. A key byproduct of the ethanol production process, Distillers Dried Grains with Solubles ("DDGS") is repurposed into high-value livestock feed, and sold to local farms in Malaysia, reinforcing CIM's adoption of sustainable production principles. This makes CIM the first and only manufacturer and supplier of locally produced DDGS in Malaysia, helping to reduce the country's dependence on imported animal feed and supporting both food security and sustainable agriculture.

This new corn-based ethanol plant not only underscores CIM's position as the leading ethanol manufacturer in Malaysia, with our strong commitment towards producing high quality ethanol and DDGS, but also the Group's commitment to ESG principles.

As part of the installation of the corn-based ethanol plant, CIM had to stop production between November 2024 and June 2025. This has resulted in a significant reduction in volume of ethanol from own production and a negative impact to CIM's financial performance for the year. The Group's ethanol division posted net revenues of RM23.1 million, representing a decrease of 13.8% from FY2024 revenues, and a loss before tax of RM0.8 million.

The Group's resin division, under Hexzachem Sarawak Sdn. Bhd. ("HCS") continued to face headwinds in FY2025. These include government policies restricting logging activities and adversely impacting supplies to all wood-related businesses in Sarawak, and on-going geopolitical tension creating economic uncertainty and negatively impacting the export market. However, HCS has managed to increase its market share and maintained margins amidst these headwinds. This is a testament to HCS's fortitude and its commitment to high product quality and strong customer relationships. HCS recorded revenue of RM32.9 million in FY2025, an increase of 26.0% over FY2024 revenues, and a profit before tax of RM0.7 million in FY2025 compared to a loss before tax of RM1.0 million in FY2024. The increase in revenue and profit before tax ("PBT") is mainly due to higher sales volumes, average selling prices and gross contribution margins.

Overall, the Group's revenue increased by 6.9% to RM59.3 million in FY2025 from RM55.5 million in FY2024, whereas the Group's PBT decreased by 87.9% to RM0.9 million in FY2025 from RM7.2 million in FY2024. Net profit attributable to shareholders of the Company and earnings per share were RM0.5 million and 0.2 sen, respectively for FY2025.

As of 30 June 2025, the Group's quoted share investments stood at RM334.2 million, as compared to the investment cost of RM110.8 million, reflecting an unrealised gain of RM223.4 million. Our share portfolio continues to perform strongly in FY2025, especially our US quoted share investments, and the overall performance was partially offset by the US dollar depreciation relative to the Malaysian Ringgit. During FY2025, the Group had disposed of quoted shares with total sales proceeds of RM65.3 million and with a net gain of RM1.4 million. The proceeds from the share disposals were mainly used to fund the FY2024 dividend and the capital commitment for the corn-based ethanol plant.

DIVIDEND

The Board has recommended a final single-tier dividend of 5.0 sen per share for FY2025, subject to approval of the shareholders at the forthcoming Annual General Meeting.

CHAIRMAN'S STATEMENT

OUTLOOK AND PROSPECTS

The Group has moved past the inflection point and we anticipate improvement in sales volume, revenue and margins for our ethanol division in the near term, as CIM ramps up production of its corn-based ethanol plant to meet the strong local demand for both ethanol and DDGS.

We anticipate continued headwinds for our resin division in the near term. However, as proven in FY2025, we are confident that HCS will continue to strengthen its market share through strong customer relationships, product quality and innovation. We will stay focused to manage our resources and cost structure for each of our Group subsidiaries to optimize profitability, satisfy customer demand and search for new opportunities to expand our businesses and increase our earnings base over the long term.

With the strengthening of our management team and Board over the past year, I am confident we have a strong team in place to continue to steer the Group towards sustainable growth, innovation and profitability.

APPRECIATION

I would like to express my sincere appreciation to all our stakeholders, including shareholders, employees, government agencies, customers, suppliers and business associates for their loyal support.

Additionally, I would like to give my sincerest gratitude to my fellow Board members for their unwavering support throughout the year, and the management and staff for their dedication, diligence and commitment to continuously improve and strive for excellence.

Datuk Dr. Foong Weng Sum

Executive Chairman

30 September 2025

FIVE-YEAR GROUP FINANCIAL SUMMARY

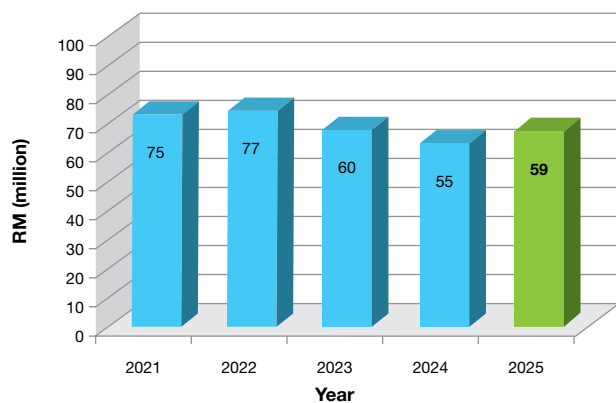
Year Ended 30 June	2025 RM'000	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME					
Revenue	59,280	55,466	60,011	77,169	75,428
Profit before tax	865	7,161	7,077	7,100	12,590
Income tax	(304)	(251)	(1,059)	(1,108)	(2,532)
Profit after tax	561	6,910	6,018	5,992	10,058
Profit after tax attributable to shareholders of the Company	465	7,026	6,116	5,930	10,164
Total comprehensive (loss)/income	(1,688)	129,208	103,112	(11,734)	51,755
Total comprehensive (loss)/income attributable to shareholders of the Company	(1,784)	129,324	103,210	(11,795)	51,860
STATEMENT OF FINANCIAL POSITION					
Total non-current assets	426,710	427,437	263,216	155,140	172,804
Total current assets	53,596	53,936	100,733	113,634	127,483
Total assets	480,306	481,373	363,949	268,774	300,287
Total equity attributable to equity shareholders of listed issuer	451,916	468,728	349,424	254,230	281,053
Total non-current liabilities	2,886	2,985	4,104	4,325	4,585
Total current liabilities	20,171	4,220	4,563	3,960	8,451
SHARE INFORMATION Per Ordinary Share					
Earnings per share (sen)	0.23	3.51	3.05	2.95	5.07
Gross dividend (sen)*	5.0	7.5	5.0	4.0	7.5
Net assets (RM)	2.24	2.30	1.73	1.26	1.39
FINANCIAL RATIO					
(Loss)/Return on shareholders' funds (%) based on:-					
(Loss)/Profit after tax	0.1	1.5	1.8	2.3	3.6
Total comprehensive income/(loss)	(0.4)	27.6	29.5	(4.6)	18.5

Note:

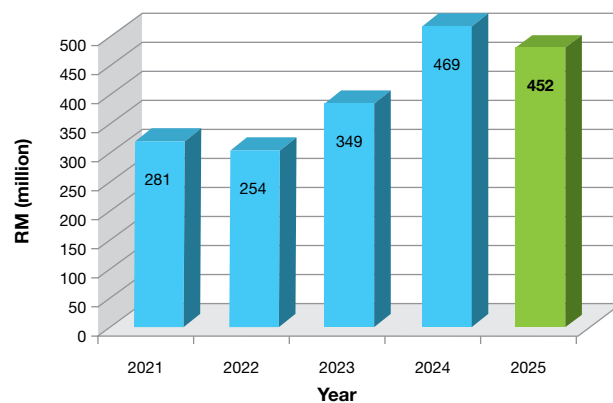
* The proposed final dividend for the financial year ended 30 June 2025 is subject to approval by the shareholders at the forthcoming Annual General Meeting of the Company.

FIVE-YEAR GROUP FINANCIAL SUMMARY

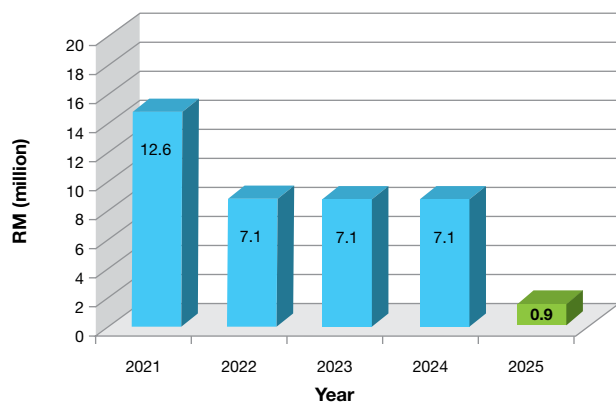
Revenue



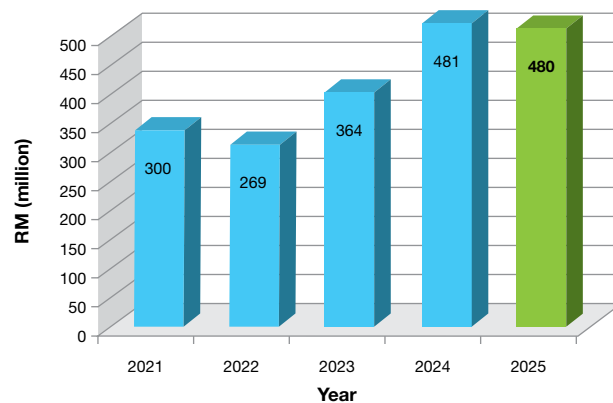
Total equity attributable to equity shareholders of listed issuer



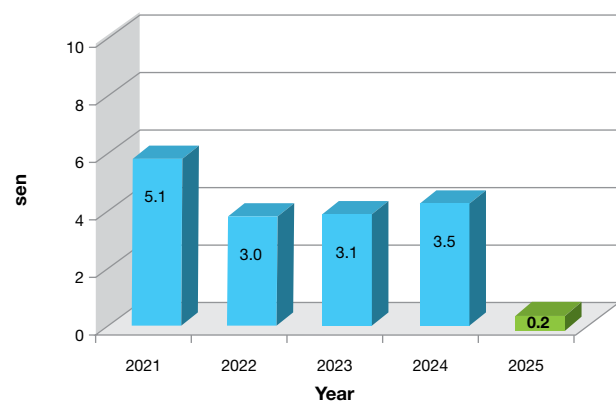
Profit / (Loss) Before Tax



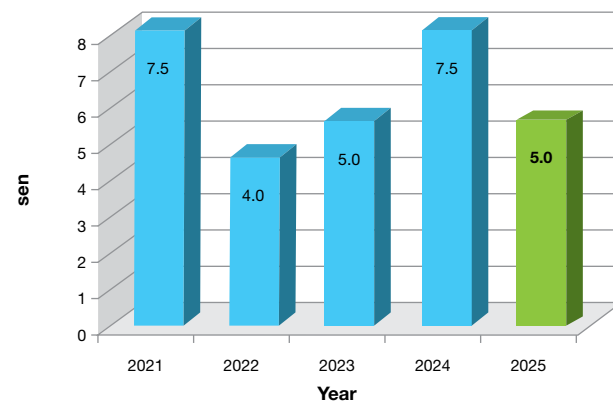
Total Assets



Earnings / (Loss) Per Share (sen)



Gross Dividend Per Share (sen)



MANAGEMENT DISCUSSION & ANALYSIS

It gives me great pleasure to present the Management Discussion and Analysis (“MD&A”) for the financial year ended 30 June 2025 (“FY2025”). The MD&A is to be read in conjunction with the financial statements and notes to the financial statements contained in this annual report.

GROUP BUSINESS OVERVIEW

Hexza Corporation Berhad and its subsidiary companies (“the Group”) are involved in three operating principal businesses:

- (i) the production and sale of ethanol and distillers dried grains with solubles (“DDGS”);
- (ii) the production and sale of natural vinegar; and
- (iii) the manufacture and sale of formaldehyde-based liquid adhesive resins.

The ethanol division, located in Ipoh, Perak, under Chemical Industries (Malaya) Sdn. Bhd. (“CIM”), produces and sells pharmaceutical, industrial and potable grades of ethanol. CIM is the largest ethanol producer by capacity in Malaysia, and our customers include companies in a wide range of industries in Malaysia and Singapore, including pharmaceutical, advanced manufacturing, food and beverage, toiletries, cosmetics and perfume, etc. CIM’s ethanol is made from natural fermentation and distillation of high-quality corn. The production process complies with British Pharmacopeia 2013 standards and some of the products are also Halal Certified by Jabatan Kemajuan Islam Malaysia. A key byproduct of the production process, Distillers Dried Grains with Solubles (“DDGS”), is repurposed into high-value livestock feed and is sold to customers to use in local farms in Malaysia.

Bio-Acetic Products Sdn. Bhd. (“BAP”) is located in Ipoh, Perak and produces and sells natural vinegar as a food ingredient as well as to sauce companies as a raw material. The facilities are ISO22000 certified and Halal certified by Jabatan Kemajuan Islam Malaysia.

The resins division, located in Kuching, Sarawak, under Hexzachem Sarawak Sdn. Bhd. (“HCS”), manufactures and sells formaldehyde-based liquid adhesive resins to plywood and medium density fiber board (“MDF”) producers in Sarawak. HCS is one of the largest producers of resins in East Malaysia, with customers comprising local and international companies in Sarawak.

Additionally, the Group derives income from its investments in quoted shares across local and foreign equity markets, which have provided a steady stream of dividend income to the Group. We believe these investments represent a more effective use of the Group’s cash compared to investments in fixed deposits and money market funds, and our quoted shares investment have appreciated in value in FY2025.

FINANCIAL AND OPERATIONAL REVIEW

The Group’s revenue increased by 6.9% to RM59.3 million in FY2025 from RM55.5 million in FY2024, while the Group’s profit before tax (“PBT”) decreased by 87.9% to RM0.9 million in FY2025 from RM7.2 million in FY2024. The increase in revenue in FY2025 was mainly from the resins division due to higher sales volume by 17.2% and increase in average selling price by 7.5%. The Group’s PBT for FY2025 was significantly lower than the PBT in FY2024 mainly due to the significant reduction in sales of own-produced ethanol from our ethanol division as a result of production stoppage between November 2024 and June 2025, to facilitate the installation of the corn-based ethanol plant.

The Group’s net profit attributable to shareholders and earnings per share for FY2025 were RM0.5 million and 0.2 sen, respectively, compared to RM7.0 million and 3.5 sen in FY2024.

At the Group level, dividend income of RM1.9 million was received from our investments in quoted and unquoted shares during the financial year. The Group’s cash and cash equivalents amounted to RM24.2 million as of 30 June

MANAGEMENT DISCUSSION & ANALYSIS

2025 compared with RM26.4 million as of 30 June 2024. The fair value of the Group's quoted shares investments as of 30 June 2025 was RM334.2 million, as compared to the investment cost of RM110.8 million, reflecting an unrealised gain of RM223.4 million. Our share portfolio continued to perform strongly in FY2025 driven by strong gains in our US quoted share investments, and partially offset by the US dollar depreciation relative to the Malaysian Ringgit. During FY2025, the Group had disposed of quoted shares with total sales proceeds of RM65.3 million and a net gain of RM1.4 million. The proceeds from the share disposals were mainly used to fund the FY2024 dividend and the capital commitment for the corn-based ethanol plant project.

Equity attributable to shareholders stood at RM451.9 million as of 30 June 2025, compared to RM468.7 million in FY2024. The decline was primarily due to the depreciation of the US dollar against the Malaysian Ringgit, which adversely affected the value of the Group's US quoted share investments when translated into Malaysia Ringgit equivalent.

The ethanol division under CIM reported revenue of RM23.1 million in FY2025, a decrease of 13.8% compared to FY2024 and a loss before tax of RM0.8 million. The performance of the ethanol division in FY2025 was significantly impacted by the production stoppage from November 2024 to June 2025 for the installation of the corn-based ethanol plant as explained above. Since the commencement of production of the corn-based ethanol plant in June 2025, the ethanol division had booked RM1.2 million of own-produced ethanol sales and RM0.2 million of DDGS sales in June 2025.

At the resins division under HCS, the overall demand for formaldehyde-based liquid adhesive resins from our customers continue to be impacted by the Sarawak government's continued restrictions on logging, coupled with on-going geopolitical tensions that have created economic uncertainty and adversely impacted the export market. These factors have had a cascading effect on all wood-related businesses, including the resin industry in Sarawak. However, HCS has managed to increase its market share and maintained margins amidst these headwinds. This is a testament to HCS's fortitude and its commitment to high product quality and strong customer relationships. HCS recorded revenue of RM32.9 million in FY2025, an increase of 26.0% over FY2024, and a profit before tax of RM0.7 million in FY2025 compared to a loss before tax of RM1.0 million in FY2024. The increase in revenue and PBT is mainly due to higher market share, sales volume, average selling prices and gross contribution margins.

BAP recorded a revenue of RM0.73 million and a PBT of RM0.23 million in FY2025, representing an increase of 8.0% and 58.1% year-on-year respectively. The growth was mainly driven by higher sales volume.

PROSPECTS AND STRATEGY

FY2025 was an investment and inflection year for the Group. Our ethanol division, under Chemical Industries (Malaya) Sdn. Bhd. ("CIM") successfully completed the installation of the corn-based ethanol plant project in June 2025, converting our existing plant from using molasses to using corn as primary feedstock for our ethanol production. This is an important milestone for CIM and the Group and further exemplifies our unwavering commitment to quality, sustainability and the advancement of our operations through modern, circular production methods.

CIM's corn-based ethanol plant can produce high quality ethanol with an annual capacity of up to 10 million litres, and with minimal waste. A key byproduct of the ethanol production process, Distiller's Dried Grains with Solubles ("DDGS") is repurposed into high-value livestock feed and sold to local farms in Malaysia, reinforcing CIM's adoption of sustainable production principles. This makes CIM the first and only manufacturer and supplier of locally produced DDGS in Malaysia, helping to reduce the country's dependence on imported animal feed and supporting both food security and sustainable agriculture.

This new corn-based ethanol plant not only underscores CIM's position as the leading ethanol manufacturer in Malaysia, with our strong commitment towards producing high quality ethanol and DDGS, but also the Group's commitment to ESG principles. With corn replacing molasses as raw material, CIM is now able to operate continuously and increase its monthly production volume to meet the growing local demand for ethanol moving forward.

MANAGEMENT DISCUSSION & ANALYSIS

With full production of ethanol and DDGS in FY2026 and CIM's continued focus on high product quality, customer relationships and service and sustainable production, CIM's target is to gain market share within the domestic ethanol market and increase sales volumes and profitability.

At BAP, we target to expand our customer base and sales volumes to meet the growing demand for natural vinegar, driven by increasing consumer awareness of health and wellness.

At HCS, the business environment for resins is expected to remain challenging, as demand for plywood and other wood panel products in Sarawak continues to be subdued, primarily due to the slowdown in demand from international markets, regulatory shifts against the plywood and wood panel products industry in Sarawak, rising raw material costs, and on-going geopolitical conflicts. In FY2025, we implemented strategic initiatives to expand our market share within the region. These include ongoing innovation across our product range to better meet customer needs, alongside efforts to streamline operations and reduce overall operating costs. HCS will continue to focus on these strategic initiatives in FY2026, and we anticipate that HCS will continue to gain market share and remain profitable in FY2026.

The Group's financial standing remains solid, underpinned by substantial cash reserves and zero borrowings. This robust position enables us to actively explore potential attractive acquisitions and investments in new business ventures. With the Board's deep industry expertise and broad business experience, complemented by a management team that is dedicated, resilient, and diligent, the Group is well-positioned to drive continued progress and achieve sustainable growth in the near future.

The Board and senior management will remain vigilant in identifying and evaluating viable business opportunities, including potential investments and acquisitions, which we believe will support the Group's efforts to diversify its business portfolio, enhance revenue and earnings and drive shareholder value creation over the long term.

Foong Leon Chiew
Executive Director
30 September 2025

SUSTAINABILITY STATEMENT 2025

OUR APPROACH TO SUSTAINABILITY

This Sustainability Statement, which is prepared with reference to the Sustainability Reporting Guide (3rd Edition) issued by Bursa Malaysia Securities Berhad, United Nations Sustainable Development Goals (“SDG”) and Global Reporting Initiative (“GRI”) Standards which covers the management of material economic, environmental, social and governance matters of our Group for FY2025.

Hexza Corporation Berhad (“Hexza”) was established in 1969 under the name Norsechem (M) Sdn. Bhd. In 1986, we acquired Chemical Industries (Malaya) Sdn. Bhd. which is Malaysia’s first ethanol manufacturer established since 1960. In 1993, we started our resins operations in Sarawak via Norsechem Sarawak Sdn. Bhd., which is now known as Hexzachem Sarawak Sdn. Bhd. In 1985, Norsechem (Sabah) Sdn. Bhd. was founded as a 40/60 joint venture between Hexza and Permodalan Bumiputra Sabah respectively. Our shareholding was reduced to 19.6% when Innoprise Corporation Sdn. Bhd. bought 51% of the shares from the joint venture partners.

Since its establishment, Hexza has progressed together with Malaysia and corporate social responsibility has been deeply rooted in our Company culture throughout the years. The Board of Directors is conscious of its corporate and social responsibilities to its various stakeholders to always operate ethically. Our sustainability efforts also take into account the economic, environmental and social aspects in addition to the corporate governance considerations, as detailed in our Corporate Governance Overview Statement and Corporate Governance Report. Our Group’s mission is to enhance value for all stakeholders whilst taking into consideration its continued social obligations.

Corporate Social Responsibility and Sustainability are important components of long-term business success. For our Group, Corporate Social Responsibility is about conducting business with a conscience, caring for employees, the community, the environment, customers, shareholders and all stakeholders. Our Corporate Social Responsibility mission is for all our Directors, senior executives, management and staff to be community players in the promotion of a caring and civil society.

SCOPE

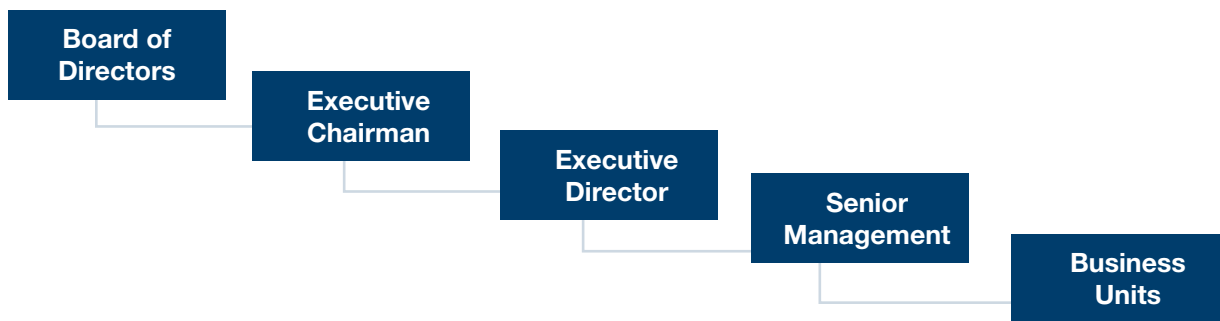
This Sustainability Statement covers our holding company, Hexza, in Ipoh, Perak as well as our main operating subsidiaries, comprising the ethanol division and natural vinegar plant in Ipoh, Perak and our resins division in Kuching, Sarawak. The period covered is for the financial year commencing 1 July 2024 to 30 June 2025.

GOVERNANCE STRUCTURE

The ultimate responsibility to embed sustainability in Hexza’s business strategy and operations rests with the Board of Directors. Our Board is responsible for reviewing sustainability matters that are considered material to the Group’s business and stakeholders. Our Executive Chairman (“EC”), with support from the Executive Director (“ED”), is responsible for developing our Group’s sustainability strategy, implementing and overseeing the implementation of this strategy.

Our Group’s senior management and their respective business units support the EC and ED in the execution of our Group’s sustainability strategy, stakeholder engagement process, materiality assessment, management of material sustainability matters and preparation of sustainability disclosures.

SUSTAINABILITY STATEMENT 2025



At Hexza, we conduct our business with integrity by adhering to the following:

- I. The Hexza Code of Ethics and Conduct which outlines guiding principles for general ethical standards that are applicable to all our employees and Directors.
- II. The Anti-Bribery and Anti-Corruption Policy which prohibits any acts, either directly or indirectly of inducing, soliciting, seeking, offering and receiving any and all sorts of benefits, incentives, commissions, gifts and advantages either in cash or in kind in all business dealings with Hexza. Employees and management should identify and report fraud, bribery and corruption in their respective business units at all times.
- III. Our Whistleblowing Policy provides an avenue for employees and the public to lodge complaints of corrupt practices or wrongdoings in a confidential manner. Employees or other persons making such reports will be treated fairly and protected from reprisals. The management adopts an open-door policy, where employees are able to communicate anti-bribery and anti-corruption issues or lodge a report to senior management. If the employee or external party does not feel comfortable or it is inconvenient to lodge the report to senior management, he or she may make a confidential report of improper conduct in writing to the Audit Committee Chairman via e-mail to whistleblowing@hexza.com.my.
- IV. The Internal Auditors ("IA") independently assists the Audit Committee ("AC") to assess the integrity of our financial reporting process and the effectiveness of risk management and internal controls. The IA engagements are carried out based on an annual audit plan approved by the AC. Depending on the auditable areas assessed and the scope of audit, the level of exposure to the relevant fraud, bribery or corruption risks will be taken into consideration during the audit process. The results of the audits in the IA reports are reviewed by the AC and also reported to the Board of Directors.

Hexza adopts a zero-tolerance approach to violations of the Hexza Code of Ethics and Conduct and Anti-Bribery and Anti-Corruption Policy (collectively referred to as "ethical policies and standards") to uphold the corporate integrity, prevent fraud and irregularities, and comply with all applicable laws and regulations.

STAKEHOLDER ENGAGEMENT

In determining and prioritising sustainability matters that are material to our Group and our stakeholders, we take into consideration the perspective of various stakeholders.

The table below summarises how key stakeholder groups have been engaged:

Stakeholder Group	Areas of Concern	Our Action	Engagement Approach
Shareholders/ Investors	- Financial performance and business strategy; - Regulatory compliance; - Environment, Social and Governance; - Ethical business conducts; - Risk management; - Dividend	- Provide timely financial performance update; - Conduct business with integrity; - Adherence to good governance standards and principle; - Focus on shareholder value creation	- Annual General Meetings; - Annual Report; - Corporate Website; - Media Releases; - Analyst Briefing; - Quarterly Results Announcements

SUSTAINABILITY STATEMENT 2025 (continued)

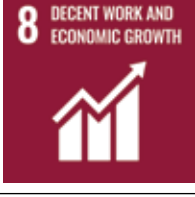
Stakeholder Group	Areas of Concern	Our Action	Engagement Approach
Employees	- Safe and healthy workplace; - Career development and training; - Human rights and fair labour practices; - Welfare and benefits	- Employee anti-bribery and anti-corruption declaration; - Strict adherence to labour laws; - Ensures workplace health and safety measures in place; - Ensures equal employment opportunities without discrimination	- Management meetings; - Business unit meetings; - Discussions/Meetings with trade union; - Induction programme; - Training and seminars
Customers	- Product quality, customer service and customer satisfaction; - Regulatory compliance and certification; - Relationship management	- Ensure product quality and customer service meets the highest standards; - Strict adherence to Anti-Bribery and Anti-Corruption Policy with zero tolerance; - Adherence to Personal Data Protection Act 2010	- Customer feedback; - Business meetings; - Site visits to customer's premises/offices; - Customer audit
Suppliers	- Relationship management; - Products and services quality; - Ethical sourcing; - Supplier concentration / dependence	- Ensures product quality meets the highest standards; - Strict adherence to Anti-Bribery and Anti-Corruption Policy with zero tolerance; - Reduce supplier concentration / dependence	- Supplier feedback; - Business meetings; - Site visits to supplier's premises/offices; - Supplier audit and assessment
Government/Regulators	- Regulatory and environmental compliance; - Health and safety compliance; - Labour laws	Ensures compliance with legal and regulatory frameworks across all jurisdictions	- Feedback from regulatory bodies; - On-site inspections by government agencies and regulatory bodies; - Meetings with government agencies; - Discussions with compliance officers
Communities	- Community engagement; - Job creation; - Corporate social responsibility; - Responsible corporate citizen	- Promote local job opportunities; - Provide education scholarships and sponsorships	- Engagement with non-government organisations; - Engagement with local charities; - Education Sponsorships; - Internships

SUSTAINABILITY STATEMENT 2025 (continued)

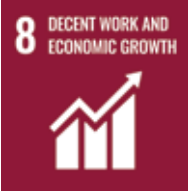
MANAGING SUSTAINABILITY MATTERS

Materiality Assessment

We have identified sustainability areas that are significant to our businesses and stakeholders and have categorised them into respective pillars as follows:

Pillars	Sustainability Areas	United Nations SDGs	GRI	Stakeholder Groups
1. Environmental	- Emissions; - Waste management; - Water consumption; - Energy and resource management; - Carbon footprint management	 	302: Energy 303: Water & Effluents 305: Emissions 306: Waste	- Government/Regulators - Shareholders/Investors - Suppliers - Customers - Communities
2. Social	- Competitive employment compensation and benefits; - Occupational safety and health; - Talent management; - Diversity and inclusivity	   	401: Employment 403: Occupational Health & Safety 404: Training & Education 405: Diversity & Equal Opportunity 406: Non-Discrimination	- Employees - Government/Regulators - Shareholders/Investors - Communities

SUSTAINABILITY STATEMENT 2025 (continued)

3. Economic	• Product quality; • Corporate governance; • Code of conduct; • Anti-bribery and anti-corruption; • Assets and Capital management; • Legal and regulatory compliance; • Risk management	 	2-23: Policy Commitments 2-27: Compliance with laws and regulations 203: Indirect Economic Impacts 205: Anti-corruption	• Employees • Government/Regulators • Shareholders/Investors • Suppliers • Customers
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Environmental Management

As with any manufacturing company, emission and waste management are important considerations and key issues to deal with. It is within our culture to uphold environmental integrity and focus on efforts towards conservation and preservation of the environment. We ensure that we follow proper procedures and environment friendly methods when dealing with our emissions and effluent.

We are subject to the regulations set by the Department of Environment (“DOE”) and any infringement would result in major reputational and monetary risks to the Company. We are committed to follow the regulations set by the DOE, particularly on emissions standards and effluent management.

In June 2025, our ethanol division under Chemical Industries (Malaya) Sdn. Bhd. (“CIM”) successfully completed the installation of the corn-based ethanol plant project, converting our existing plant from using molasses to using corn as primary feedstock for our ethanol production. This is an important milestone for CIM and the Group and further exemplifies our unwavering commitment to quality, sustainability and the advancement of our operations through modern, circular production methods.

CIM’s corn-based ethanol plant can produce high quality ethanol with an annual capacity of up to 10 million litres, and with minimal waste. A key byproduct of the ethanol production process, Distiller’s Dried Grains with Solubles (“DDGS”) is repurposed into high-value livestock feed and sold to local farms in Malaysia, reinforcing CIM’s adoption of sustainable production principles. This makes CIM the first and only manufacturer and supplier of locally produced DDGS in Malaysia, helping to reduce the country’s dependence on imported animal feed and supporting both food security and sustainable agriculture. This new corn-based ethanol plant not only underscores CIM’s position as the leading ethanol manufacturer in Malaysia, with our strong commitment towards producing high quality ethanol and DDGS, but also Hexza’s commitment to ESG principles.

Product Responsibility

In terms of product mix for our resins division under Hexzachem Sarawak Sdn. Bhd., we are producing a higher mix of environmentally friendly products, e.g., a higher proportion of low formaldehyde emissions resins or also known as E0 resins. E0 is a European standard requiring formaldehyde emissions to be equal to or less than 0.5 mg/l. Meanwhile, we are also producing super E0 resins, which have an emission level of below 0.3 mg/l. E0 and super E0 resins currently make up about 43% of our total resins sales volume. Many of our clients sell their low emission wood products to markets such as Japan, Europe and USA.

SUSTAINABILITY STATEMENT 2025 (continued)

Employee well-being

Hexza aspires to be the employer of choice in the cities that we operate in. As a caring employer, we offer competitive compensation and benefits. We provide employees with generous health and insurance benefits, annual leave and paid public holidays that are higher than the statutory minimum. We provide some of our employees the option to extend their employment beyond the retirement age, prioritise workplace health and safety of employees, support human capital development through various training and workshops and promote workplace diversity that is free from any discrimination.

The health and welfare of our employees are very important to our Group. We recognise our employees contributions to our Group, and as the building blocks of our Group, their health and welfare are essential for the efficient functionality of operations of the Group. Our employees are provided with adequate medical, hospitalisation and personal accident insurance benefits.

On top of the statutory minimum annual leave of 8 days, our employees are given between 12 days and up to 22 days of annual leave depending on seniority and length of service with our Group. While the statutory entitlement for paid public holidays is 11 days for Peninsular Malaysia and 16 days for Sarawak, we observe 16 days of public holidays in both Peninsular Malaysia and Sarawak for the benefit of our employees.

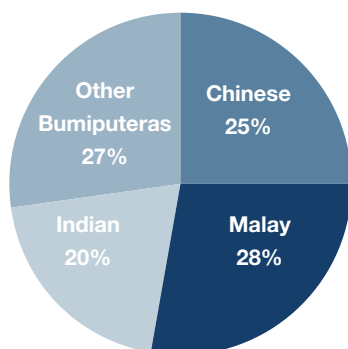
As life expectancy has improved in this day and age, we re-employ some of our capable employees who have reached the statutory retirement age to continue providing them with a source of income.

We place great importance to and prioritise occupational safety and health standards in our operations. We are committed to promoting and maintaining a healthy and safe workplace for our employees. We currently comply with the relevant laws and regulations set by the Department of Occupational Safety and Health and continuously work on identifying and improving the safety and health areas for the benefit of our employees, and the Group as a whole. The Group has taken proactive action to ensure our employees' safety, however, overall safety and health of our employees is a group effort. As such, safety and health in the workplace also fall on the employees. Therefore, employees are given safety and health training from time to time to ensure that standards, rules, and regulations put in place by the Group have been closely adhered to for the benefit of all our employees. Employees are provided with safety equipment, personal protective equipment, and other safety devices for their protection.

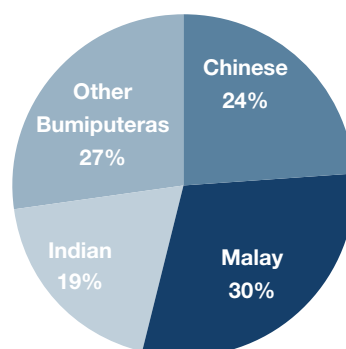
We endeavour to provide sustainable job opportunities and support our employees' development through various training programs and workshops. We encourage and sponsor our employees to improve their skills and intellectual development through courses and other training programs. In our efforts to create an inclusive environment, we strive to maintain a diverse workforce in terms of gender, age group and ethnicity. We are supportive of equal opportunities with regard to employment and are opposed to any form of discrimination. We evaluate potential candidates by their capabilities, skills, experience and overall suitability to the role.

Our Group maintains a diverse workforce by gender and ethnicity in promotion of the spirit of unity and harmony among the different races and prohibits any form of discrimination based on background, race, religion, gender or age. The diversity in age across our employees provides us with benefits such as a mix of skills and abilities, a wide range of knowledge and experience, as well as a platform for talent development and succession planning. Our workforce diversity is shown below:

FYE2024
Employees by Ethnicity

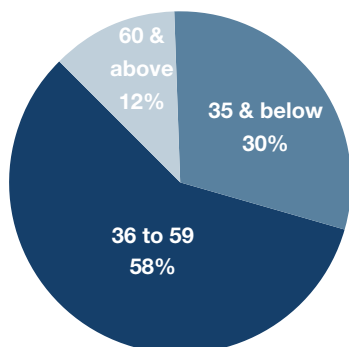


FYE2025
Employees by Ethnicity

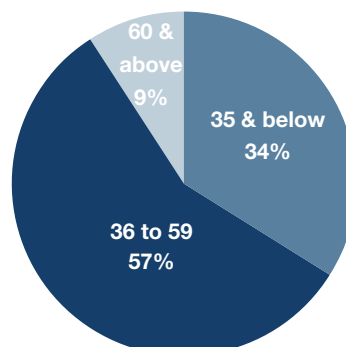


SUSTAINABILITY STATEMENT 2025 (continued)

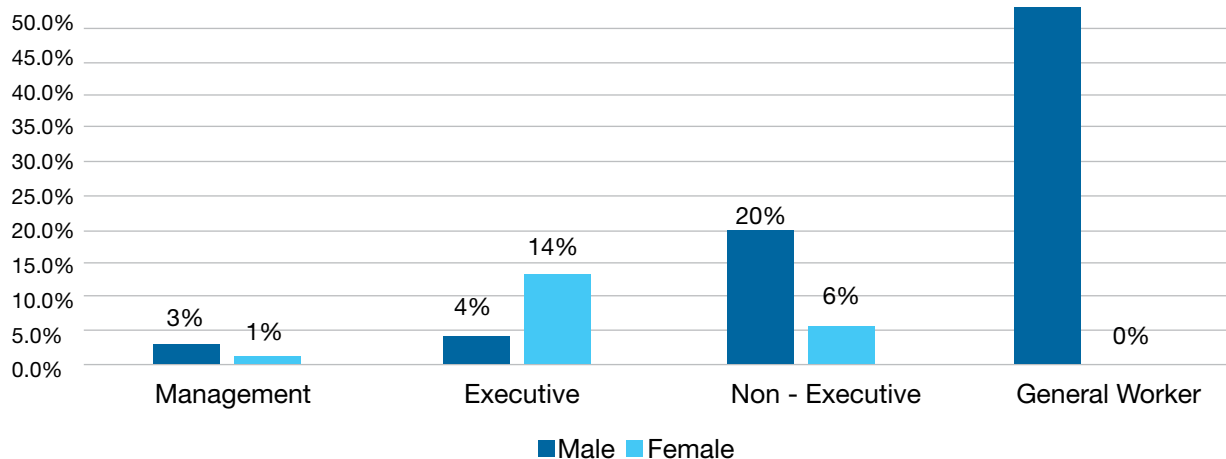
FYE2024
Employees by Age Group



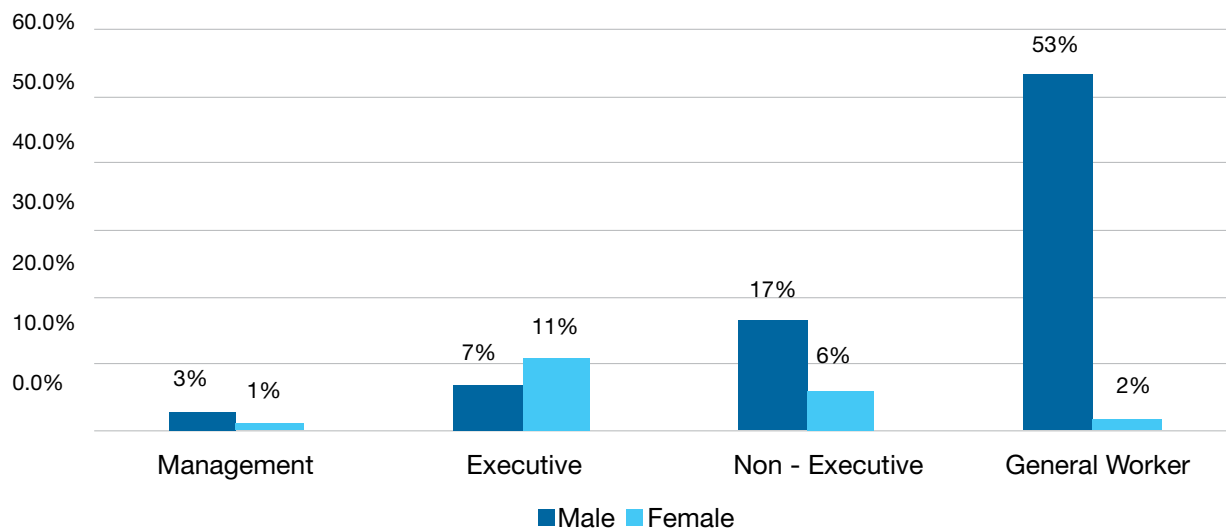
FYE2025
Employees by Age Group



FYE2024 Gender Group by Employee Category



FYE2025 Gender Group by Employee Category



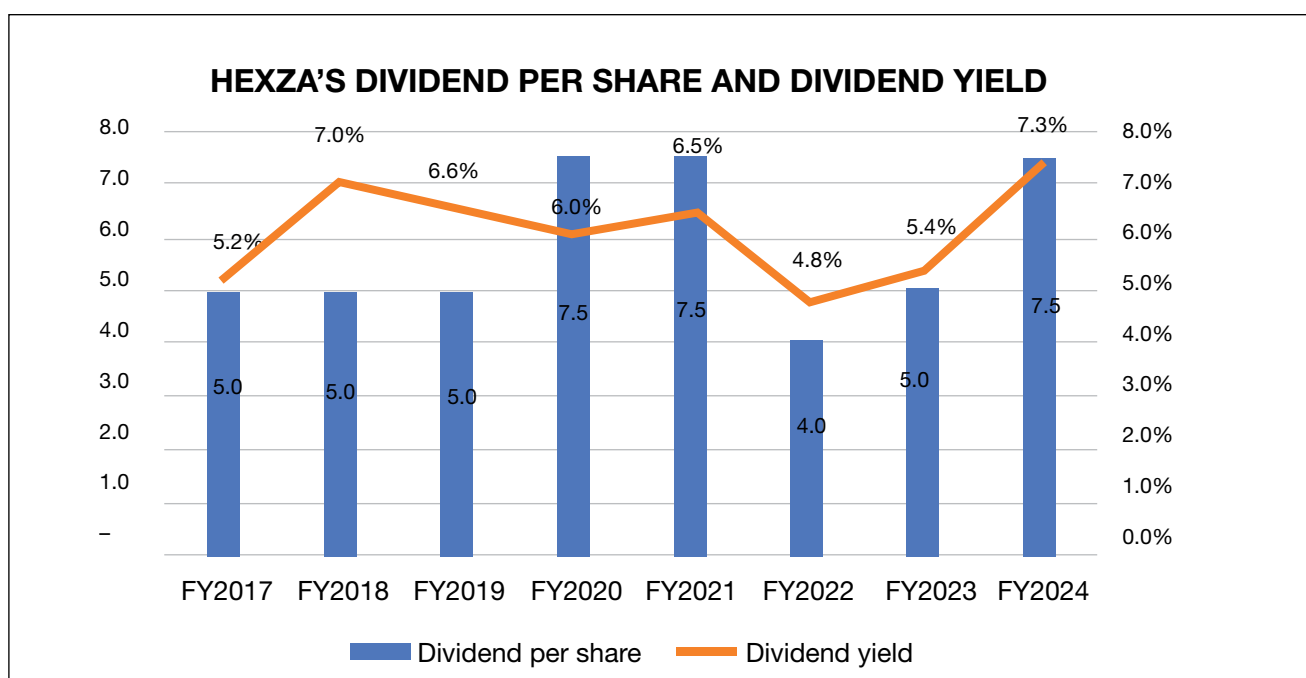
SUSTAINABILITY STATEMENT 2025 (continued)

Community Service

We strive to provide mentorship opportunities to potential intern candidates and expose them to real work-life situations and challenges. We also provide sponsorship to deserving Malaysian students to further their education at the local tertiary level.

Economic Impact

We always strive to distribute dividends to our shareholders and distribute a portion of our profits generated back to shareholders. We reward our shareholders for their support by ensuring a consistent dividend yield that is generally higher than the fixed deposit rate.



Note: Dividend yield is calculated based on Hexza's closing share price on the date of announcement of the dividend entitlement for the respective financial years.

With healthy cash reserves ready to be deployed for investment purposes, we continuously seek the best investments and value-creation opportunities for our shareholders either through mergers and acquisitions or venturing into new businesses for growth and/or to diversify our earnings base.

Hexza believes in contributing to the economy of Malaysia by providing job opportunities to Malaysians and improving local skill levels and capabilities. We believe in paying wages appropriate for the cities that we operate in so as to provide our employees and their families with a decent standard of living.

As a responsible corporate citizen, we have also been contributing to the country via the payment of taxes. On an annual basis, we contribute significantly to government revenues, directly in the form of corporate tax and sales and services tax, as well as indirectly through our customers' payments of excise duty through sales of our ethanol products. Our businesses will continue to contribute not only to the economy of Malaysia but also to fellow Malaysians.

Conclusion

The Board is committed to continuously improve its integration of environmental, sustainability and social responsibility initiatives into all of the Group's business operations, to ensure that our businesses operate in an efficient, ethical and responsible manner at all times.

PERFORMANCE DATA TABLE FROM BURSA MALAYSIA'S ESG REPORTING PLATFORM

Indicator	Measurement Unit	2025
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Management 35 & below	Percentage	0.00
Management Between 36-59	Percentage	75.00
Management 60 & above	Percentage	25.00
Executive 35 & below	Percentage	45.00
Executive Between 36-59	Percentage	50.00
Executive 60 & above	Percentage	5.00
Non-executive/Technical Staff 35 & below	Percentage	12.00
Non-executive/Technical Staff Between 36-59	Percentage	68.00
Non-executive/Technical Staff 60 & above	Percentage	20.00
General Workers 35 & below	Percentage	42.00
General Workers Between 36-59	Percentage	52.00
General Workers 60 & above	Percentage	6.00
Gender Group by Employee Category		
Management Male	Percentage	75.00
Management Female	Percentage	25.00
Executive Male	Percentage	39.00
Executive Female	Percentage	61.00
Non-executive/Technical Staff Male	Percentage	74.00
Non-executive/Technical Staff Female	Percentage	26.00
General Workers Male	Percentage	96.00
General Workers Female	Percentage	4.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	80.00
Female	Percentage	20.00
35 & below	Percentage	34.00
Between 36 to 59	Percentage	56.00
60 and above	Percentage	10.00
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	2,941.84
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	99.230000
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	21
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Management	Hours	102
Executive	Hours	112
Non-executive/Technical Staff	Hours	112
General Workers	Hours	301

Internal assurance

External assurance

No assurance

(*)Restated

PERFORMANCE DATA TABLE FROM BURSA MALAYSIA'S ESG REPORTING PLATFORM

Indicator	Measurement Unit	2025
Bursa (Labour practices and standards)		
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	16.00
Bursa C6(c) Total number of employee turnover by employee category		
Management	Number	1
Executive	Number	7
Non-executive/Technical Staff	Number	0
General Workers	Number	1
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Management	Percentage	100.00
Executive	Percentage	100.00
Non-executive/Technical Staff	Percentage	100.00
General Workers	Percentage	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	25.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer		0.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0
Bursa (Supply chain management)		
Bursa C7(a) Proportion of spending on local suppliers	Percentage	78.00
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	11,191.77
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	11,185.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	6.77
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	121.47
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	2,937.77
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	0.00

Internal assurance External assurance No assurance

(*)Restated

DIRECTOR'S PROFILES

DATUK DR. FOONG WENG SUM

Executive Chairman

Male, Malaysian, aged 86

Datuk Dr. Foong Weng Sum was appointed to the Board on 7 May 1982 as Vice Chairman. On 23 October 1986, he also assumed the position of Group Chief Executive. He took over as Chairman of the Board on 1 December 2000. On 1 November 2016, he relinquished his position as Group Chief Executive and he was redesignated as Executive Chairman.

Datuk Dr. Foong Weng Sum is a graduate in medicine from the University of London's Guy's Hospital Medical School. He has considerable business experience in various business sectors, including manufacturing, property development, financial management and investment.

MR. TSEN KENG YAM

Deputy Chairman/Independent Non-Executive Director

Male, Malaysian, aged 75

Mr. Tsen Keng Yam was appointed to the Board on 27 August 2021 and was appointed as the Deputy Chairman of the Board on 25 February 2022. He was also appointed as the Chairman of the Remuneration Committee on 25 February 2022 and member of the Audit Committee on 27 May 2022. On 29 November 2022, he was appointed as a member of the Nomination and Remuneration Committee due to the combination of the Nomination Committee and Remuneration Committee into a single committee.

Mr. Tsen is a Fellow of the Institute of Chartered Accountants (England and Wales) and a member of the Malaysian Institute of Accountants.

In 1978, he joined Hanafiah Raslan & Mohamed as a consultant and was subsequently promoted to Senior Consultant in 1980. He was a principal of Hanafiah Raslan & Mohamed from 1984 to 1987 and was a partner of Arthur Andersen & Co. for more than 14 years from 1988 to 2003. He was formerly a Director of Talam Transform Berhad and Riverview Rubber Estates Berhad, both listed on Bursa Malaysia and Narborough Plantations Plc.

MR. FOONG LEON CHIEW

Executive Director

Male, Malaysian, aged 45

Mr. Foong Leon Chiew was appointed to the Board on 25 November 2024.

He holds a Master of Business Administration degree from The Wharton School, University of Pennsylvania, and an undergraduate degree in Engineering, Economics and Management from the University of Oxford, Balliol College.

Mr. Foong Leon Chiew began his career in 2001 with McKinsey & Company in Singapore, where he focused on strategic advisory projects for clients in various industries across Southeast Asia. In 2007, he joined Goldman Sachs (Asia) L.L.C. in Hong Kong as an Associate in the Investment Banking Division before being promoted to Executive Director in 2011, a role he held until 2018. He then joined Deutsche Bank in Hong Kong and served as Managing Director and Co-Head of Technology, Media and Telecom (TMT) Asia within their Investment Banking Division, prior to joining Hexza Corporation Berhad in November 2024.

DIRECTOR'S PROFILES (continued)

MR. OOI YING HONG

Non-Independent Non-Executive Director
Male, Malaysian, aged 59

Mr. Ooi Ying Hong was appointed to the Board on 12 July 2011 as an Independent Non-Executive Director (INED) and was re-designated to Non-INED on 29 November 2022. He is also a member of the Audit Committee and was appointed as a member of the Nomination Committee and Remuneration Committee on 2 December 2020. On 29 November 2022, he was appointed as a member of the Nomination and Remuneration Committee due to the combination of the Nomination Committee and Remuneration Committee into a single committee.

Mr. Ooi Ying Hong holds a Bachelor of Business (Accounting) degree from University of Southern Queensland, Australia. He started his career in auditing with KPMG and subsequently joined Matsushita Television Co. (M) Sdn. Bhd. He has many years of experience in various industries, including logistics, international trading, information technology, service and automotive. He also sits on the Board of Directors of various private limited companies.

MS. CHONG YOKE SENG

Independent Non-Executive Director
Female, Malaysian, aged 67

Ms. Chong Yoke Seng was appointed to the Board as a Non-Independent Non-Executive Director on 1 March 2016 and was appointed as a member of the Audit Committee on the same day. She was re-designated as Independent Non-Executive Director on 1 March 2018. Ms. Chong Yoke Seng was appointed as the Chairman of the Audit Committee on 18 February 2021. She was also the Chairman of the Nomination Committee and a member of the Remuneration Committee. On 29 November 2022, she was appointed as the Chairman of the Nomination and Remuneration Committee due to the combination of the Nomination Committee and Remuneration Committee into a single committee.

She is a member of the Malaysian Institute of Accountants and a member of the Malaysian Institute of Certified Public Accountants.

She has over 33 years of working experience. She began her career in auditing for about 7 years. She then joined a management services company for about a year before she joined Hexza in 1990. She was the Chief Financial Officer and Company Secretary of Hexza for more than 26 years until her retirement in February 2016. She holds directorships in several private limited companies.

MR. FOONG LEON KAH

Non-Independent Non-Executive Director
Male, Singaporean, aged 43

Mr. Foong Leon Kah was appointed to the Board on 1 June 2022.

Mr. Foong Leon Kah graduated from the University of Manchester with a Bachelor of Arts, Economic & Social Studies. He completed his Master of Business Administration (MBA) specialising in Management Consultancy from Grenoble Ecole De Management.

He has considerable working experience in various industries such as sales and marketing, advertising, hospitality and financial technology ("Fintech").

DIRECTOR'S PROFILES (continued)

MR. FOONG LEON SING

Non-Independent Non-Executive Director
Male, Malaysian, aged 37

Mr. Foong Leon Sing was appointed to the Board on 3 February 2025.

He holds a Bachelor's degree in Economics and Management (First Class Honours) from the University of Oxford, St Peter's College.

Mr. Foong Leon Sing has extensive entrepreneurial and management experience in leadership roles across technology, mobility, and digital asset sectors in Asia. He is currently the Co-Founder of Mythos Group and Managing Partner of Mythos Venture Partners, an early-stage crypto fund with a strong presence in Asia-Pacific and active investor in Digital Asset Treasury (DAT) companies across major global capital markets. Prior to that, he served as Head of Asia-Pacific at Binance Holdings Limited from January 2022 to August 2023. He was also the Chief Executive Officer of SOCAR Mobility Malaysia from October 2017 to October 2021.

Earlier in his career, Mr. Foong Leong Sing was the General Manager for Uber Malaysia and Thailand from December 2013 to October 2017 and held a corporate business development role with YTL Communications between 2011 and 2013. He began his career as an investment banking analyst with Perella Weinberg Partners in London from 2009 to 2011.

MS. DING JIA JIA

Independent Non-Executive Director
Female, Hong Kong, PRC, aged 45

Ms. Ding Jia Jia was appointed to the Board on 3 February 2025.

She holds a LLB in Law from Peking University and an LLM in Law from the University of Pennsylvania Carey Law School. In addition, she completed her CPE and LPC qualifications at the College of Law in the United Kingdom. Ms. Ding is qualified in England and Wales and Hong Kong SAR. She currently does not hold directorships in other public listed companies.

Ms. Ding has over 20 years of legal experience, specialising in corporate and commercial law, advising clients on a wide variety of public and private offerings of debt and equity securities, as well as providing counselling concerning corporate governance issues.

Ms. Ding commenced her legal career in 2005 with CMS Cameron McKenna in London. She subsequently joined Freshfields Bruckhaus Deringer in Hong Kong in 2007 before moving to Simpson Thacher & Bartlett in 2011, where she became a Partner in the firm's Hong Kong corporate practice, focusing on capital markets. Ms. Ding joined Zhong Lun Law Firm's Hong Kong office as a partner in September 2025.

OTHER INFORMATION

Directorship in Public Companies and Listed Issuers

None of the Directors have any directorship in public companies and other listed issuers.

Family relationship with any Director and/or major shareholder

Datuk Dr. Foong Weng Sum is the Executive Chairman and major shareholder of the Company. Datuk Dr. Foong Weng Sum is the father of Mr. Foong Leon Chiew, Mr. Foong Leon Kah and Mr. Foong Leon Sing. Apart from this, none of the Directors have any family relationship with the other Directors or major shareholders of the Company.

DIRECTOR'S PROFILES (continued)

Conflict of Interest

None of the Directors has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Convictions for Offences

None of the Directors has been convicted of any offence within the past five years and there were no public sanctions or penalties imposed by the relevant regulatory bodies (other than traffic offences) during the financial year ended 30 June 2025.

KEY MANAGEMENT PERSONNEL OF THE GROUP AND ITS SUBSIDIARY COMPANIES

DATUK DR. FOONG WENG SUM

Executive Chairman

Male, Malaysian, aged 86

The detailed profile of Datuk Dr. Foong Weng Sum is shown in the Directors' Profiles.

MR. FOONG LEON CHIEW

Executive Director

Male, Malaysian, aged 45

The detailed profile of Mr. Foong Leon Chiew is shown in the Directors' Profiles.

MR. LOKE PENG SIN

Chief Financial Officer cum Compliance Officer of Hexza Corporation Berhad

Male, Malaysian, aged 45

Mr. Loke Peng Sin joined Hexza Corporation Berhad as Group Accountant on 2 January 2024. He was re-designated as Chief Financial Officer cum Compliance Officer on 1 July 2024.

He graduated with a Bachelor's Degree in Accountancy from University of Wollongong, Australia in 2003. He is a member of Certified Practising Accountant Australia and a member of Malaysian Institute of Accountants.

Upon graduation, he joined GEP Associates as an Audit Junior in the audit and assurance division from 2003 to 2005. He then worked in Deloitte KassimChan in 2005 for three years and his last position held was Audit Senior. In 2008, he joined NTPM Holdings Berhad as an Internal Auditor and subsequently with Latexx Partners Berhad as Accounts Manager in 2009. In 2011, he joined Berjaya Infrastructure Sdn. Bhd. as Senior Finance Manager before rejoining Latexx Partners Berhad as Head of Accounting from 2013 to 2021. On July 2021, he joined Onetexx Sdn. Bhd. as Financial Controller and subsequently on January 2022 he was redesignated to Group Financial Controller of One Glove Group Berhad.

MS. LIM SEE CHENG

Deputy General Manager of CIM

Female, Malaysian, aged 58

Ms. Lim See Cheng joined Chemical Industries (Malaya) Sdn. Bhd. in 1990 as a chemist and was promoted to R&D/Technical Sales Manager in 1997 to handle technical sales and administrative support. In year 2010, she was promoted to Deputy General Manager to take on higher responsibilities in the company.

She initiated and is responsible for overseeing the ISO 9001 quality management system implementation for the ethanol and vinegar plants and ISO 22000 food safety management system for vinegar production.

She holds a Bachelor of Science degree from Campbell University, North Carolina, U.S.A. and is a member of the Malaysian Institute of Chemistry.

KEY MANAGEMENT PERSONNEL OF THE GROUP AND ITS SUBSIDIARY COMPANIES

(Continued)

OTHER INFORMATION

Family relationship with any Director and/or major shareholder

Other than Datuk Dr. Foong Weng Sum and Mr. Foong Leon Chiew, none of the Key Management Personnel has any family relationship with the Directors and major shareholders of the Company.

Conflict of Interest

None of the Key Management Personnel has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

Convictions for Offences

None of the Key Management Personnel has been convicted of any offence within the past five years and other than traffic offences, there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 30 June 2025.

Directorship in Public Companies and Listed Issuers

None of the Key Management Personnel has any directorship in public companies and listed issuers.

AUDIT COMMITTEE REPORT

The Board of Directors of Hexza Corporation Berhad (“the Board”) is pleased to present the report of the Audit Committee (“AC”) for the financial year ended 30 June 2025 in compliance with Paragraph 15.15 of the Main Market Listing Requirement (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The AC and its members have discharged their functions, duties and responsibilities in accordance with its Terms of Reference (“TOR”) which is available on the Company’s website at www.hexza.com.my, to support the Board in ensuring the Group practises good corporate governance. The TOR of the AC was last reviewed and approved by the Board on 29 August 2025.

COMPOSITION AND MEETINGS

The AC comprises three (3) members, two (2) of whom are Independent Non-Executive Directors which complies with Paragraph 15.09(1) of the MMLR of Bursa Malaysia. The Chairman of the AC, Ms. Chong Yoke Seng is a member of the Malaysian Institute of Accountants and is not the Chairman of the Board, hence this complies with Paragraph 15.09(1)(c)(i) of the MMLR of Bursa Malaysia and is in line with Practice 9.1 under the Malaysian Code on Corporate Governance (“the Code”). No Alternate Director is appointed as a member of the AC.

During the financial year ended 30 June 2025, four (4) AC meetings were held and the details of the attendance are as follows:

No. of Meetings Attended

Ms. Chong Yoke Seng (Chairman, Independent Non-Executive Director)	4/4
Mr. Tsen Keng Yam (Member, Independent Non-Executive Director)	4/4
Mr. Ooi Ying Hong (Member, Non-Independent Non-Executive Director)	4/4

The Company Secretary attended all the meetings of the AC held during the financial year and is responsible for arranging for the meetings and keeping of the minutes. Minutes of each meeting were recorded and tabled for confirmation at the next AC meeting and subsequently presented to the Board for notation. Upon the invitation of the Committee, the Executive Director, the Chief Executive Officer (“CEO”), the Chief Financial Officer, Heads of Division, Internal Auditors and External Auditors, were also present at the meetings.

The Chairman of the AC reported the main findings and deliberations of the AC meetings to the Board. The AC Chairman also presented to the Board the Committee’s recommendations to approve the annual and quarterly financial statements. The AC Chairman also conveyed to the Board matters of significant concern as and when raised by the External Auditors or Internal Auditors in their respective presentations.

The detailed profiles of all the members of the AC are shown in the Directors’ Profiles.

AUDIT COMMITTEE REPORT (continued)

SUMMARY OF ACTIVITIES PERFORMED BY THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR

The key activities carried out by the AC in line with its TOR during the financial year ended 30 June 2025 comprised the following:

(a) Financial Reporting

- (i) Reviewed the Group's quarterly results and annual audited financial statements of the Company and ensured the financial reporting and disclosure requirements had been complied with prior to recommending them to the Board for consideration, approval and public release focusing particularly on:
- changes in or implementation of major accounting policies and practices;
 - significant matters highlighted including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters were addressed;
 - compliance with accounting standards and other legal requirements; and
 - going concern assumptions.

Date of Meetings	Review of Quarterly Financial Statement
28 August 2024	(i) Draft audited financial statements for the financial year ended 30 June 2024 (ii) Interim financial statements for fourth quarter results ended 30 June 2024
15 November 2024	Interim financial statements for first quarter results ended 30 September 2024
18 February 2025	Interim financial statements for second quarter results ended 31 December 2024
23 May 2025	Interim financial statements for third quarter results ended 31 March 2025

The above review was to ensure that the Company's quarterly financial reporting and disclosures present a true and fair view of the Group's financial position and are in compliance with Malaysian Financial Reporting Standard ("MFRS") 134 - Interim Financial Reporting Standards, provisions of the Companies Act 2016, provisions of the MMLR of Bursa Malaysia and other legal and regulatory requirements.

- (ii) To safeguard the integrity of information, the Executive Director and the Chief Financial Officer had also given assurance to the AC that:
- (a) appropriate accounting policies had been adopted and applied consistently;
 - (b) the going concern basis applied in the Annual Financial Statements was appropriate;
 - (c) prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the MFRS; and
 - (d) the Audited Financial Statements and Quarterly consolidated financial statements did not contain material misstatements and gave a true and fair view of the financial positions of the Group and its subsidiaries for the financial year ended 30 June 2025.
 - (e) The risk management and internal control of the Group are operating adequately and effectively in all material respects, for the financial year ended 30 June 2025.

AUDIT COMMITTEE REPORT (continued)

(b) External Audit

- (i) In August 2024,
 - ❖ Reviewed with the External Auditors the results of the audit and management's responses to their audit findings, including corrective actions taken by the management on outstanding audit issues highlighted in the previous audit in respect of the financial year ended 30 June 2024.
 - ❖ Reviewed the non-audit services provided by the External Auditors.
 - ❖ Reviewed the audit fee for the financial year and recommended the audit fee to the Board for approval.
 - ❖ Reviewed and evaluated the performance of the External Auditors, i.e. Crowe Malaysia PLT, including their capabilities, objectivity and independence and made recommendations to the Board on their re-appointment at the Annual General Meeting for the financial year ending 30 June 2025.
- (ii) In May 2025, reviewed the scope of work and the audit plan of the External Auditors in respect of the audit for the financial year ended 30 June 2025.
- (iii) Met with the External Auditors without the presence of the management twice. The purposes of such meetings were to enquire about Management's cooperation with the External Auditors, their sharing of information and the proficiency and adequacy of resources in financial reporting functions, particularly in relation to the compliance with applicable MFRSs as well as other areas of concern that is needed to be escalated to the Board and Management for their further consideration and action.

The External Auditors have provided written assurance that they were and had been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements, including the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws").

(c) Internal Audit

- (i) Reviewed and approved the internal audit plan, including the scope and audit approach.
- (ii) Reviewed and deliberated on the internal audit reports from the Internal Auditors and management's response to the recommendations and reported to the Board.
- (iii) Reviewed the performance of the Internal Auditors against the annual audit plan for the financial year ended 30 June 2025 and the costs incurred in connection with the performance of the audits during the year.
- (iv) A private session was held with the Internal Auditors without the presence of the Management and it was noted that the Management has provided full cooperation in the course of audit.
- (v) Evaluated the performance of the Internal Auditors and concluded that the Internal Audit function was adequate and effective.

(d) Risk Management and Internal Control

- (i) Reviewed and deliberated on the risk assessment reports on a half-yearly basis with deliberation on key risks from operating companies of the Group with requests for further actions where appropriate.
- (ii) The AC stressed that management must ensure that the existing risk control measures in place are effective and there are business continuity plans as far as practicable.

(e) Compliance

Reviewed and recommended to the Board for approval the AC Report and the Statement on Risk Management and Internal Control prior to their inclusion into the Company's Annual Report.

AUDIT COMMITTEE REPORT (continued)

(f) Whistleblowing Policy/Anti-Bribery and Anti-Corruption (“ABAC”) Cases

The AC ensured that the Group’s Whistleblowing Policy/ABAC Policy are implemented for the Group’s employees and external parties with appropriate actions taken wherever reports are received. During the financial year, there were no reporting of whistleblowing nor bribery and corruption cases. The ABAC Policy was last reviewed on 15 November 2024 by the AC, the same was recommended to the Board for approval.

g) Summary of Conflict of Interest or Potential Conflict of Interest

In line with the Terms of Reference of the AC and MMLRs, the AC reviewed and monitored all conflict of interest or potential conflict of interest situations. There were no conflict of interest nor potential conflict of interest situations which arose during the year that required the AC to resolve,

INTERNAL AUDIT FUNCTION

The Group’s Internal Audit function has been outsourced to an independent professional firm, JWC Consulting Sdn. Bhd. to provide support to the AC in discharging its duties and responsibilities. The main role of the Internal Auditors is to undertake independent assessments of the adequacy and effectiveness of the Group’s system of internal controls, compliance with operational policies and procedures and effectiveness of risk management. The Internal Auditors report directly to the AC.

During the financial year under review, the Internal Auditors conducted audits on business entities of the Group based on the internal audit plan approved by the AC. The audit findings and reports are presented to the AC members at the AC meeting held during the financial year. The Internal Audit Reports cover the status and progress of their assignments, follow-up on the outstanding issues that arose from the previous audit, audit recommendations and management response.

The cost incurred in maintaining the outsourced internal audit function during the financial year ended 30 June 2025 amounted to approximately RM54,000.

PERFORMANCE OF THE COMMITTEE

The performance of the AC was assessed collectively through self-evaluation and the Nomination and Remuneration Committee performed an evaluation on the performance of the AC as a whole. The Board is satisfied that the AC has discharged its statutory duties and responsibilities in accordance with the TOR of the AC during the financial year ended 30 June 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Hexza Corporation Berhad values the importance of good corporate governance. The Board is committed to ensure that the principles and practices of the Malaysian Code on Corporate Governance 2021 (“the Code”) are applied throughout the Company and its subsidiary companies (“the Group”) as a fundamental part of discharging its responsibilities to protect and enhance long term shareholder value and the financial performance of the Group, whilst considering the interests of other stakeholders.

This Corporate Governance Overview Statement is approved by the Board on 29 August 2025 in accordance with Bursa Malaysia Securities Berhad’s (“Bursa Malaysia”) Main Market Listing Requirements (“MMLR”) and it is to be read in conjunction with our Corporate Governance Report (“CG Report”) which is published on Bursa Malaysia’s website and also the Company’s website at www.hexza.com.my. The CG Report provides the details on how the Company has applied each Practice as set out in the Code during the 2025 financial year based on the template for the Code before the update as allowed by Bursa Malaysia.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

Principal Roles and Responsibilities

The Board is committed to upholding high standards of corporate governance, integrity and accountability in directing the Group’s strategic direction and business affairs. The Board assumes responsibility for the overall governance of the Group and is guided by the principles and practices outlined in the MCCG, the MMLR of Bursa Malaysia, and other applicable laws and regulations.

The Board’s primary roles and responsibilities, as set out in the Board Charter, include the following:

- Provides leadership by setting the strategic aims and direction of the Group, reviewing, challenging and approving management’s proposals to ensure alignment with long-term value creation.
- The Board oversees the performance of management in the implementation of approved strategies and plans, ensuring that the necessary resources are in place and that appropriate risk management and internal control frameworks are established and functioning effectively.
- Ensuring the implementation of robust internal controls and risk management frameworks.
- Monitoring financial and operational performance against established targets.
- Promoting a culture of good governance within the Group, ensuring that the Group operates in compliance with applicable laws, regulatory requirements, and ethical standards.
- Through its Nomination and Remuneration Committee, oversees succession planning for the Board and Senior Management and ensures there is adequate talent development and retention initiatives in place.
- Reviews and approves key financial and operational plans and monitors performance against targets. It also ensures the integrity of the Group’s financial and non-financial reporting.

The Board delegates specific responsibilities to Board Committees to support its oversight function, while retaining collective responsibility for all decisions. Each Committee operates under a defined Terms of Reference (“TOR”) approved by the Board and reports regularly to the Board on matters discussed and recommended for the Board’s consideration and approval.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

Company Secretaries

The Board is supported by qualified Company Secretaries and all Directors have unlimited direct access to the professional advice and services of the Company Secretaries as well as access to all information within the Company whether as a Board collectively or individually.

The roles and responsibilities of the Company Secretaries are as follows:

- (i) attend and ensure that all meetings are properly convened and the proceedings of all meetings including pertinent issues, substance of inquiries and responses, suggestions and proposals are duly recorded and minuted;
- (ii) provides support to the Executive Chairman to ensure the effective functioning of the Board and assists the Executive Chairman in preparation for conduct of meetings;
- (iii) update and advise the Board on Board's procedures and ensure that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and all matters associated with the maintenance of the Board or otherwise required for its efficient operation;
- (iv) ensure proper upkeep of statutory registers and records of the Company; and
- (v) advise the Board on compliance of statutory and regulatory requirements.

Supply of Information

The Board has unrestricted access to information, necessary in the furtherance of their duties. The Executive Chairman ensures that all relevant issues requiring the Board's deliberation and approval are on the agenda and senior management is invited to the Board meetings to present the relevant issues. The agenda and a full set of Board papers are distributed at least five (5) working days prior to the Board meeting to allow sufficient time for the Directors to review the Board papers for effective deliberation at the meeting. All proceedings of Board meetings are minuted and signed by the Executive Chairman.

All Directors can request for information, explanations or updates on the Group's operations or business from management. There is also a formal procedure sanctioned by the Board of Directors, whether as a Board collectively or individually, to take independent professional advice at the Group's expense, where necessary in furtherance of their duties.

Board Charter and Code of Ethics and Business Conduct

The Board has a Board Charter which sets out the role, functions, composition, operations and processes of the Board. The Charter provides guidance to the Board in relation to the Board's role, duties and responsibilities and authority.

The Directors have also approved a Code of Ethics and Business Conduct which governs the standards of ethics and good conduct expected of Directors and employees. The Code of Ethics and Business Conduct includes principles relating to fair dealings, confidentiality of information, conflict of interest, compliance with laws and regulations and sexual harassment. In addition, the Group's Whistle-Blowing Policy and Procedures provide an avenue for stakeholders to report concerns about malpractices, unethical behaviour, misconduct or failure to comply with regulatory requirements without fear of reprisal.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

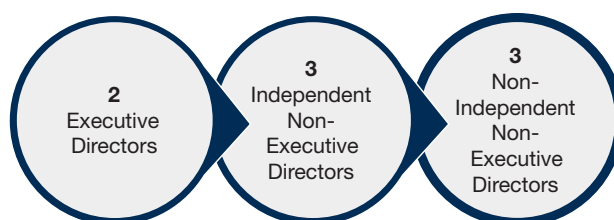
Board Charter and Code of Ethics and Business Conduct (continued)

In promoting good governance practices and in order to enhance transparency and accountability, the Board has established and put in place the following policies and procedures, full details of which will be available on the Company's website at www.hexza.com.my.

- Board Charter (revised on 29 August 2025)
- Code of Business Conduct and Ethics
- Terms of Reference of Audit Committee (revised on 29 August 2025)
- Terms of Reference of Nomination and Remuneration Committee (revised on 29 August 2025)
- Whistleblowing Policy
- Anti-Bribery and Corruption Policy (revised on 15 November 2024)
- Fit and Proper Policy (revised on 29 August 2025)
- Conflict of Interest Policy (adopted on 29 August 2025)

2. BOARD COMPOSITION

Board Composition and Balance



The Board has eight (8) members, comprising three (3) Independent Non-Executive Directors (“INED”), three (3) Non-Independent Non-Executive Directors (“Non-INED”) and two (2) Executive Directors. This complies with the MMLR of Bursa Malaysia to have at least one-third (1/3) of the Board consisting of Independent Directors. The Board is appropriately balanced to reflect the interests of the substantial shareholders and at the same time fairly represents and protects the interests of the minority shareholders of the Company. The presence of three (3) Independent Directors fulfils an important role in corporate accountability and in providing unbiased independent views and impartiality to the Board's deliberation and decision-making process. The assessment on independence of the Director's based on the provisions of the MMLRs covers a series of objective tests and is carried out before the appointment of the Independent Non-Executive Directors. Any Director who considers that he has or may have a conflict of interest or a material personal interest or a direct or indirect interest or relationship or potential conflict of interest, including interest in any competing business that could reasonably be considered to influence in a material way, the Director's decisions in any matter concerning the Company, is required to immediately disclose to the Board.

In adherence to the prescription of Practice 1.4 of the Code, whereby the Board Chairman should not be a member of any Board Committees, i.e. the Audit Committee (“AC”) and Nomination and Remuneration Committee (“NRC”). The Executive Chairman, Datuk Dr. Foong Weng Sum was not a member of any other Board Committee.

During the FY2025, there have been several changes to the composition of the Board:

- The retirement of Dr. Foong Weng Cheong as Non-Independent Non-Executive Director on 16 November 2024;
- The appointment of Foong Leon Chiew as Executive Director on 25 November 2024;
- The appointment of Foong Leon Sing as Non-Independent Non-Executive Director on 3 February 2025; and
- The appointment of Ding Jia Jia as Independent Non-Executive Director on 3 February 2025.

Based on the Board's annual review of its size and composition with assistance from the NRC, it was concluded that the Board members were appropriate and adequate to effectively govern the organisation.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

The Board comprises a mixture of businessmen and professionals with wide financial and commercial experience. The composition of the Board brings the required mix of skills and experience required for the Board to function effectively. A brief write-up of the background of the Board members as at the date of this statement is set out in the Directors' Profiles section of this Annual Report.

Board Gender Diversity

The Board is supportive of gender diversity in the boardroom as recommended by the Code but has not recorded a formal gender diversity policy as the Board is of the view that all appointments to the Board should be based on the suitability, capability, skills and experience of the candidate regardless of gender or ethnicity.

As at 30 June 2025, there are two (2) female Directors, Ms. Chong Yoke Seng and Ms. Ding Jia Jia. The Board recognises the value of female members of the Board and the female directors form 25% of the Board members.

The Board through its NRC would ensure woman candidates are sought as part of its recruitment exercise. Hence, the Board would actively work towards having at least 30% women Directors in compliance with Practice 5.9 of the MCCG 2021.

Foster Commitment

Each Director does not hold more than five (5) directorships in public listed companies to ensure that they have sufficient time to focus and discharge their duties and responsibilities. The Board is satisfied with the level of the time commitment given by the Non-Executive Directors towards fulfilling their roles and responsibilities as Directors of the Company.

Board Meetings

The Board meets at least four (4) times a year at quarterly intervals, with additional meetings convened as necessary. There were five (5) meetings held during FY2025 and details of the attendance of the Directors were as follows:

No	Name of Directors	Number of Meetings Attended
1	Datuk Dr. Foong Weng Sum	5/5
2	Mr. Tsen Keng Yam	5/5
3	Mr. Foong Leon Chiew (<i>Appointed on 25 November 2024</i>)	2/2
4	Mr. Ooi Ying Hong	5/5
5	Ms. Chong Yoke Seng	5/5
6	Mr. Foong Leon Kah	4/5
7	Mr. Foong Leon Sing (<i>Appointed on 3 February 2025</i>)	2/2
8	Ms. Ding Jia Jia (<i>Appointed on 3 February 2025</i>)	2/2
9	Dr. Foong Weng Cheong (<i>Retired on 16 November 2024</i>)	3/3

Appointment to the Board

The Board has established a NRC, consisting of two (2) INED and one (1) Non-INED. The NRC is responsible for the appointment of new Directors to the Board and is subject to a formal and transparent process. The NRC reviews the required mix of skills and experience of the Directors of the Board and determines the appropriate Board balance and size of the Board.

The NRC has established the procedures and processes towards an annual assessment of the effectiveness of the Board as a whole and the contribution of each individual Director. The areas/criteria of assessment for individual Directors include fit and proper, contribution and performance as well as calibre and personality.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

Re-appointment and Re-election of Directors

In accordance with the Company's Constitution, all Directors who were appointed by the Board are subject to re-election at the first opportunity after their appointment and at least one-third of the remaining directors are subject to re-election by rotation at each Annual General Meeting ("AGM"). All Directors shall retire from office at least once in every three years in accordance with Bursa Malaysia MMLR.

The Directors who are due for re-election at the AGM are assessed by the NRC and then recommendations are made to the Board for endorsement to seek shareholders' approval for their re-election as Directors of the Company.

The Board has adopted the Fit & Proper Policy for the appointment and re-election of Directors, as required by the MMLR of Bursa Securities, with the aim of strengthening board independence, quality, and diversity. When reviewing proposed re-elections of Directors at the Annual General Meeting, the NRC considers the results of the annual Board Evaluation, which serves as the basis for the NRC's recommendation to the Board regarding the re-election of Directors and Board Committee members. All assessments and evaluations carried out by the NRC in discharging its functions have been properly documented.

In sourcing suitable candidates for appointment as new Directors, the NRC considers recommendations from existing Board members, Management, major shareholders, and business associates, as well as independent sources such as professional corporate director recruitment agencies.

Directors' Training

The Directors continue to undergo training on an annual basis to further enhance their skills and knowledge so as to keep abreast with new regulatory developments and the MMLR. The NRC will review and determine the training needs of the Directors where appropriate. The Directors have been encouraged to pursue their own training needs to keep up with current requirements.

The following were the details of training attended by the Directors during FY2025:

No	Name of Directors	Training Attended
1	Datuk Dr. Foong Weng Sum	❖ Mandatory Accreditation Programme Part II: Leading for Impact (LIP). ❖ Sustainability & EESG agenda: Impact on the Group's business, including managing sustainability risk ❖ Why Bitcoin Matters for Corporate Treasuries
2	Mr. Tsen Keng Yam	❖ Mandatory Accreditation Programme Part II: Leading for Impact (LIP). ❖ Sustainability & EESG agenda: Impact on the Group's business, including managing sustainability risk ❖ Why Bitcoin Matters for Corporate Treasuries
3	Mr. Foong Leon Chiew (Appointed on 25 November 2024)	❖ Mandatory Accreditation Programme Part II: Leading for Impact (LIP). ❖ Sustainability & EESG agenda: Impact on the Group's business, including managing sustainability risk ❖ Why Bitcoin Matters for Corporate Treasuries
4	Mr. Ooi Ying Hong	❖ Mandatory Accreditation Programme Part II: Leading for Impact (LIP). ❖ Sustainability & EESG agenda: Impact on the Group's business, including managing sustainability risk ❖ Why Bitcoin Matters for Corporate Treasuries

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

5	Ms. Chong Yoke Seng	❖ E-Invoice ❖ Mandatory Accreditation Programme Part II: Leading for Impact (LIP). ❖ Sustainability & EESG agenda: Impact on the Group's business, including managing sustainability risk ❖ Why Bitcoin Matters for Corporate Treasuries
6	Mr. Foong Leon Kah	❖ Mandatory Accreditation Programme Part II: Leading for Impact (LIP). ❖ Sustainability & EESG agenda: Impact on the Group's business, including managing sustainability risk ❖ Why Bitcoin Matters for Corporate Treasuries
7	Mr. Foong Leon Sing (Appointed on 3 February 2025)	❖ Sustainability & EESG agenda: Impact on the Group's business, including managing sustainability risk ❖ Why Bitcoin Matters for Corporate Treasuries
8	Ms. Ding Jia Jia (Appointed on 3 February 2025)	❖ Mandatory Accreditation Programme Part I: Leading for Impact (LIP). ❖ Sustainability & EESG agenda: Impact on the Group's business, including managing sustainability risk ❖ Why Bitcoin Matters for Corporate Treasuries

The Company Secretaries circulated from time to time the relevant guidelines on statutory and regulatory requirements to keep the Directors updated on current guidelines and regulations. The External Auditors also highlighted changes to the Malaysian Financial Reporting Standards ("MFRS") and legislation that affect the Company's financial statements during the financial year.

Board Committees

The Company strives to have a balanced Board which comprises members with suitable qualifications, skills, expertise and experience. The Board has established the following Committees to assist the Board to discharge its fiduciary duties:

(a) Audit Committee ("AC")

The AC comprises exclusively Non-Executive Directors as follows:

1. Ms. Chong Yoke Seng, Chairman, Independent Non-Executive Director
2. Mr. Tsen Keng Yam, member, Independent Non-Executive Director
3. Mr. Ooi Ying Hong, member, Non-Independent Non-Executive Director

A full report of the AC with details of its membership and a summary of the work performed during the financial year are set out in the AC Report of this annual report.

(b) Nomination and Remuneration Committee ("NRC")

The NRC comprises exclusively Non-Executive Directors as follows:

1. Ms. Chong Yoke Seng, Chairman, Independent Non-Executive Director
2. Mr. Tsen Keng Yam, member, Independent Non-Executive Director
3. Mr. Ooi Ying Hong, member, Non-Independent Non-Executive Director

The role of the NRC is set out in its TOR which is available for reference on the Company's website at www.hexza.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

The NRC had three (3) meetings in the financial year under review and all the members attended the meetings and undertook the following activities during the financial year ended 30 June 2025:

- (i) Reviewed and assessed the performance and effectiveness of the Board as a whole. Annual assessment carried out was satisfied that the Board has been able to discharge its duties professionally and effectively;
- (ii) Assessed, justified, and recommended to the Board to put forth the proposal for re-election of directors at the AGM;
- (iii) Reviewed succession planning for Chairman and Key Senior Management and reviewed the Succession Planning Policy, recommended the same for Board's approval;
- (iv) Reviewed and assessed the performance of the Senior Management Personnel;
- (v) Reviewed the organisation chart of the Company and its subsidiary companies;
- (vi) Assessed and reviewed the Directors' Training needs;
- (vii) Reviewed and assessed the Board balance and composition of the Directors, the Directors' contribution and the effectiveness of the Board as a whole;
- (viii) Assessed the independence of the Independent Directors;
- (ix) Reviewed the bonus and salary increment for senior management staff;
- (x) Interviewed and recommended the appointment of 3 new directors via the fit and proper assessment and recommended the remuneration package for the newly appointed Executive Director; and
- (xi) Nominated the appointment of director(s) in subsidiaries.

The details of the Directors' Remuneration (including benefits-in-kind) from the Group and the Company for the financial year ended 30 June 2025 are tabulated under Practice 8.1 of the CG Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. UPHOLD INTEGRITY IN FINANCIAL REPORTING

Financial Reporting

The Board aims to present a balanced and meaningful assessment of the Group's financial performance and prospects in presenting the annual financial statements and quarterly announcement of results to shareholders as well as the Chairman's statement and review of operations in the annual report. The Board is assisted by the AC to oversee the Group's financial reporting processes and the quality of its financial reporting. The AC reviews the Group's annual and quarterly financial statements and the Group accounting policies to ensure that the Group's financial reporting comply with accounting standards and regulatory requirements.

The Chief Financial Officer presents to the AC and the Board details of revenues and expenditures in the form of tables for review of quarter-to-quarter and year-to-date financial performances. The Management Discussion and Analysis of this Annual Report provides additional analysis and commentary on the Group's financial performance.

In reviewing the quarterly and yearly financial statements by the AC, the Chief Financial Officer also provides assurance to the AC that appropriate accounting policies had been adopted and applied consistently, that the going concern basis has been applied in the Condensed Consolidated Financial Statements and that prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the MFRSs.

Risk Management and Internal Control Framework

The Board, with the assistance of the AC, continues to maintain and to review its risk management system and internal control procedures to ensure that the Group is operating effectively and efficiently in accordance with its internal policies and procedures and complying with laws and regulations. The Statement on Risk Management and Internal Control which provides an overview of the state of risk management and internal control of the Group is presented in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

Audit Committee

The Board is assisted by the AC in overseeing the Group's financial reporting, risk management and internal control systems. The composition, TOR and summary of the activities of the AC during the financial year are disclosed in the AC Report of this Annual Report.

Relationship with the Auditors

(a) Internal Audit

The Group's Internal Audit function has been outsourced to an independent professional firm, JWC Consulting Sdn. Bhd. to provide support to the AC in discharging their duties and responsibilities. The Internal Auditors' function includes evaluation of the processes by which significant risks are identified, assessed and managed. The audits are carried out to ensure instituted controls are appropriate, effectively applied and within acceptable residual risks consistent with the Group's risk management policy. The Internal Auditors report directly to the AC with audit findings, recommendations and management responses to the audit issues raised on a quarterly basis. The Quarterly Internal Audit report is also tabled at every Board meeting and significant issues are highlighted to the Board for deliberation by the AC Chairman.

(b) External Audit

The Company has established a transparent and appropriate relationship with the Group's External Auditors through the AC. It is the practice of the AC to meet with the External Auditors to discuss their audit plan, audit findings and the financial statements. The AC will have a private session with the External Auditors without the presence of any executive of the Group at least twice a year.

The AC evaluates and monitors the suitability and independence of the External Auditors in accordance to set criteria adopted. In its assessment, the AC considers several factors, which includes the calibre, reputation and resources of the firm, staff experience and professionalism, audit scope, communication, independence (which includes the review of the External Auditors annual Transparency Report) and the level of non-audit services to be rendered. Having assessed their performance and independence, the AC will recommend their re-appointment to the Board, upon which the shareholders' approval will be sought at the AGM.

The Company has also obtained assurance from the External Auditors confirming that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The External Auditors are invited to attend the AGM of the Company and are available to answer shareholders' queries on their audit of the financial statements tabled at the AGM.

2. RECOGNISE AND MANAGE RISKS

The Board has established an enterprise risk management framework to manage risk. The Risk Management Unit of each operating company is headed by the respective General Manager/Executive Director who oversees and coordinates the overall risk management activities of the respective company. The Risk Management Units submit risk assessment reports to the AC on a half-yearly basis.

The Group's Internal Auditors are outsourced to an independent professional firm, JWC Consulting Sdn. Bhd. The Internal Auditors report directly to the AC, and conduct regular reviews and appraisals of the effectiveness of the internal controls processes and risk management of the Group and report the findings to the AC on a quarterly basis. The AC reviews and evaluates the effectiveness of the Group's internal control and risk management systems. The Board is provided with reasonable assurance from the AC on risk management and internal control systems. Details of the risk management are stated in the Statement on Risk Management and Internal Control of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

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

1. ENSURE TIMELY AND HIGH QUALITY DISCLOSURE

The Board exercises close monitoring of all price sensitive information required to be released to Bursa Malaysia and makes material announcements to Bursa Malaysia in a timely manner as required. The Board has delegated the authority to the Executive Chairman, Executive Director and the Chief Financial Officer to approve all announcements for release to Bursa Malaysia. The Company Secretaries are responsible to release such announcements to Bursa Malaysia.

As for the dealings in the Company's shares, the Directors and senior management are requested to observe the MMLR on the provisions on dealing in the shares of the Company during and outside the "closed period".

2. STRENGTHEN RELATIONSHIP BETWEEN COMPANY AND SHAREHOLDERS

Shareholders Communication and Investors Relationship Policy

The AGM is the principal forum for dialogue and interaction with the shareholders of the Company. The Company dispatches Notice of AGM to shareholders at least twenty-eight (28) days before the AGM, well in advance of the twenty-one (21) days requirement stipulated in the Companies Act, 2016 and the Bursa Malaysia MMLR. The additional time allows shareholders to make the necessary arrangements to attend and participate in person or by proxy or by corporate representative at the AGM. Shareholders are encouraged to attend the Company's AGM and use the opportunity to actively participate in the proceedings. They are encouraged to ask questions both about the resolutions being proposed or any issues pertaining to the Company and to give their views and suggestions for the benefit of the Company. The Directors, the External Auditors and the management of the Company are present to answer questions raised at the meeting. Where it is not possible to provide immediate answers, the Executive Chairman will undertake to furnish the shareholder with a written answer after the AGM.

The Annual Reports and the quarterly announcements are the primary modes of communication to report on the Group's business, activities and financial performance to all shareholders.

Mr. Tsen Keng Yam, the Deputy Chairman is the Independent Non-Executive Director who will attend to all queries relating to the affairs of the Group.

The Company has leveraged on information technology for effective dissemination of information to shareholders via the Company's website, www.hexza.com.my which provides all relevant information on the Group and is easily accessible by the public.

Poll Voting

In line with the MMLR, all resolutions set out in the Notice of AGM were voted by poll and the scrutineer was appointed to validate the votes cast. The poll results were then declared by the Chairman of the Meeting that all the resolutions were carried. The poll results were then announced via Bursa LINK on the same day. The Minutes of the AGM (including all the Questions raised at the meeting and the Answers thereto) were made available on the Company's website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (continued)

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are aware of their responsibility for ensuring that proper accounting records are kept and the accounts and other financial reports of the Group and the Company are prepared in accordance with the applicable approved accounting standards and comply with the requirements of the Companies Act, 2016.

The Directors are also responsible for taking steps as are reasonably available to them to control and safeguard the assets of the Group and to prevent and detect fraud and other irregularities. In the opinion of the Directors, the Group has applied the appropriate accounting policies and standards consistently in the preparation of the financial statements for the financial year ended 30 June 2025.

ADDITIONAL COMPLIANCE INFORMATION

Utilization of Proceeds

No proceeds were raised by the Company from any corporate exercise during the financial year.

Audit and Non-Audit Fees

During the financial year ended 30 June 2025, the amount of audit fees and non-audit fees payable to the External Auditors and its affiliates are as follows:

	Audit Fees (RM)	Non-Audit Fees (RM)
Company	58,000	3,000
Group	167,000	3,000

Material Contracts and Contracts Relating to Loans

There are no material contracts and contracts relating to loans entered into by the Company and its subsidiary companies which involve the interests of the Directors and major shareholders entered into since the previous financial year.

Recurrent Related Party Transactions of Revenue Nature

The details of related party transactions of revenue or trading nature undertaken by the Company during the financial year are disclosed in Note 34 to the Financial Statements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Introduction

The Board of Directors (“the Board”) is pleased to present the Statement on Risk Management and Internal Control of the Group for the financial year ended 30 June 2025.

This statement is prepared in accordance with paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by Bursa Malaysia and the Malaysian Code on Corporate Governance. This statement outlines the nature and scope of the risk management and internal control of the Group and covers all of its operations within the Group except for the other investment over which the Group does not have full management and control.

Board Responsibility

The Board recognises its responsibility in maintaining a sound system of internal controls which includes not only financial controls but also operational and compliance controls as well as effective risk management. The Board has established ongoing processes for identifying, evaluating and managing the significant risks that matter. The Board continually reviews the system to ensure it provides a reasonable, although not absolute, assurance against material misstatements of management and financial information and records or against financial losses or fraud or breach of regulations.

The Board is of the view that the Group’s internal control and risk management framework is in place and effective up to the date of approval of this statement. The key features of the internal control system are described under the following headings:-

1. Enterprise Risk Management Framework

The Board confirms that the Group continues to implement the methodologies in accordance with the Enterprise Risk Management Framework (“ERM”) approved by the Board. The framework ensures that there is an ongoing process for identifying, evaluating, monitoring and managing risks that matter and affect the Group’s business objectives.

During the financial year under review, the Risk Management Units of the operating subsidiaries continued to coordinate the risk management activities of the respective subsidiaries. The Risk Management Units continued to identify principal risks of the business on an ongoing basis, assessed and evaluated the likelihood and impact of the risks and managed the risks by formulating action plans to mitigate the risks. The Risk Register is updated on a timely basis to reflect the current risk landscape. Additionally, risk assessment reports are submitted on a half yearly basis by the respective operating subsidiaries to the Audit Committee for review. The Audit Committee in turn reports its assessments and recommendations to the Board.

The Board reviewed and monitored the significant risks that affecting the achievement of the Group’s business objectives by evaluating the effectiveness of the internal control system.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

2. Internal Audit Function

The Group outsourced its internal audit function to an independent professional firm, JWC Consulting Sdn. Bhd. to assist and support the Audit Committee in discharging their responsibilities and duties. The Internal Auditors report directly to the Audit Committee to provide an independent and objective assessment of the adequacy and effectiveness of the Group's risk management, internal control, and governance processes. The Internal Auditors are responsible for monitoring compliance with established policies and procedures, assess the effectiveness of the internal control system, and adequacy of the existing risk action plans developed to manage the risks that matter and make recommendations to improve the system of internal controls.

During the financial year under review, the Internal Auditors have, in accordance to its internal audit plan, carried out regular and systematic reviews on major business operating units of the Group to assess the effectiveness and adequacy of internal controls and also on risk management and identified areas for improvement. The annual audit plan has been reviewed and approved by the Audit Committee prior to the commencement of audit. Internal audit reports, which include details on the audit objectives, scope, audit findings and recommendations as well as management's response to the recommendations of the Internal Auditors, are issued upon completion of each audit. In addition, the Internal Auditors submit quarterly reports to the Audit Committee to provide updates on the progress and status of audit activities.

The Audit Committee ensures that control issues identified by both the Internal Auditors and the External Auditors are promptly and appropriately addressed by the management of the respective operating subsidiaries.

The Board reviews the minutes of the Audit Committee meeting and is briefed by the Audit Committee Chairman on a quarterly basis.

3. Key Internal Control Processes

(a) Organisation Structure

- The Group maintains an appropriate organisational structure with well-defined lines of responsibility and authority. Authority limits are established for Directors and management within the Group covering day-to-day operations, investments, acquisitions and disposals of property, plant and equipment.

(b) Group Policies and Procedures

- Standard Enterprise Risk Management Policy & Procedures that outline the Group's ERM Framework are in place to ensure clarity and consistency of risk management within the Group.
- Standard operational procedures, policies, guidelines and limits of approving authorities are documented in the Group Manual. The Group uses the same accounting system for all companies within the Group to ensure consistency in the financial reporting processes.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(c) Operational Monitoring and Controls

- The operating units hold regular management meetings to review the financial and operational performance and risk management issues.
- Executive Management Committee meetings are frequently held to monitor and to discuss investments, projects, financial performance and legal matters.
- Annual business plans and budgets are prepared by the operating units and submitted to the Board for approval. Actual performance is compared against budget on a monthly basis with explanation of variances. The Board reviews the performance of the Group on a quarterly basis.
- Management reports, both financial and operational performance reviews which encompass review of key performance indicators, variance analysis and compliance to policies and guidelines are generated and submitted to the Executive Chairman and Executive Director for review on a monthly basis.
- Half yearly risk assessment reports are prepared by the operating subsidiaries to ensure effective risk management.
- Yearly review of insurance coverage and its adequacy is carried out by senior management to ensure the assets are sufficiently covered against any mishaps that may result in material losses to the Group.
- The Board meets at least on a quarterly basis and there is a formal agenda on matters for discussion at every meeting. The Executive Chairman and/or Deputy Chairman leads the presentation of board papers and provides comprehensive explanation of pertinent matters. The Board is updated on the performance of the operating units together with any significant matters by the Executive Director and the General Managers of the respective operating units at Board Meetings.

Review of the Statement by External Auditors

The External Auditors have reviewed this statement in accordance with the Audit and Assurance Practice Guide 3 issued by the Malaysian Institute of Accountants on the review of Directors' Statement on Risk Management and Internal Control pursuant to paragraph 15.23 of the Main Market Listing Requirements of Bursa Malaysia. Based on their review, the External Auditors 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 integrity of the Group's system of risk management and internal control.

Conclusion

The Board has received assurance from the Executive Director and Chief Financial Officer that to the best of their knowledge, the risk management and internal controls of the Group are operating effectively and adequately in all material respects for the financial year under review and up to the date of approval of this statement. The Board has appraised and confirmed the risk management and internal control system are satisfactory and the control issues identified by both Internal and External Auditors have not resulted in any material losses, contingencies or uncertainties that would require disclosure in this report.



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FINANCIAL STATEMENTS

DIRECTORS' REPORT

The directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 June 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	The Group RM	The Company RM
Profit after taxation for the financial year	561,193	1,287,072
Attributable to:-		
Owners of the Company	465,378	1,287,072
Non-controlling interests	95,815	–
	561,193	1,287,072

DIVIDENDS

Dividends paid or declared by the Company since 30 June 2024 are as follows:-

	RM
Ordinary Share	
<u>In respect of the financial year ended 30 June 2024</u>	
A final dividend of 5.0 sen per ordinary share, paid on 19 December 2024	10,019,002
A special dividend of 2.5 sen per ordinary share, paid on 19 December 2024	5,009,502
	15,028,504

At the forthcoming Annual General Meeting, a final dividend of 5.0 sen per ordinary share amounting to RM10,019,002 in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Further details are set out in Note 31.

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.

DIRECTORS' REPORT (continued)

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) there were no changes in the issued and paid-up share capital of the Company; and
- (b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require further writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

DIRECTORS' REPORT

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:-

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

No contingent or other liability of the Group and of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Datuk Dr. Foong Weng Sum
Mr. Tsen Keng Yam
Mr. Ooi Ying Hong
Ms. Chong Yoke Seng
Mr. Foong Leon Kah
Mr. Foong Leon Chiew (Appointed on 25.11.2024)
Mr. Foong Leon Sing (Appointed on 03.02.2025)
Ms. Ding Jia Jia (Appointed on 03.02.2025)
Dr. Foong Weng Cheong (Retired on 16.11.2024)

DIRECTORS' REPORT (continued)

DIRECTORS (CONT'D)

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

En. Mohamad Adzlie Bin Ibrahim
Ms. Lim See Cheng
Mr. Pragalatha A/L Valaitham
Mr. Loke Peng Sin (Appointed on 31.10.2024)
Dato Richard Wee Liang Huat (Appointed on 01.06.2025)
Dr. Beh Seng Kee (Resigned on 31.10.2024)
Datu Haji Mersal Bin Abang Rosli (Resigned on 01.06.2025)

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares of the Company and its related corporations during the financial year are as follows:-

	----- Number of Ordinary Shares -----			
	At 1.7.2024	Bought	Sold	At 30.6.2025
Direct interest in the Company				
Direct Interests				
Datuk Dr. Foong Weng Sum	1,083,228	–	–	1,083,228
Mr. Ooi Ying Hong	80,000	–	–	80,000
Ms. Chong Yoke Seng	590,000	–	–	590,000
Indirect Interests				
Datuk Dr. Foong Weng Sum [#]	62,608,157	–	–	62,608,157
Ms. Chong Yoke Seng [*]	88,000	–	–	88,000

[#] Deemed interested by virtue of their shareholding in Summit Holdings Sdn. Bhd., Sumivest Holdings Sdn. Bhd. and Summit Nominees Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016

^{*} Deemed interested through spouse's shareholding in the Company pursuant to Section 59(11)(c) of the Companies Act 2016

By virtue of his shareholdings in the Company, Datuk Dr. Foong Weng Sum is deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interests, in accordance with Section 8 of the Companies Act 2016.

The other directors holding office at the end of the financial year had no interest in shares, options over unissued shares or debentures of the Company or its related corporations during the financial year.

DIRECTORS' REPORT

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from transactions entered into in the ordinary course of business with companies in which certain directors have substantial financial interests as disclosed in Note 34 (b) to the financial statements.

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Company during the financial year are as follows:-

	The Group RM	The Company RM
Fees	364,878	291,628
Salaries, bonuses and other benefits	1,893,242	111,000
Defined contribution benefits	107,605	–
	2,365,725	402,628

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company was RM17,971.

INDEMNITY AND INSURANCE COSTS

The Company maintains a Directors' and Officers' Liability Insurance Policy on a group basis. During the financial year, the amount of indemnity coverage and insurance premium paid for the directors and certain officers of the Group were RM2,000,000 and RM2,040 respectively. No indemnity was given to or insurance effected for auditors of the Company.

SUBSIDIARIES

The details of the subsidiaries name, place of incorporation, principal activities and percentage of issued share capital held by the Company in each subsidiary are disclosed in Note 5 to the financial statements.

The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

The significant event occurring after the reporting period is disclosed in Note 38 to the financial statements.

DIRECTORS' REPORT (continued)

AUDITORS

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

The details of the auditors' remuneration for the financial year are as follows:-

	The Group RM	The Company RM
Audit fees	167,000	58,000
Non-audit fees	3,000	3,000
	170,000	61,000

Signed in accordance with a resolution of the directors dated 30 September 2025

Datuk Dr. Foong Weng Sum

Mr. Tsen Keng Yam

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Datuk Dr. Foong Weng Sum and Mr. Tsen Keng Yam, being two of the directors of Hexza Corporation Berhad, state that, in the opinion of the directors, the financial statements set out on pages 63 to 125 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2025 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 30 September 2025

Datuk Dr. Foong Weng Sum

Mr. Tsen Keng Yam

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

I, Mr. Loke Peng Sin, MIA Membership Number: MIA CA30529, being the officer primarily responsible for the financial management of Hexza Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 63 to 125 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declaration Act 1960.

Subscribed and solemnly declared by the abovementioned
Mr. Loke Peng Sin, NRIC Number: 800111-08-5859
at Ipoh
in the State of Perak Darul Ridzuan
on this 30 September 2025

Before me

Mr. Loke Peng Sin

Nurun Natrah Binti Bakri
No. A327
Commissioner For Oaths

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEXZA CORPORATION BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Hexza Corporation Berhad, which comprise the statements of financial position as at 30 June 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 63 to 125.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEXZA CORPORATION BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report.

Valuation and Existence of Quoted Equity Investments Refer to Note 7 to the financial statements.	
The Group and the Company invested in quoted equity shares amounted to RM334 million and RM334 million, respectively, for the financial year ended 30 June 2025 which accounted for approximately 73% and 78% of the Group's and of the Company's net assets. We identified the valuation and existence of quoted equity investments as areas of audit focus due to its materiality to financial statements.	We have performed the following procedures in relation to valuation and existence of quoted equity investments of the Group and of the Company: - Assessed the relevant control over valuation and existence of quoted equity investments; - Obtained and matched the portfolio of investments against investment banks' corporate trading account statements, Malaysia Central Depository System ("CDS") statements and confirmations received from investment banks and established that the Group and the Company have custodial rights and ownership over the quoted investments; - Agreed 100% of the quoted prices for quoted investments carried in the investment ledger as of 30 June 2025 to closing prices published by independent pricing sources. For foreign quoted investments that are translated to Ringgit Malaysia at year end, compared the closing foreign exchange rates used to Bank Negara Malaysia's closing rate; and - Tested the recording of sales or purchases of quoted investments during the financial year by agreeing the transaction to supporting documents and tracing clearance of receipt and payment to bank statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEXZA CORPORATION BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEXZA CORPORATION BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions 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.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Company, including the disclosures, and whether the financial statements 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEXZA CORPORATION BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

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

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Ipoh, Perak

30 September 2025

Lou Hoe Yin
03120/04/2026 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025

		The Group		The Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	–	–	54,096,962	54,096,962
Property, plant and equipment	6	86,496,212	48,076,694	3,733	23,721
Other investments	7	338,083,941	377,231,124	338,079,861	377,221,804
Goodwill	8	2,129,365	2,129,365	–	–
Finance lease receivable	9	–	–	–	–
		426,709,518	427,437,183	392,180,556	431,342,487
CURRENT ASSETS					
Inventories	10	13,755,750	12,425,908	–	–
Trade receivables	11	11,965,341	13,290,771	–	–
Other receivables, deposits and prepayments	12	1,093,899	526,258	40,458	113,425
Amount owing by subsidiaries	13	–	–	26,023,422	7,997,725
Short-term investments	14	5,285,855	8,454,770	2,261,243	1,503,298
Current tax assets		2,541,584	1,283,157	4,446	3,956
Fixed deposits with licensed banks	15	–	2,024,203	–	–
Cash and bank balances		18,953,950	15,930,479	9,732,998	5,273,715
		53,596,379	53,935,546	38,062,567	14,892,119
TOTAL ASSETS		480,305,897	481,372,729	430,243,123	446,234,606

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2025 (continued)

		The Group		The Company	
		2025	2024	2025	2024
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	16	100,190,018	100,190,018	100,190,018	100,190,018
Retained profits		128,239,086	141,392,807	106,109,381	118,441,408
Investment revaluation reserve	17	223,487,335	227,145,973	223,496,775	227,150,173
Equity attributable to owners of the Company		451,916,439	468,728,798	429,796,174	445,781,599
Non-controlling interests	5	5,331,877	5,438,562	–	–
TOTAL EQUITY		457,248,316	474,167,360	429,796,174	445,781,599
NON-CURRENT LIABILITY					
Deferred tax liabilities	18	2,886,086	2,984,897	–	–
CURRENT LIABILITIES					
Trade payables	19	6,323,687	1,003,092	–	–
Other payables and accruals	20	11,041,308	2,913,630	414,615	408,292
Amount owing to subsidiaries	13	–	–	32,334	44,715
Amount owing to non-controlling interests	21	202,500	303,750	–	–
Bankers' acceptance	22	2,604,000	–	–	–
		20,171,495	4,220,472	446,949	453,007
TOTAL LIABILITIES		23,057,581	7,205,369	446,949	453,007
TOTAL EQUITY AND LIABILITIES		480,305,897	481,372,729	430,243,123	446,234,606

The annexed notes form an integral part of these financial statements

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		The Group		The Company	
		2025	2024	2025	2024
	Note	RM	RM	RM	RM
Revenue	24	59,280,440	55,466,415	2,758,979	5,901,437
Interest income	25	138,142	208,675	14,642	43,145
Other (losses)/gains	26	(398,551)	1,122,333	(347,337)	1,056,011
Other operating income		1,588,740	268,108	44,000	38,398
Changes in inventories of finished goods and work-in-progress		(1,399,593)	(1,841,003)	–	–
Purchase of finished goods		(7,212,003)	(2,849,865)	–	–
Raw materials and consumables used		(32,294,708)	(26,382,708)	–	–
Directors' remuneration		(2,839,876)	(2,421,733)	(402,628)	(463,217)
Employee benefit expenses		(4,732,975)	(4,279,396)	(4,596)	(5,813)
Depreciation of property, plant and equipment	6	(2,137,129)	(2,098,637)	(690)	(295)
Finance costs		(41,996)	(3,889)	–	–
Other operating expenses		(8,896,522)	(9,868,335)	(765,789)	(1,000,324)
Net impairment loss on financial assets	27	(189,151)	(158,994)	–	–
Profit before taxation	28	864,818	7,160,971	1,296,581	5,569,342
Income tax expenses	29	(303,625)	(250,658)	(9,509)	(17,480)
Profit after taxation		561,193	6,910,313	1,287,072	5,551,862
Other comprehensive (expenses)/income					
<u>Items that Will Not be Reclassified Subsequently to Profit or Loss</u>					
Fair value changes of equity investments		(2,249,233)	122,297,486	(2,243,993)	122,292,566
Total comprehensive (expenses)/income for the financial year		(1,688,040)	129,207,799	(956,921)	127,844,428

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025 (continued)

		The Group		The Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
PROFIT AFTER TAXATION					
ATTRIBUTABLE TO:-					
Owners of the Company		465,378	7,026,233	1,287,072	5,551,862
Non-controlling interests		95,815	(115,920)	–	–
		561,193	6,910,313	1,287,072	5,551,862
TOTAL COMPREHENSIVE (EXPENSES)/					
INCOME ATTRIBUTABLE TO:-					
Owners of the Company		(1,783,855)	129,323,719	(956,921)	127,844,428
Non-controlling interests		95,815	(115,920)	–	–
		(1,688,040)	129,207,799	(956,921)	127,844,428
EARNINGS PER SHARE (SEN)	30	0.23	3.51		

The annexed notes form an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		Non-Distributable		Distributable		
	Note	Share Capital RM	Investment Revaluation Reserve RM	Retained Profits RM	Non-Controlling Interests RM	Total RM
The Group						
Balance at 30.6.2023		100,190,018	152,745,699	96,488,364	5,858,232	355,282,313
Profit after taxation for the financial year		–	–	7,026,233	(115,920)	6,910,313
Other comprehensive income for the financial year		–	122,297,486	–	–	122,297,486
Total comprehensive income for the financial year		–	122,297,486	7,026,233	(115,920)	129,207,799
Dividends:						
- by the Company	31	–	–	(10,019,002)	–	(10,019,002)
- by the subsidiaries to non-controlling interests		–	–	–	(303,750)	(303,750)
Total contributions by and distributions to owners		–	–	(10,019,002)	(303,750)	(10,322,752)
Transfer of investment fair value reserve upon disposal of equity instruments designated as at fair value through other comprehensive income		–	(47,897,212)	47,897,212	–	–
Balance at 30.6.2024		100,190,018	227,145,973	141,392,807	5,438,562	474,167,360

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

(continued)

		Non-Distributable	Investment	Distributable	Non-	
		Share	Revaluation	Retained	Controlling	
	Note	Capital	Reserve	Profits	Interests	Total
		RM	RM	RM	RM	RM
The Group						
Balance at 30.6.2024/1.7.2024		100,190,018	227,145,973	141,392,807	5,438,562	474,167,360
Profit after taxation for the financial year		–	–	465,378	95,815	561,193
Other comprehensive expenses for the financial year		–	(2,249,233)	–	–	(2,249,233)
Total comprehensive expenses for the financial year		–	(2,249,233)	465,378	95,815	(1,688,040)
Dividends:						
- by the Company	31	–	–	(15,028,504)	–	(15,028,504)
- by the subsidiaries to non-controlling interests		–	–	–	(202,500)	(202,500)
Total contributions by and distributions to owners		–	–	(15,028,504)	(202,500)	(15,231,004)
Transfer of investment fair value reserve upon disposal of equity instruments designated as at fair value through other comprehensive income		–	(1,409,405)	1,409,405	–	–
Balance at 30.6.2025		100,190,018	223,487,335	128,239,086	5,331,877	457,248,316

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		----- Non-Distributable -----	----- Distributable -----	
		Share Capital RM	Investment Revaluation Reserve RM	Retained Profits RM
	Note			Total RM
The Company				
Balance at 30.6.2023		100,190,018	152,754,819	75,011,336
Profit after taxation for the financial year		–	–	5,551,862
Other comprehensive income for the financial year		–	122,292,566	–
Total comprehensive income for the financial year		–	122,292,566	5,551,862
Dividends	31	–	–	(10,019,002)
Transfer of investment fair value reserve upon disposal of equity instruments designated as at fair value through other comprehensive income		–	(47,897,212)	47,897,212
Balance at 30.6.2024		100,190,018	227,150,173	118,441,408
Balance at 30.6.2024/1.7.2024		100,190,018	227,150,173	118,441,408
Profit after taxation for the financial year		–	–	1,287,072
Other comprehensive expenses for the financial year		–	(2,243,993)	–
Total comprehensive expenses for the financial year		–	(2,243,993)	1,287,072
Dividends	31	–	–	(15,028,504)
Transfer of investment fair value reserve upon disposal of equity instruments designated as at fair value through other comprehensive income		–	(1,409,405)	1,409,405
Balance at 30.6.2025		100,190,018	223,496,775	106,109,381

The annexed notes form an integral part of these financial statements

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		The Group		The Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit before taxation		864,818	7,160,971	1,296,581	5,569,342
Adjustments for:-					
Depreciation of property, plant and equipment		2,137,129	2,098,637	690	295
Impairment losses on trade receivables		189,151	158,994	–	–
Finance costs		41,996	3,889	–	–
Bad debt written off		2,500	–	–	–
Gain on disposal of property, plant and equipment		–	(500)	–	–
Property, plant and equipment written off		–	203,553	–	8,328
Unrealised loss/(gain) on foreign exchange		62,972	(12,912)	58,116	(12,390)
Dividend income		(1,948,979)	(1,918,787)	(2,758,979)	(5,901,437)
Interest income		(138,142)	(208,675)	(14,642)	(43,145)
Operating profit/(loss) before working capital changes		1,211,445	7,485,170	(1,418,234)	(379,007)
(Increase)/Decrease in inventories		(1,329,842)	5,207,348	–	–
Decrease/(Increase) in trade and other receivables		566,138	(1,729,946)	72,967	(72,339)
Decrease in amount owing by subsidiaries		–	–	3,744,303	–
Increase/(Decrease) in trade and other payables		5,640,568	(205,343)	6,323	(2,442)
CASH FROM/(FOR) OPERATIONS		6,088,309	10,757,229	2,405,359	(453,788)
Interest paid		(41,996)	(3,889)	–	–
Income tax paid		(1,678,603)	(1,538,254)	(18,490)	(13,242)
Income tax refund		17,740	17,740	8,491	4,395
NET CASH FROM/(FOR) OPERATING ACTIVITIES		4,385,450	9,232,826	2,395,360	(462,635)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

		The Group		The Company	
		2025	2024	2025	2024
	Note	RM	RM	RM	RM
CASH FLOWS FROM/(FOR)					
INVESTING ACTIVITIES					
Dividend received		1,948,979	1,918,787	2,758,979	1,918,787
Interest income received		138,142	208,675	14,642	43,145
Proceeds from disposal of other investments		65,260,721	65,245,853	65,260,721	65,245,853
Proceeds from disposal of property, plant and equipment		75,324	500	75,324	–
Purchase of property, plant and equipment	32(a)	(32,824,266)	(20,214,857)	(56,026)	(22,854)
Purchase of quoted shares		(28,362,771)	(89,256,699)	(28,362,771)	(89,256,699)
Advances to subsidiaries		–	–	(21,770,000)	(1,036)
NET CASH FROM/(FOR) INVESTING ACTIVITIES		6,236,129	(42,097,741)	17,920,869	(22,072,804)
CASH FLOWS FOR					
FINANCING ACTIVITIES					
Dividend paid		(15,332,254)	(10,322,752)	(15,028,504)	(10,019,002)
Proceeds from banker's acceptance	32(b)	2,604,000	–	–	–
Repayment to borrowings	32(b)	–	(137,280)	–	–
Repayment to subsidiaries	32(b)	–	–	(12,381)	(3,942)
NET CASH FOR FINANCING ACTIVITIES		(12,728,254)	(10,460,032)	(15,040,885)	(10,022,944)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2,106,675)	(43,324,947)	5,275,344	(32,558,383)
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		(62,972)	12,912	(58,116)	12,390
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	32(c)	26,409,452	69,721,487	6,777,013	39,323,006
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	32(c)	24,239,805	26,409,452	11,994,241	6,777,013

The annexed notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business are located Lot 6 & 20, Persiaran Tasek, Kawasan Perindustrian Tasek, 31400 Ipoh, Perak Darul Ridzuan.

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as “the Group”.

The financial statements of the Company and of the Group are presented in Ringgit Malaysia (“RM”), which is the Company’s functional and presentation currency.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 30 September 2025.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards (“MFRSs”), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

- 3.1 During the current financial year, the Group and the Company have adopted the following new accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101: Classification of Liabilities as Current or Non-current

Amendments to MFRS 101: Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) did not have any material impact on the financial statements of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

3. BASIS OF PREPARATION (CONT'D)

- 3.2 The Group and the Company have not applied in advance the following accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

The adoption of the above accounting standard(s) and/or interpretation(s) (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Company upon their initial application except as follows:-

MFRS 18 Presentation and Disclosure of Financial Statements

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and the accompanying notes. The statements of financial position and the statements of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and of the Company have yet to be assessed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

(a) Impairment of Investments in Subsidiaries

The Company determines whether an item of its investment in subsidiaries is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of investments in subsidiaries as at reporting date is disclosed in Note 5 to the financial statements.

(b) Impairment of Property, Plant and Equipment

The Group and the Company determine whether an item of its property, plant and equipment is impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods is used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amount of property, plant and equipment as at reporting date is disclosed in Note 6 to the financial statements.

(c) Depreciation of Property, Plant and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group and the Company anticipate that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of property, plant and equipment as at the reporting date is disclosed in Note 6 to the financial statements.

(d) Impairment of Goodwill

The assessment of whether goodwill is impaired requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the reporting date is disclosed in Note 8 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

(e) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimated. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 10 to the financial statements.

(f) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying value of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 11 to the financial statements.

(g) Impairment of Other Receivables and Amount Owing By Subsidiaries

The loss allowances for non-trade financial assets are based on assumptions about risk of default (probability of default) and expected loss if a default happens (loss given default). It also requires the Group to assess whether there is a significant increase in credit risk of the non-trade financial asset at the reporting date. The Group uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions and forward-looking information. The carrying amounts of other receivables and amount owing by subsidiaries as at the reporting date are disclosed in Note 12 and Note 13 to the financial statements respectively.

(h) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense in the period in which such determination is made. The carrying amount of current tax assets of the Group and of the Company as at the reporting date are RM2,541,584 and RM4,446 (2024 – RM1,283,157 and RM3,956) respectively.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying in the Company's accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

Financial Assets Through Other Comprehensive Income

The Group and the Company have elected to designate the equity instruments as financial assets through other comprehensive income at initial recognition.

The financial assets are initially measured at fair value plus transaction costs. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes taken up in other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference of a debt instrument which are recognised directly in profit or loss. The fair value changes do not include interest and dividend income.

(b) Financial Liabilities

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares is not remeasured subsequently.

(d) Derivatives

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.3 GOODWILL

Goodwill is initially measured at cost. Subsequent to the initial recognition, the goodwill is measured at cost less accumulated impairment losses, if any. A bargain purchase gain is recognised in profit or loss immediately.

4.4 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries which are eliminated on consolidation, are stated in the financial statements of the Company at cost less impairment losses, if any.

4.5 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost.

Subsequent to the initial recognition, all property, plant and equipment, other than freehold land and buildings, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Leasehold land	60 – 99 years
Buildings and improvements	2% to 33 ½%
Plant, machinery and equipment	5% to 33 ½%
Furniture, fixtures and office equipment	10% to 50%
Motor vehicles and forklifts	20%

Capital work-in-progress included in property, plant and equipment are not depreciated as these assets are not yet available for use.

4.6 SHORT-TERM LEASE

The Group and the Company apply the “short-term lease” and “lease of low-value assets” recognition exemption. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

4.7 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises all costs of purchase plus other costs incurred in bringing the inventories to their present location and condition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2025 RM	2024 RM
Unquoted shares, at cost	69,016,436	69,016,436
Accumulated impairment losses	(14,919,474)	(14,919,474)
	54,096,962	54,096,962

The details of the subsidiaries are as follows:-

Name of subsidiaries	Principal Place of Business and Country of incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025	2024	
Subsidiaries of the Company				
Chemical Industries (Malaya) Sdn. Bhd.	Malaysia	100.00%	100.00%	Manufacture and sale of ethyl alcohol, and the production of dried distillers grains with soluble.
Hexza-Mather Sdn. Bhd.	Malaysia	100.00%	100.00%	Manufacture and sale of alcoholic and non-alcoholic beverages. Ceased operations since 2012.
Hexzachem Sarawak Sdn. Bhd.	Malaysia	80.00%	80.00%	Manufacture and sale of formaldehyde and formaldehyde based adhesive resins and glue for wood related industries.
Norsechem Marketing Sdn. Bhd.	Malaysia	100.00%	100.00%	Marketing and distribution of consumer products and industrial chemicals.
Norsechem Resins Sdn. Berhad	Malaysia	100.00%	100.00%	Dormant.
Summit Development Corporation Sdn. Berhad	Malaysia	100.00%	100.00%	Property development.
Synthetic Bakelites (Malaysia) Sdn. Bhd.	Malaysia	96.92%	96.92%	Dormant.
Subsidiaries of Chemical Industries (Malaya) Sdn. Bhd.				
Bio-Acetic Products Sdn. Bhd.	Malaysia	100.00%	100.00%	Manufacture and sale of natural vinegar.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

5. INVESTMENTS IN SUBSIDIARIES (CONT'D)

- (a) The non-controlling interests at the end of the reporting period comprise the following:-

	Effective Equity Interest		The Group	
	2025 %	2024 %	2025 RM	2024 RM
Hexzachem Sarawak Sdn. Bhd.	20	20	5,330,840	5,437,262
Other individually immaterial subsidiary			1,037	1,300
			5,331,877	5,438,562

- (b) The summarised financial information (before intra-group elimination) for each subsidiary that has non-controlling interests that are material to the Group is as follows:-

	Hexzachem Sarawak Sdn. Bhd.	
	2025 RM	2024 RM
<u>At 30 June</u>		
Non-current assets	9,939,225	10,392,738
Current assets	23,686,879	21,317,850
Non-current liabilities	(1,127,861)	(1,092,975)
Current liabilities	(5,844,048)	(3,431,321)
Net assets	26,654,195	27,186,292
<u>Financial Year Ended 30 June</u>		
Revenue	32,868,558	26,086,159
Gain/(Loss) for the financial year	480,403	(578,732)
Total Comprehensive Income/(Expenses)	480,403	(578,732)
Total comprehensive income/(expenses) attributable to non-controlling interests	95,815	(115,920)
Dividends paid to non-controlling interests	202,500	303,750
Net cash flows from/(for) operating activities	870,100	(705,050)
Net cash flows from investing activities	16,720	63,218
Net cash flows for financing activities	(1,519,094)	(1,666,793)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

6. PROPERTY, PLANT AND EQUIPMENT

The Group	At 1.7.2024 RM	Additions RM	Disposal RM	Transfer RM	Depreciation Charges RM	At 30.6.2025 RM
<i>Carrying Amount</i>						
Freehold land	15,385	–	–	–	–	15,385
Leasehold land	11,820,702	–	–	–	(330,725)	11,489,977
Buildings and improvements	7,869,652	–	–	2,456,552	(387,608)	9,938,596
Plant, machinery and equipment	6,198,668	79,748	–	52,804,230	(1,149,744)	57,932,902
Furniture, fixtures and office equipment	213,254	52,022	–	113,056	(170,222)	208,110
Motor vehicles and forklifts	386,096	–	–	–	(98,830)	287,266
Capital work-in-progress	21,572,937	40,500,201	(75,324)	(55,373,838)	–	6,623,976
	48,076,694	40,631,971	(75,324)	–	(2,137,129)	86,496,212
2024						
<i>Carrying Amount</i>						
Freehold land	15,385	–	–	–	–	15,385
Leasehold land	12,151,426	–	–	–	(330,724)	11,820,702
Buildings and improvements	8,180,802	–	–	75,001	(386,151)	7,869,652
Plant, machinery and equipment	6,722,542	71,036	(7,980)	476,554	(1,063,484)	6,198,668
Furniture, fixtures and office equipment	381,244	–	–	51,460	(219,450)	213,254
Motor vehicles and forklifts	484,924	–	–	–	(98,828)	386,096
Capital work-in-progress	2,227,704	20,143,821	(195,573)	(603,015)	–	21,572,937
	30,164,027	20,214,857	(203,553)	–	(2,098,637)	48,076,694

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Group			
2025			
Freehold land	15,385	–	15,385
Leasehold land	16,093,333	(4,603,356)	11,489,977
Buildings and improvements	20,757,462	(10,818,866)	9,938,596
Plant, machinery and equipment	136,863,039	(78,930,137)	57,932,902
Furniture, fixtures and office equipment	2,533,769	(2,325,659)	208,110
Motor vehicles and forklifts	2,018,355	(1,731,089)	287,266
Capital work-in-progress	6,623,976	–	6,623,976
	184,905,319	(98,409,107)	86,496,212
2024			
Freehold land	15,385	–	15,385
Leasehold land	16,093,333	(4,272,631)	11,820,702
Buildings and improvements	18,300,910	(10,431,258)	7,869,652
Plant, machinery and equipment	83,981,164	(77,782,496)	6,198,668
Furniture, fixtures and office equipment	2,368,691	(2,155,437)	213,254
Motor vehicles and forklifts	2,018,355	(1,632,259)	386,096
Capital work-in-progress	21,572,937	–	21,572,937
	144,350,775	(96,274,081)	48,076,694

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Company	At 1.7.2024 RM	Additions RM	Write Off RM	Disposal RM	Transfer RM	Depreciation Charges RM	At 30.6.2025 RM
2025							
Carrying Amount							
Furniture, fixtures and office equipment	866	–	–	–	3,556	(690)	3,732
Motor vehicles	1	–	–	–	–	–	1
Capital work-in-progress	22,854	56,026	–	(75,324)	(3,556)	–	–
	23,721	56,026	–	(75,324)	–	(690)	3,733
	At 1.7.2023 RM	Additions RM	Write Off RM	Disposal RM	Transfer RM	Depreciation Charges RM	At 30.6.2024 RM
2024							
Carrying Amount							
Furniture, fixtures and office equipment	1,161	–	–	–	–	(295)	866
Motor vehicles	1	–	–	–	–	–	1
Capital work-in-progress	8,328	22,854	(8,328)	–	–	–	22,854
	9,490	22,854	(8,328)	–	–	(295)	23,721

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
2025			
Furniture, fixtures and office equipment	44,954	(41,222)	3,732
Motor vehicles	156,796	(156,795)	1
Capital work-in-progress	–	–	–
	201,750	(198,017)	3,733
2024			
Furniture, fixtures and office equipment	41,398	(40,532)	866
Motor vehicles	156,796	(156,795)	1
Capital work-in-progress	22,854	–	22,854
	221,048	(197,327)	23,721

7. OTHER INVESTMENTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Non-current</u>				
Quoted ordinary shares (Note 37.5)	334,203,141	373,350,324	334,199,061	373,341,004
Unquoted ordinary shares (Note 37.5)	3,880,800	3,880,800	3,880,800	3,880,800
	338,083,941	377,231,124	338,079,861	377,221,804

During the financial year, the Group and the Company have disposed of certain investments as these investments no longer suited the Group's and the Company's investment strategy. The shares sold had a fair value of RM65,260,721 (2024 – RM65,245,853) at the time of sale and the Group and the Company realised a cumulative gain of RM1,409,405 (2024 – RM47,897,212) by transferring the associated fair value reserve to retained profits.

8. GOODWILL

	The Group	
	2025 RM	2024 RM
Cost:-		
As at beginning/end of financial year	2,129,365	2,129,365

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

8. GOODWILL (CONT'D)

- (a) The carrying amounts of goodwill allocated to each cash-generating unit are as follows:

	2025 RM	2024 RM
Resin segment	1,990,312	1,990,312
Ethanol Segment	139,053	139,053
	2,129,365	2,129,365

- (b) The impairment tests for cash-generating units containing goodwill are summarised below:

Resin segment

The Group has assessed the recoverable amount of goodwill allocated to the Resin segment.

- In the financial year 2025, the recoverable amount was determined using the value-in-use approach, based on cash flow projections derived from financial budgets approved by management covering a five-year period from the financial years 2026 to 2030.
- In the financial year 2024, the recoverable amount was determined based on the fair value of properties attributable to the cash-generating unit, less costs of disposal, as management considered this to provide a more reliable basis at that time.

The change in methodology reflects management's reassessment of the most appropriate valuation approach in light of the availability of more detailed and reliable future cash flow projections.

The key assumptions used in the determination of the recoverable amount are as follows:

	2025
Sales growth rate	2% - 5% per annum
Gross margin	13% - 14% per annum
Pre-tax discount rate	8.3%
Terminal growth rate	0%

The values assigned to the key assumptions above reflect management's past experience and its assessment of future trends in the cash-generating unit, based on both external sources and internal historical data.

Based on the assessment, no impairment on goodwill was required as the recoverable amount of the goodwill exceeded its carrying amount.

Management believes that any reasonably possible change in any of these key assumptions would not cause the carrying amount of the cash-generating unit to exceed its recoverable amount.

Ethanol segment

No impairment testing is done on Ethanol segment which is considered immaterial to the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

9. FINANCE LEASE RECEIVABLE

	The Group and The Company	
	2025 RM	2024 RM
Finance lease receivable	35,484,179	35,484,179
Impairment loss on finance lease receivable	(35,484,179)	(35,484,179)
	–	–

	The Group and The Company			
	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	2025 RM	2024 RM	2025 RM	2024 RM
Amount receivable under finance lease	65,672,130	65,672,130	35,484,179	35,484,179
Less: Unearned finance income	(30,187,951)	(30,187,951)	–	–
Present value of minimum lease receivable	35,484,179	35,484,179	35,484,179	35,484,179
Less: Impairment loss on finance lease receivable	(35,484,179)	(35,484,179)	(35,484,179)	(35,484,179)
	–	–	–	–

Leasing arrangements

In prior years, the Group and the Company entered into a Sale & Purchase and Leaseback Agreement (“Agreement”) to acquire part of the equipment for a 8MW Heavy Fuel Oil Power Generation System of USD6,000,000 (equivalent to RM25,755,000) from Tembusu Industries Pte. Ltd. (“Tembusu”). Under the said Agreement, Tembusu agreed to lease back the equipment for a period of 10 years commencing on 1 July 2015, with monthly lease rental of USD130,205 (equivalent to RM558,905) payable in arrears on a quarterly basis. Tembusu shall take ownership of the equipment at the end of the lease for a further payment of USD10,000 after due performance of all the terms and conditions under the lease agreement or the exercise of Buy-out Option by the lessee as stipulated in the agreement.

The unguaranteed residual value of the asset leased under financial lease at the end of the reporting period was estimated at USD10,000 (equivalent to RM42,925).

The interest rate inherent in the lease was fixed at the contract date for the entire lease term. The average effective interest rate contracted was approximately 23.36% per annum.

The finance lease receivable was denominated in United States Dollar (“USD”).

The Group and the Company had provided for impairment in full on the outstanding amount owing by the finance lease receivable following Tembusu’s failure to repay its obligations. The Group and the Company had tried various means to recover the amount receivable, including filing a bankruptcy application against the guarantor of the lease agreement, but to no avail. In 2021, the Group and the Company decided that there will be no further action taken against the finance lease receivable, unless and until new evidence or information becomes available that the finance lease receivable is in a position to repay the outstanding amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

10. INVENTORIES

	The Group	
	2025 RM	2024 RM
Raw materials and consumables	8,330,029	7,125,859
Finished goods	3,011,497	4,364,024
Goods-in-transit	2,297,327	778,520
Completed development units for sale	116,897	110,440
Work-in-progress	–	47,065
	13,755,750	12,425,908

The amount of inventories recognised as an expense in profit of loss was RM59,026,441 (2024 – RM40,150,260).

11. TRADE RECEIVABLES

	The Group	
	2025 RM	2024 RM
Third parties	12,564,261	13,700,540
Allowance for impairment losses	(598,920)	(409,769)
	11,965,341	13,290,771
Allowance for impairment losses:-		
As at beginning of financial year	409,769	250,775
Addition during the year (Note 27)	298,342	172,971
Reversal during the year (Note 27)	(109,191)	(13,977)
As at end of financial year	598,920	409,769

The Group's normal trade credit terms range from 30 to 90 (2024 – 30 to 90) days. Other credit terms are assessed and approved on a case-by-case basis.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other receivables	14,876	99,604	5	77,654
Deposits	94,797	91,692	13,231	13,231
Prepayments	984,226	334,962	27,222	22,540
	1,093,899	526,258	40,458	113,425

Included in prepayments is advance payments made to suppliers for the purchase of raw materials and office equipment of RM690,209 (2024 – Nil).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

13. AMOUNT OWING BY/(TO) SUBSIDIARIES

	The Company	
	2025	2024
	RM	RM
Amount Owing by Subsidiaries		
<u>Current</u>		
Non-trade balances	28,657,921	10,632,224
Allowance for impairment losses	(2,634,499)	(2,634,499)
	26,023,422	7,997,725
Allowance for impairment losses:		
As at beginning/end of financial year	2,634,499	2,634,499

Amount Owing to Subsidiaries

<u>Current</u>		
Non-trade balances	(32,334)	(44,715)

The amount owing by/(to) subsidiaries represent unsecured interest-free advances and payments made on behalf which are repayable on demand. The amounts are to be settled in cash.

14. SHORT-TERM INVESTMENTS

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Money market funds, at fair value (Note 32 (c))	5,285,855	8,454,770	2,261,243	1,503,298

The money market funds represent investments in highly liquid money market instruments and deposits with financial institutions in Malaysia which are redeemable with 1 (2024 – 1) day notice at known amounts of cash and are subject to an insignificant risk of changes in value.

15. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group at the end of the previous reporting period bore effective interest rates of 2.25% per annum. The fixed deposits have maturity periods ranging from 1 to 31 days.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

16. SHARE CAPITAL

	The Group/The Company			
	2025	2024	2025	2024
	Number Of Shares		RM	RM
Issued and Fully Paid-Up				
<i>Ordinary shares</i>				
As at beginning/end of financial year	200,380,036	200,380,036	100,190,018	100,190,018

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.

17. INVESTMENT REVALUATION RESERVE

The investment revaluation reserve represents the cumulative fair value changes (net of tax, where applicable) of investments designated at fair value through other comprehensive income.

18. DEFERRED TAX LIABILITIES

	At 1.7.2024 RM	Recognised in Profit or Loss (Note 29) RM	At 30.6.2025 RM
The Group			
2025			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	1,778,653	(256,004)	1,522,649
Revaluation surplus	1,491,285	(44,289)	1,446,996
	3,269,938	(300,293)	2,969,645
<i>Deferred Tax Assets</i>			
Provisions	(95,571)	12,012	(83,559)
Unabsorbed capital allowances	(101,240)	101,240	—
Unused tax losses	(63,084)	63,084	—
Other deductible temporary differences	(25,146)	25,146	—
	(285,041)	201,482	(83,559)
	2,984,897	(98,811)	2,886,086

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

18. DEFERRED TAX LIABILITIES (CONT'D)

	At 1.7.2023 RM	Recognised in Profit or Loss (Note 29) RM	At 30.6.2024 RM
The Group			
2024			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	2,676,019	(897,366)	1,778,653
Revaluation surplus	1,535,574	(44,289)	1,491,285
	4,211,593	(941,655)	3,269,938
<i>Deferred Tax Assets</i>			
Provisions	(60,186)	(35,385)	(95,571)
Unabsorbed capital allowances	(47,845)	(53,395)	(101,240)
Unused tax losses	–	(63,084)	(63,084)
Other deductible temporary differences	–	(25,146)	(25,146)
	(108,031)	(177,010)	(285,041)
	4,103,562	(1,118,665)	2,984,897

At the end of the reporting period, the amounts of deferred tax assets not recognised (stated at gross) due to uncertainty of their realisation are as follows:

	The Group 2025 RM	2024 RM
Unabsorbed capital allowances	8,703,213	8,690,662
Unused tax losses		
- expires 30 June 2028	7,453,529	7,577,004
- expires 30 June 2029	237,476	267,490
- expires 30 June 2030	132,014	236,368
- expires 30 June 2031	27,408	103,226
- expires 30 June 2032	227,382	263,101
- expires 30 June 2033	162,114	86,296
- expires 30 June 2034	181,356	11,269
- expires 30 June 2035	13,038	–
	17,137,530	17,235,416

Based on the current legislation, the unused tax losses up to the year of assessment 2018 can be carried forward until the year of assessment 2028 and the unused tax losses for 2019 onwards are allowed to be utilised for 10 consecutive years of assessment immediately following that year of assessment; whereas the unabsorbed capital allowances are allowed to be carried forward indefinitely.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

19. TRADE PAYABLES

The normal trade credit term granted to the Group ranged from 1 to 90 (2024 – 1 to 90) days.

20. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other payables	2,607,122	929,490	15,024	2,365
Accruals	8,434,186	1,984,140	399,591	405,927
	11,041,308	2,913,630	414,615	408,292

Included in the other payables and accruals of the Group are unpaid balances of RM7,807,705 (2024 – Nil) for acquisition of plant and equipment.

21. AMOUNT OWING TO NON-CONTROLLING INTERESTS

The amount owing to non-controlling interests represent dividend payable. The amount owing is to be settled in cash.

22. BANKERS' ACCEPTANCE

	The Group	
	2025 RM	2024 RM
<u>Secured</u> Bankers' acceptance	2,604,000	–

(a) The bankers' acceptance of the Group is secured by a corporate guarantee by the Company.

(b) The interest rate profile of the bankers' acceptance of the Group are summarised below:-

	Interest Rate	Effective Interest Rate	
		2025	2024
Bankers' acceptance	Floating	4.87% - 5.15%	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

23. DERIVATIVE INSTRUMENTS

	Contract/Notional Amount	
	2025 RM	2024 RM
Forward currency contracts	965,126	–

The Company does not apply hedge accounting.

- (a) Forward currency contracts are used to hedge the Company's purchases denominated in United States Dollar ("USD") for which firm commitments existed at the end of the reporting period. The settlement date of the forward currency contracts are ranged from 18 days to 75 days after the end of the reporting period.
- (b) Based on the fair value assessment performed, the gain/(loss) on the forward currency contracts was immaterial.

24. REVENUE

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from Contracts with Customers				
<u>Recognised at a point in time</u>				
Manufacturing and sale of ethyl alcohol	23,080,261	26,767,001	–	–
Manufacturing and sale of adhesive resins and glues	32,868,558	26,086,159	–	–
Sale of consumer products and industrial chemicals	656,890	22,464	–	–
Manufacturing and sale of natural vinegar	725,752	672,004	–	–
	57,331,461	53,547,628	–	–
Revenue from other sources				
Dividend income	1,948,979	1,918,787	2,758,979	5,901,437
	59,280,440	55,466,415	2,758,979	5,901,437

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

24. REVENUE (CONT'D)

- (a) The information on the disaggregation of revenue based on geographical region is summarised below:-

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Malaysia	58,279,703	54,607,922	2,074,127	5,294,244
United States	617,928	483,960	617,928	483,960
Singapore	380,725	372,663	64,840	121,363
Indonesia	2,084	1,870	2,084	1,870
	59,280,440	55,466,415	2,758,979	5,901,437

- (b) **Manufacturing and sales of ethyl alcohol/Manufacturing and sale of adhesive resins and glues/Sale of consumer products and industrial chemicals/Manufacturing and sale of natural vinegar**

Revenue from manufacturing and sales of ethyl alcohol, manufacturing and sale of adhesive resins and glues, sale of consumer products and industrial chemicals and manufacturing and sale of natural vinegar are recognised at a point in time when goods have been delivered and accepted by customers, net of discount.

The Group does not provide warranties, returns, refunds, or other similar obligations to its customers.

No element of significant financing is deemed present as the sales are made with credit terms not exceeding 12 months which are consistent with prevailing market practice.

- (c) **Dividend Income**

Dividend income is recognised when the right to receive dividend payment is established.

25. INTEREST INCOME

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest income from:				
- fixed deposits with licensed banks	118,562	145,660	–	–
- money market funds	4,938	19,870	–	–
- short-term deposits	14,642	43,145	14,642	43,145
	138,142	208,675	14,642	43,145

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

26. OTHER (LOSSES)/GAINS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fair value gain on short-term investment	118,149	1,084,943	2,147	789,683
(Loss)/Gain on foreign exchange:				
- unrealised	(62,972)	12,912	(58,116)	12,390
- realised	(452,538)	212,998	(291,368)	262,266
Gain on disposal of property, plant and equipment	–	500	–	–
Insurance recoverable	1,310	14,150	–	–
Bad debts written off	(2,500)	–	–	–
Property, plant and equipment written off	–	(203,553)	–	(8,328)
Other income	–	383	–	–
	(398,551)	1,122,333	(347,337)	1,056,011

27. NET IMPAIRMENT LOSS ON FINANCIAL ASSETS

	The Group	
	2025 RM	2024 RM
Impairment losses:		
- trade receivables	298,342	172,971
Reversal of impairment losses:		
- trade receivables	(109,191)	(13,977)
	189,151	158,994

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

28. PROFIT BEFORE TAXATION

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before taxation is arrived at after charging/(crediting):-				
Auditors' remuneration				
- audit fees	167,000	167,000	58,000	58,000
- non-audit fees	3,000	3,000	3,000	3,000
Directors' remuneration	2,631,367	1,981,139	111,000	122,917
Directors' fees	405,128	427,901	291,628	302,151
Material Expenses/(Income)				
Depreciation on property, plant and equipment	2,137,129	2,098,637	690	295
Employee benefit expenses	4,732,975	4,279,396	4,596	5,813
Expense relating to leases of low value assets	4,863	4,286	—	—
Interest expense	41,996	3,889	—	—
Sales of ethanol	(965,691)	—	—	—
Sales of Dried Distillers Grains with Solubles	(300,107)	—	—	—
Compensation received	(26,170)	(2,107)	—	—
Sales of scrap	(29,726)	—	—	—
Refund of insurance	(29,511)	—	—	—

Included in employee benefit expenses are contributions made by the Group to the Employee Provident Fund ("EPF") of RM458,445 (2024 – RM419,467).

Included in directors' remuneration are contributions made by the Group to the Employee Provident Fund ("EPF") of RM160,077 (2024 – RM45,922).

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company was RM17,971 (2024 – RM18,923).

29. INCOME TAX EXPENSES

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current tax expense:				
- for the financial year	212,288	1,560,480	9,509	17,480
- under/(over)provision in the previous financial year	190,148	(191,157)	—	—
	402,436	1,369,323	9,509	17,480

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

29. INCOME TAX EXPENSES (CONT'D)

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deferred tax (Note 18):				
- origination and reversal of temporary differences	(43,827)	(270,921)	–	–
- overprovision in the previous financial year	(54,984)	(847,744)	–	–
	(98,811)	(1,118,665)	–	–
Total income tax expense	303,625	250,658	9,509	17,480

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company are as follows:-

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before taxation	864,818	7,160,971	1,296,581	5,569,342
Tax at the statutory tax rate of 24% (2023 – 24%)	207,556	1,718,633	311,179	1,336,642
Tax effects of:				
Non-taxable income	(568,640)	(750,830)	(684,465)	(1,416,345)
Non-deductible expenses	564,306	273,854	382,795	97,183
Double deductions	(11,268)	(9,660)	–	–
Deferred tax assets not recognised during the financial year	6,141	57,562	–	–
Utilisation of deferred tax assets previously not recognised	(29,634)	–	–	–
Under/(Over) provision of current tax in the previous financial year	190,148	(191,157)	–	–
Overprovision of deferred taxation in the previous financial year	(54,984)	(847,744)	–	–
	303,625	250,658	9,509	17,480

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2024 – 24%) of the estimated assessable profit for the financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

30. EARNINGS PER SHARE

a) Basic Earnings Per Share

The basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	The Group	
	2025 RM	2024 RM
Profit after taxation attributable to owners of the Company (RM)	465,378	7,026,233
Weighted average number of ordinary shares in issue	200,380,036	200,380,036
Basic earnings per share (sen)	0.23	3.51

b) Diluted Earnings Per Share

The diluted earnings per share is equal to the basic earnings per share because there were no potential ordinary shares during the financial year.

31. DIVIDENDS

	The Group and The Company	
	2025 RM	2024 RM
Ordinary Share		
A final single-tier dividend of 5.0 sen per ordinary share in respect of the financial year ended 30 June 2023	–	10,019,002
A final single-tier dividend of 5.0 sen per ordinary share in respect of the financial year ended 30 June 2024	10,019,002	–
A special dividend of 2.5 sen per ordinary share in respect of the financial year ended 30 June 2024	5,009,502	–
	15,028,504	10,019,002

- (a) At the forthcoming Annual General Meeting, a final dividend of 5.0 sen per ordinary share amounting to RM10,019,002 in respect of the current financial year will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

31. DIVIDENDS (CONT'D)

- (b) The establishment of the Proposed Dividend Reinvestment Plan ("DRP") which was announced on 11 September 2025, is subject to the following approvals:-
- Bursa Malaysia Securities Berhad ("Bursa Securities") for the listing of and quotation for the Dividend Reinvestment Shares to be issued pursuant to the First DRP on the Main Market of Bursa Securities;
 - The shareholders of the Company on the establishment of the Proposed DRP and issuance of the Dividend Reinvestment Shares pursuant to the Proposed DRP at the extraordinary general meeting of the Company to be convened; and
 - Any other relevant authorities and/or parties, if required.

Once approved, the DRP will be applied to the entire final dividend of the current financial year, whereby shareholders will be given an option to elect to reinvest the entire or part of the final dividend into new ordinary shares of the Company ("Dividend Reinvestment Share(s)") in accordance with the Proposed DRP, with the issue price to be determined at a later date ("First DRP").

32. CASH FLOW INFORMATION

- (a) The cash disbursed for the purchase of property, plant and equipment is as follows:-

	The Group	
	2025 RM	2024 RM
Property, plant and equipment		
Cost of property, plant and equipment purchased (Note 6)	40,631,971	20,214,857
Less: Other payables and accruals – balance remain unpaid as at the end of current financial year	(7,807,705)	–
	<u>32,824,266</u>	<u>20,214,857</u>

	The Company	
	2025 RM	2024 RM
Property, plant and equipment		
Cost of property, plant and equipment purchased (Note 6)	56,026	22,854
	<u>56,026</u>	<u>22,854</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

32. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows:-

	Bankers' Acceptance RM	Amount owing to non -controlling interests RM	Total RM
The Group			
2025			
As at beginning of financial year	–	303,750	303,750
<u>Changes in Financing Cash Flows</u>			
Drawdown of bankers' acceptances	2,604,000	–	2,604,000
Dividend paid	–	(303,750)	(303,750)
	2,604,000	(303,750)	2,300,250
<u>Other Changes</u>			
Dividend payable	–	202,500	202,500
As at end of financial year	2,604,000	202,500	2,806,500
2024			
As at beginning of financial year	137,280	–	137,280
<u>Changes in Financing Cash Flows</u>			
Repayment of borrowings	(137,280)	–	(137,280)
<u>Other Changes</u>			
Dividend payable	–	303,750	303,750
As at end of financial year	–	303,750	303,750

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

32. CASH FLOW INFORMATION (CONT'D)

(b) The reconciliations of liabilities arising from financing activities are as follows (Cont'd):-

	Amount owing to subsidiaries RM	Total RM
The Company		
2025		
As at beginning of financial year	44,715	44,715
<u>Changes in Financing Cash Flows</u>		
Repayment to subsidiaries	(12,381)	(12,381)
As at end of financial year	32,334	32,334
2024		
As at beginning of financial year	48,657	48,657
<u>Changes in Financing Cash Flows</u>		
Repayment to subsidiaries	(3,942)	(3,942)
As at end of financial year	44,715	44,715

(c) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fixed deposits with licensed banks	–	2,024,203	–	–
Cash and bank balances	18,953,950	15,930,479	9,732,998	5,273,715
Short-term investments (Note 14)	5,285,855	8,454,770	2,261,243	1,503,298
Cash and cash equivalents	24,239,805	26,409,452	11,994,241	6,777,013

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

33. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group and of the Company include executive directors and non-executive directors of the Company and certain members of senior management of the Group and of the Company.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Directors				
<u>Directors of the Group and of the Company</u>				
Short-term employee benefits:				
- fees				
- directors of the Company	364,878	387,651	291,628	302,151
- directors of the subsidiaries	40,250	40,250	–	–
- salaries, bonuses and other benefits				
- directors of the Company	1,893,242	1,150,917	111,000	122,917
- directors of the subsidiaries	578,048	784,300	–	–
Defined contribution benefits				
- directors of the Company	107,605	–	–	–
- directors of the subsidiaries	52,472	45,922	–	–
Total directors' remuneration	3,036,495	2,409,040	402,628	425,068

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company was RM17,971.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

34. RELATED PARTY DISCLOSURES

(a) Subsidiaries

The subsidiaries are disclosed in Note 5 to the financial statements.

(b) Significant Related Party Transactions and Balances

The Company carried out the following significant transactions with the related parties during the financial year:-

	The Company	
	2025	2024
	RM	RM
Advances to subsidiaries	(21,770,000)	(4,005,000)
Gross dividend receivable from subsidiaries	810,000	3,982,650
Payment on behalf by subsidiaries	–	(5,306)
Payment on behalf to subsidiaries	284,627	207,308

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in the Notes 13 and 21 to the financial statements.

35. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Board of Directors and Group Executive Director as its chief operating decision maker in order to allocate resources to segments and to assess their performance on a quarterly basis. For management purposes, the Group is organised into business units based on their products and services provided. In addition, the businesses are also considered from a geographical perspective.

The Group is organised into 5 main reportable segments as follows:-

- Investment holding – involved in the business of investment holding
- Resins – involved in the manufacture and sale of formaldehyde based adhesive resins and glue for the wood related industries
- Ethanol – involved in the manufacture and sale of ethyl alcohol
- Trading – involved in the marketing and distribution of consumer products and industrial chemicals
- Others – involved in the business of property development, manufacture and sale of natural vinegar and dormant companies

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

35. OPERATING SEGMENTS (CONT'D)

- (a) The chief operating decision makers assesses the performance of the reportable segments based on their operating income before unallocated corporate expenses and finance cost. The accounting policies of the reportable segments are the same as the Group's accounting policies.
- (b) Each reportable segment assets is measured based on all assets (including goodwill) of the segment other than tax-related assets. Assets used jointly by reportable segments are allocated on the basis of the revenue earned by individual reportable segments.
- (c) Each reportable segment liabilities is measured based on all liabilities of the segment other than tax-related liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.
- (d) Assets, liabilities and expenses which are common and cannot be meaningfully allocated to the reportable segments are presented under unallocated items.

Transactions between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

35. OPERATING SEGMENTS (CONT'D)

35.1 BUSINESS SEGMENTS

2025	Investment holding RM	Resins RM	Ethanol RM	Trading RM	Others RM	Consolidation Adjustments RM	The Group RM
Revenue							
External revenue	1,948,979	32,868,558	23,080,261	656,890	725,752	–	59,280,440
Inter-segment revenue	810,000	–	129,697	5,148,973	–	(6,088,670)	–
Total revenue	2,758,979	32,868,558	23,209,958	5,805,863	725,752	(6,088,670)	59,280,440
Results							
Segment profit/(loss)	1,281,939	594,954	(752,378)	197,996	256,161	(810,000)	768,672
Interest income	14,642	96,468	21,427	3,245	2,360	–	138,142
Finance costs	–	(5,133)	(36,863)	–	–	–	(41,996)
Profit/(Loss) before taxation	1,296,581	686,289	(767,814)	201,241	258,521	(810,000)	864,818
Other Information							
Interest income	14,642	96,468	21,427	3,245	2,360	–	138,142
Finance costs	–	(5,133)	(36,863)	–	–	–	(41,996)
Depreciation of property, plant and equipment	(690)	(533,697)	(1,553,197)	(961)	(48,584)	–	(2,137,129)
Impairment of trade receivables	–	(122,241)	(56,044)	(10,866)	–	–	(189,151)
Unrealised foreign exchange loss	(58,116)	–	(4,856)	–	–	–	(62,972)
Realised foreign exchange loss	(291,368)	(26,475)	(73,365)	(60,494)	(836)	–	(452,538)
Fair value gain on short-term investments	2,147	–	143	25,620	90,239	–	118,149
Dividend income	2,758,979	–	–	–	–	(810,000)	1,948,979

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

35. OPERATING SEGMENTS (CONT'D)

35.1 BUSINESS SEGMENTS (CONT'D)

2025	Investment holding RM	Resins RM	Ethanol RM	Trading RM	Others RM	Consolidation Adjustments RM	The Group RM
Assets							
Segment assets	350,118,293	33,021,610	86,260,119	1,510,285	6,854,006	-	477,764,313
Unallocated assets:-							
- current tax assets							2,541,584
Consolidated total assets							480,305,897
Liabilities							
Additions to non-current assets other than financial instruments							
Property, plant and equipment	56,026	83,671	40,456,989	8,641	26,644	-	40,631,971
Segment liabilities							
Unallocated liabilities:-							
- deferred tax liabilities	(414,615)	(5,034,326)	(14,674,015)	(15,082)	(33,457)	-	(20,171,495)
Consolidated total liabilities							(2,886,086)
							(23,057,581)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

35. OPERATING SEGMENTS (CONT'D)

35.1 BUSINESS SEGMENTS (CONT'D)

2024	Investment holding RM	Resins RM	Ethanol RM	Trading RM	Others RM	Consolidation Adjustments RM	The Group RM
Revenue							
External revenue	1,918,787	26,086,159	26,767,001	22,464	672,004	–	55,466,415
Inter-segment revenue	3,982,650	–	124,800	–	–	(4,107,450)	–
Total revenue	5,901,437	26,086,159	26,891,801	22,464	672,004	(4,107,450)	55,466,415
Results							
Segment profit/(loss)	5,526,197	(1,116,130)	6,403,048	(30,562)	156,101	(3,982,469)	6,956,185
Interest income	43,145	111,831	33,543	6,352	13,804	–	208,675
Finance costs	–	(3,889)	–	–	–	–	(3,889)
Profit/(Loss) before taxation	5,569,342	(1,008,188)	6,436,591	(24,210)	169,905	(3,982,469)	7,160,971
Other Information							
Interest income	43,145	111,831	33,543	6,352	13,804	–	208,675
Finance costs	–	(3,889)	–	–	–	–	(3,889)
Depreciation of property, plant and equipment	(295)	(571,271)	(1,479,185)	(158)	(47,728)	–	(2,098,637)
Impairment of trade receivables	–	(63,430)	(83,998)	(11,566)	–	–	(158,994)
Gain on disposal of property, plant and equipment	–	–	500	–	–	–	500
Unrealised foreign exchange gain	12,390	–	522	–	–	–	12,912
Realised foreign exchange gain/(loss)	262,266	(2,092)	(47,599)	–	423	–	212,998
Fair value gain on short-term investments	789,683	–	82,858	128,166	84,236	–	1,084,943
Dividend income on other investments	5,901,437	–	–	–	–	(3,982,650)	1,918,787
Property, plant and equipment written off	(8,328)	(70,438)	(91,479)	(8,328)	(24,980)	–	(203,553)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

35. OPERATING SEGMENTS (CONT'D)

35.1 BUSINESS SEGMENTS (CONT'D)

2024	Investment holding RM	Resins RM	Ethanol RM	Trading RM	Others RM	Consolidation Adjustments RM	The Group RM
Assets							
Segment assets	384,135,963	30,852,624	54,010,545	4,501,681	6,588,759	-	480,089,572
Unallocated assets:-							
- current tax assets							1,283,157
Consolidated total assets							481,372,729
Liabilities							
Additions to non-current assets other than financial instruments	22,854	48,612	20,143,391	-	-	-	20,214,857
Property, plant and equipment							
Segment liabilities	(408,292)	(2,216,255)	(1,517,222)	(11,893)	(66,810)	-	(4,220,472)
Unallocated liabilities:-							
- deferred tax liabilities							(2,984,897)
Consolidated total liabilities							(7,205,369)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

35. OPERATING SEGMENTS (CONT'D)

35.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Malaysia	58,279,703	54,607,922	2,074,127	5,294,244
United States	617,928	483,960	617,928	483,960
Singapore	380,725	372,663	64,840	121,363
Indonesia	2,084	1,870	2,084	1,870
	59,280,440	55,466,415	2,758,979	5,901,437

The geographical information for non-current assets (excluding financial instruments) is not presented as the Group and the Company operates primarily in Malaysia during the reporting period.

35.3 MAJOR CUSTOMERS

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

	2025 RM	The Group 2024 RM	Segment
Customer 1	8,120,070	1,020,640	Ethanol
Customer 2	6,356,303	8,887,685	Resins
Customer 3	7,617,395	250,899	Resins

36. CAPITAL COMMITMENTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Purchase of property, plant and equipment	94,555	24,232,240	–	53,326

37. FINANCIAL INSTRUMENTS

The activities of the Group and of the Company are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES

The policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group and the Company are exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the respective functional currencies of entities within the Group. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Euro ("EUR") and Singapore Dollar ("SGD"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. On occasion, the Group enters into forward foreign currency contracts to hedge against its foreign currency risk. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

Foreign Currency Exposure

The Group	Ringgit Malaysia RM	United States Dollar RM	Singapore Dollar RM	Total RM
2025				
<u>Financial Assets</u>				
Other investments	338,083,941	–	–	338,083,941
Trade receivables	11,848,108	117,233	–	11,965,341
Other receivables and deposits	109,673	–	–	109,673
Short-term investments	5,285,855	–	–	5,285,855
Cash and bank balances	10,064,575	8,761,662	127,713	18,953,950
	365,392,152	8,878,895	127,713	374,398,760
<u>Financial Liabilities</u>				
Trade payables	6,323,687	–	–	6,323,687
Other payables and accruals	11,041,308	–	–	11,041,308
Amount owing to non-controlling interests	202,500	–	–	202,500
Bankers' acceptance	2,604,000	–	–	2,604,000
	20,171,495	–	–	20,171,495
Net financial assets	345,220,657	8,878,895	127,713	354,227,265
Less: Net financial assets denominated in the respective entities' functional currencies	(345,220,657)	–	–	(345,220,657)
Currency Exposure	–	8,878,895	127,713	9,006,608

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below (Cont'd):-

Foreign Currency Exposure (Cont'd)

The Group	Ringgit Malaysia RM	Euro RM	United States Dollar RM	Singapore Dollar RM	Total RM
2024					
<u>Financial Assets</u>					
Other investments	377,231,124	–	–	–	377,231,124
Trade receivables	12,802,530	–	260,041	228,200	13,290,771
Other receivables and deposits	191,069	–	227	–	191,296
Short-term investments	8,454,770	–	–	–	8,454,770
Fixed deposits with licensed banks	2,024,203	–	–	–	2,024,203
Cash and bank balances	12,509,125	–	2,795,903	625,451	15,930,479
	413,212,821	–	3,056,171	853,651	417,122,643
<u>Financial Liabilities</u>					
Trade payables	988,349	14,743	–	–	1,003,092
Other payables and accruals	2,913,630	–	–	–	2,913,630
Amount owing to non-controlling interests	303,750	–	–	–	303,750
	4,205,729	14,743	–	–	4,220,472
Net financial assets	409,007,092	(14,743)	3,056,171	853,651	412,902,171
Less: Net financial assets denominated in the respective entities' functional currencies	(409,007,092)	–	–	–	(409,007,092)
Currency Exposure	–	(14,743)	3,056,171	853,651	3,895,079

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below (Cont'd):-

Foreign Currency Exposure (Cont'd)

The Company	Ringgit Malaysia RM	United States Dollar RM	Singapore Dollar RM	Total RM
2025				
<u>Financial Assets</u>				
Other investments	338,079,861	–	–	338,079,861
Other receivables and deposits	13,236	–	–	13,236
Amount owing by subsidiaries	26,023,422	–	–	26,023,422
Short-term investments	2,261,243	–	–	2,261,243
Cash and bank balances	883,969	8,721,316	127,713	9,732,998
	367,261,731	8,721,316	127,713	376,110,760
<u>Financial Liabilities</u>				
Other payables and accruals	414,615	–	–	414,615
Amount owing to subsidiaries	32,334	–	–	32,334
	446,949	–	–	446,949
Net financial assets	366,814,782	8,721,316	127,713	375,663,811
Less: Net financial assets denominated in the respective entities' functional currencies	(366,814,782)	–	–	(366,814,782)
Currency Exposure	–	8,721,316	127,713	8,849,029

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

The exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below (Cont'd):-

Foreign Currency Exposure (Cont'd)

The Company	Ringgit Malaysia RM	United States Dollar RM	Singapore Dollar RM	Total RM
2024				
<u>Financial Assets</u>				
Other investments	377,221,804	–	–	377,221,804
Other receivables and deposits	90,885	–	–	90,885
Amount owing by subsidiaries	7,997,725	–	–	7,997,725
Short-term investments	1,503,298	–	–	1,503,298
Cash and bank balances	1,897,562	2,750,702	625,451	5,273,715
	388,711,274	2,750,702	625,451	392,087,427
<u>Financial Liabilities</u>				
Other payables and accruals	408,292	–	–	408,292
Amount owing to subsidiaries	44,715	–	–	44,715
	453,007	–	–	453,007
Net financial assets	388,258,267	2,750,702	625,451	391,634,420
Less: Net financial assets denominated in the respective entities' functional currencies	(388,258,267)	–	–	(388,258,267)
Currency Exposure	–	2,750,702	625,451	3,376,153

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Effects on Profit After Taxation				
USD/RM – strengthened by 10%	674,796	232,269	662,820	209,053
– weakened by 10%	(674,796)	(232,269)	(662,820)	(209,053)
SGD/RM – strengthened by 10%	9,706	64,877	9,706	47,534
– weakened by 10%	(9,706)	(64,877)	(9,706)	(47,534)
EUR/RM – strengthened by 10%	–	1,120	–	–
– weakened by 10%	–	(1,120)	–	–

There is no impact on the Company's equity.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to interest rate risk arises mainly from long-term borrowing with variable rates. The Group and the Company adopt a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group and of the Company are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period is disclosed in Note 22 to the financial statements.

Interest Rate Risk Sensitivity Analysis

Any reasonably possible change in the interest rates of floating rate term loans at the end of the reporting period does not have a material impact on the profit after taxation and equity of the Group and the Company and hence, no sensitivity analysis is presented.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(iii) Equity Price Risk

The exposure to equity price risk arises mainly from changes in quoted investment prices of the Group and the Company. The Group and the Company manages their exposure to equity price risk by maintaining a portfolio of equities with different risk profiles.

Equity Price Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the prices of the quoted investments classified as fair value through other comprehensive income at the end of the reporting period, with all other variables held constant:-

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Effects on Equity				
Increase of 10%	33,808,394	37,723,112	33,807,986	37,721,180
Decrease of 10%	(33,808,394)	(37,723,112)	(33,807,986)	(37,721,180)

There is no impact on the Group's and the Company's profit after taxation.

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group and the Company manage their exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(i) Credit Risk Concentration Profile

The Group determines the concentration of credit risk by monitoring the industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of trade receivables, net of loss allowance, at the end of the reporting period is as follows:-

	The Group	
	2025	2024
	RM	RM
Malaysia	11,848,108	12,802,530
Singapore	–	228,200
United States	117,233	260,041
	11,965,341	13,290,771

The Group does not have any significant credit risk related to any individual customer or counterparty.

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group and of the Company after deducting any allowance for impairment losses (where applicable).

(iii) Assessment of Impairment Losses

The Group and the Company have an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group and the Company closely monitors the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group and the Company evaluate whether any of the financial assets at amortised cost, contract assets are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significantly financial difficult of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; or
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group and the Company consider a receivable to be in default when the receivable is unlikely to repay its debt to the Group and the Company in full or is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected loss allowance for all trade receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group measure the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 12 months (2024 – 12 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts using the linear regressive analysis. The Group have identified the Consumer Price Index (CPI) as the key macroeconomic factor of the forward-looking information.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade receivables (Cont'd)

Allowance for Impairment Losses

The information about the credit exposure and loss allowances recognised for trade receivables is as follows:-

	Gross Amount RM	Lifetime Individual Allowance RM	Lifetime Collective Allowance RM	Carrying Amount RM
The Group				
2025				
Current (not past due)	7,699,195	—	—	7,699,195
1 to 30 days past due	1,783,329	—	—	1,783,329
31 to 60 days past due	802,070	—	—	802,070
61 to 90 days past due	94,220	—	—	94,220
Pass due more than 90 days	2,185,447	(295,261)	(303,659)	1,586,527
	12,564,261	(295,261)	(303,659)	11,965,341
2024				
Current (not past due)	8,784,744	—	—	8,784,744
1 to 30 days past due	1,796,113	—	—	1,796,113
31 to 60 days past due	1,154,748	—	—	1,154,748
61 to 90 days past due	419,293	—	—	419,293
Pass due more than 90 days	1,534,076	(97,975)	(300,228)	1,135,873
	13,688,974	(97,975)	(300,228)	13,290,771

The movements in the loss allowances in respect of trade receivables is disclosed in Note 11 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other receivables

The Company applies the 3-stage general approach to measuring expected credit losses for its other receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Company assessed whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Company considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Company uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of Category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Non-performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

The Company measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on an individual basis. The remaining receivables are grouped based on shared credit risk characteristics and assessed on a collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Company considers the receivable's past payment status and its financial condition as at the reporting date.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables (Cont'd)

Allowance for Impairment Losses

No expected credit loss is recognised on other receivables as it is negligible.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group and the Company consider the licensed banks have low credit risks. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owing by Subsidiaries (Non-trade Balances)

The Company applies the 3-stage general approach to measuring expected credit losses for all inter-company balances. The Company considers loans and advances to subsidiaries have low credit risks. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly.

The Company measures the expected credit losses on an individual basis, which is aligned with its credit risk management practices on the inter-company balances.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

Allowance for Impairment Losses

At the end of the reporting period, there was no indication that the balances are not recoverable other than those which had already impaired in the previous financial year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows:-

	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash flows RM	Within 1 Year RM
The Group				
2025				
<u>Non-derivative Financial Liabilities</u>				
Trade payables	–	6,323,687	6,323,687	6,323,687
Other payables and accruals	–	11,041,308	11,041,308	11,041,308
Amount owing to non-controlling interests	–	202,500	202,500	202,500
Bankers' acceptance	4.87% - 5.15%	2,604,000	2,604,000	2,604,000
		20,171,495	20,171,495	20,171,495
2024				
<u>Non-derivative Financial Liabilities</u>				
Trade payables	–	1,003,092	1,003,092	1,003,092
Other payables and accruals	–	2,913,630	2,913,630	2,913,630
Amount owing to non-controlling interests	–	303,750	303,750	303,750
		4,220,472	4,220,472	4,220,472

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

37.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (Cont'd):-

	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash flows RM	Within 1 Year RM
The Company				
2025				
<u>Non-derivative Financial Liabilities</u>				
Other payables and accruals	–	414,615	414,615	414,615
Amount owing to subsidiaries	–	32,334	32,334	32,334
		446,949	446,949	446,949
2024				
<u>Non-derivative Financial Liabilities</u>				
Other payables and accruals	–	408,292	408,292	408,292
Amount owing to subsidiaries	–	44,715	44,715	44,715
		453,007	453,007	453,007

37.2 CAPITAL RISK MANAGEMENT

The Group and the Company manages their capital based on debt-to-equity ratio. As the Group and the Company have insignificant external borrowings, the debt-to-equity ratio may not provide a meaningful indicator of the risk of borrowings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

37.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Financial Assets				
<u>Fair Value Through Other Comprehensive Income</u>				
Other investments	338,083,941	377,231,124	338,079,861	377,221,804
<u>Fair Value Through Profit or Loss</u>				
Short-term investments	5,285,855	8,454,770	2,261,243	1,503,298
<u>Amortised Cost</u>				
Trade receivables	11,965,341	13,290,771	–	–
Other receivables and deposits	109,673	191,296	13,236	90,885
Amount owing by subsidiaries	–	–	26,023,422	7,997,725
Fixed deposits with licensed banks	–	2,024,203	–	–
Cash and bank balances	18,953,950	15,930,479	9,732,998	5,273,715
	31,028,964	31,436,749	35,769,656	13,362,325
Financial Liabilities				
<u>Amortised cost</u>				
Trade payables	6,323,687	1,003,092	–	–
Other payables and accruals	11,041,308	2,913,630	414,615	408,292
Amount owing to subsidiaries	–	–	32,334	44,715
Amount owing to non-controlling interests	202,500	303,750	–	–
Banker's acceptance	2,604,000	–	–	–
	20,171,495	4,220,472	446,949	453,007

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

37.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Financial Assets				
<u>Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss	118,149	1,084,943	2,147	789,683
<u>Equity Investments at Fair Value Through Other Comprehensive Income</u>				
Net gains recognised in other comprehensive income	(2,249,233)	122,297,486	(2,243,993)	122,292,566
<u>Amortised Cost</u>				
Net gains recognised in profit or loss	(382,306)	54,789	(334,842)	317,802
Financial Liabilities				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(41,996)	(3,889)	–	–

37.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

37.5 FAIR VALUE INFORMATION (CONT'D)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

The Group	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
2025								
Financial Assets								
Other investments:								
- quoted	334,203,141	-	-	-	-	-	334,203,141	334,203,141
- unquoted	-	-	3,880,800	-	-	-	3,880,800	3,880,800
Short-term investments	5,285,855	-	-	-	-	-	5,285,855	5,285,855
2024								
Financial Assets								
Other investments:								
- quoted	373,350,324	-	-	-	-	-	373,350,324	373,350,324
- unquoted	-	-	3,880,800	-	-	-	3,880,800	3,880,800
Short-term investments	8,454,770	-	-	-	-	-	8,454,770	8,454,770

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

37.5 FAIR VALUE INFORMATION (CONT'D)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period (Cont'd):-

The Company	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
	RM	RM	RM	RM	RM	RM	RM	RM
2025								
Financial Assets								
Other investments:								
- quoted	334,199,061	-	-	-	-	-	334,199,061	334,199,061
- unquoted	-	-	3,880,800	-	-	-	3,880,800	3,880,800
Short-term investments	2,261,243	-	-	-	-	-	2,261,243	2,261,243
2024								
Financial Assets								
Other investments:								
- quoted	373,341,004	-	-	-	-	-	373,341,004	373,341,004
- unquoted	-	-	3,880,800	-	-	-	3,880,800	3,880,800
Short-term investments	1,503,298	-	-	-	-	-	1,503,298	1,503,298

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2025

37. FINANCIAL INSTRUMENTS (CONT'D)

37.5 FAIR VALUE INFORMATION (CONT'D)

Fair Value of Financial Instruments Carried at Fair Value

- (i) The fair values above have been determined using the following basis:-
 - (a) The fair value of quoted equity investments is determined at their quoted closing bid prices at the end of the reporting period.
 - (b) The fair value of money market funds is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.
 - (c) The fair value of unquoted equity investment is determined to approximate the net assets value of the investee as the management is of the opinion that it is not practical to estimate the fair values of unquoted investment through other method which would result in a wide range of possible fair value.
- (ii) There were no transfers between level 1 and level 2 during the financial year.

38. SIGNIFICANT EVENT OCCURRING AFTER THE REPORTING PERIOD

On 11 September 2025, the Company announced the establishment of the Proposed Dividend Reinvestment Plan ("DRP"), subject to approvals as disclosed in Note 31, will be applied to the entire final dividend of the current financial year. Further details are set out in Note 31.

PROPERTIES OWNED BY HEXZA CORPORATION BERHAD & ITS SUBSIDIARIES AS AT 30 JUNE 2025

Location	Tenure	Approximate Area in sq. meter	Approximate Age of Buildings in years	Net Book Value 30.6.2025 RM'000	Year of Acquisition(A)/ Completion(C)/ Last Revaluation(R)	Existing Usage
Lot 6, Tasek Industrial Estate, Tasek Drive, Ipoh, Perak Darul Ridzuan.	Leasehold Expiry 2062	28,328	65 22 20 1	4,139 1,479 1,247 2,454	R:2012 C:2004 C:2006 C:2025	Factory Office Factory Factory
Lot 20, Tasek Industrial Estate, Tasek Drive, Ipoh, Perak Darul Ridzuan.	Leasehold Expiry 2064	12,141	–	1,396	R:2012	Factory
Lot 70071, Tasek Industrial Estate, Tasek Drive, Ipoh, Perak Darul Ridzuan.	Leasehold Expiry 2069	12,245	–	1,453	R:2012	Vacant industrial land
Lot 799, Block 7, Sejingkat Industrial Estate, Muara Tebas Land District, Kuching, Sarawak.	Leasehold Expiry 2052	38,970	31	6,530	R:2012	Factory
Lot 3057, Block 26, Kemena Land District, Bintulu, Sarawak.	Leasehold Expiry 2063	20,235	–	2,731	R:2012	Vacant industrial land

STATEMENT OF SHAREHOLDINGS AS AT 12 SEPTEMBER 2025

Total Number of Shares Issued	:	200,380,036
Class of Securities	:	Ordinary shares
Voting Rights	:	One vote per ordinary share

ANALYSIS OF SHAREHOLDINGS AS AT 12 SEPTEMBER 2025

Range of Shareholdings	No. of Holders	% of Holders	No. of Shares	% of Issued Capital
Less Than 100	131	1.902	5,375	0.003
100 - 1,000	557	8.089	355,178	0.177
1,001 - 10,000	4,546	66.018	19,009,827	9.487
10,001 - 100,000	1,451	21.072	43,357,193	21.637
100,001 - 10,019,001 (*)	200	2.904	77,070,806	38.462
10,019,002 and above (**)	1	0.015	60,581,657	30.233
Total	6,886	100	200,380,036	100

Note: * - Less than 5% of issued holdings
 ** - 5% and above of issued holdings

SUBSTANTIAL SHAREHOLDERS AS AT 12 SEPTEMBER 2025

According to the Register of Substantial Shareholders required to be kept under Section 144 of the Companies Act, 2016, the following are the substantial shareholders of the Company:

Name of Substantial Shareholders	Direct Interest (A)		Deemed Interest (B)		Total Interest (A+B)	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Summit Holdings Sdn. Bhd.	60,581,657	30.23	—	—	60,581,657	30.23
Datuk Dr. Foong Weng Sum	1,083,228	0.54	62,608,157 ¹	31.24	63,691,385	31.78
Dr. Foong Weng Cheong	1,562,500	0.78	62,231,657 ²	31.06	63,794,157	31.84

Note:

- Deemed interested by virtue of their shareholdings in Summit Holdings Sdn. Bhd., Suminvest Holdings Sdn. Bhd. and Summit Nominees Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.
- Deemed interested by virtue of their shareholdings in Summit Holdings Sdn. Bhd. and Suminvest Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.

STATEMENT OF SHAREHOLDINGS AS AT 12 SEPTEMBER 2025 (continued)

DIRECTORS' INTEREST IN SHARES AS AT 12 SEPTEMBER 2025

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act, 2016, the Directors' interests in the ordinary shares capital of the Company and its related companies are as follows:

Name of Directors	Direct Interest (A)		Deemed Interest (B)		Total Interest (A+B)
	No. of Shares	%	No. of Shares	%	No. of Shares
Datuk Dr. Foong Weng Sum	1,083,228	0.54	62,608,157 ¹	31.24	63,691,385
Mr. Tsen Keng Yam	—	—	—	—	—
Mr. Foong Leon Chiew	—	—	—	—	—
Mr. Ooi Ying Hong	80,000	0.04	—	—	80,000
Ms. Chong Yoke Seng	590,000	0.29	88,000 ²	0.04	678,000
Mr. Foong Leon Kah	—	—	—	—	—
Mr. Foong Leon Sing	—	—	—	—	—
Ms. Ding Jia Jia	—	—	—	—	—

By virtue of his interests in the shares of the Company, Datuk Dr. Foong Weng Sum is also deemed to have an interest in the shares of all the subsidiary companies to the extent that the Company has interests.

Notes:

1. Deemed interested by virtue of their shareholdings in Summit Holdings Sdn. Bhd., Sumivest Holdings Sdn. Bhd. and Summit Nominees Sdn. Bhd. pursuant to Section 8 of the Companies Act, 2016.
2. Deemed interested through the shares held by her spouse pursuant to Section 59(1)(c) of the Companies Act, 2016.

STATEMENT OF SHAREHOLDINGS AS AT 12 SEPTEMBER 2025 (continued)

THIRTY (30) LARGEST SHAREHOLDERS AS AT 12 SEPTEMBER 2025

Shareholders	No. of Shares	% of Issued Capital
1 SUMMIT HOLDINGS SDN. BHD.	60,581,657	30.233
2 ALCOLITES MALAYSIA SDN. BHD.	5,061,500	2.526
3 CH'NG AI LEE	3,060,000	1.527
4 UOB KAY HIAN NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR UOB KAY HIAN PTE LTD	2,834,150	1.414
5 UOB KAY HIAN NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEO SIEW LAI	1,993,800	0.995
6 YAP CHOOI WAH	1,900,000	0.948
7 SING KONG HUM	1,760,800	0.879
8 SUMIVEST HOLDINGS SDN. BHD.	1,650,000	0.823
9 FOONG WENG CHEONG	1,562,500	0.780
10 PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SURINDER SINGH A/L WASSAN SINGH	1,540,000	0.769
11 LIAU KEEN YEE	1,401,100	0.699
12 XIANG LING CAPITAL SENDIRIAN BERHAD	1,150,000	0.574
13 ON THIAM CHAI	1,100,500	0.549
14 FOONG WENG SEM @ FOONG WENG SUM	1,083,228	0.541
15 LIM AH CHOO	1,063,000	0.530
16 PUBLIC NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHEE SAI MUN	1,061,800	0.530
17 CITIGROUP NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED	1,055,500	0.527
18 SOUTH EAST ASIA AUTO PARTS SDN. BHD.	1,000,000	0.499
19 UOB KAY HIAN NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEO KWEE HOCK	849,900	0.424
20 MAYBANK NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR LEE SYN LEE	821,900	0.410
21 KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR SERAYA MAKMUR SDN. BHD.	785,000	0.392
22 CGS INTERNATIONAL NOMINEES MALAYSIA (ASING) SDN. BHD. EXEMPT AN FOR CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	780,000	0.389
23 KENANGA NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHIN KIAM HSUNG	766,900	0.383
24 LEE CHAN INVESTMENTS SDN. BHD.	700,000	0.349
25 GRAND TERRACE SDN. BHD.	680,000	0.339
26 OOI HOE HEAN	660,000	0.329
27 TEO KWEE HOCK	628,400	0.314
28 LEONG SIEW MUN	594,300	0.297
29 CHONG YOKE SENG	590,000	0.294
30 KENANGA NOMINEES (ASING) SDN. BHD. EXEMPT AN FOR PHILLIP SECURITIES PTE LTD	562,650	0.281
Total	99,278,585	49.545

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**HEXZA CORPORATION BERHAD**

Registration No. 196901000339 (8705-K)

(Incorporated in Malaysia)

No. of shares held

PROXY FORM

CDS Account No.

I/We _____
(Full name in Block Letters and NRIC No. / Passport No. / Company No.)

of _____ and _____
(Address) (Tel. No.)

being a *member/members of **Hexza Corporation Berhad**, hereby appoint the following person(s):

Proxy	Full Name (in Block Letters)	Email Address	NRIC/Passport No.	No. of shares	%
1					
2					

or failing him/her, the Chairman of the Meeting as my/our proxy, to vote for me/us and on my/our behalf at the Fifty-Sixth (56th) Annual General Meeting of the Company to be held on Saturday, 22 November 2025 at 10.00 a.m. and at any adjournment thereof in the manner indicated below in respect of the following Resolutions:

Ordinary Resolution No.	Ordinary Business	For	Against
1.	Approval for the payment of a single-tier final dividend of 5.0 sen per ordinary share in respect of the financial year ended 30 June 2025.		
2.	Approval for the payment of Directors' Fees.		
3.	Approval for the payment of Directors' Benefits.		
4.	Re-election of Ms. Chong Yoke Seng as Director.		
5.	Re-election of Mr. Foong Leon Kah as Director.		
6.	Re-election of Mr. Foong Leon Chiew as Director.		
7.	Re-election of Mr. Foong Leon Sing as Director.		
8.	Re-election of Ms. Ding Jia Jia as Director.		
9.	Re-appointment of Messrs Crowe Malaysia PLT as External Auditors and to authorise the Directors to fix their remuneration.		
	Special Business		
10.	Authority under Sections 75 and 76 of the Companies Act, 2016 for the Directors to allot and issue shares.		

Please indicate with (✓) or (X) how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit, or at his discretion, abstain from voting.

Signed this _____ day of _____ 2025

Signature of Shareholder/
(Common Seal & Signatures)

Notes:

- Only members whose names appear on the Record of Depositors as at **12 November 2025** shall be entitled to attend the AGM or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead. A proxy must be 18 years of age and above and may but need not be a member of the Company.
- A member, other than an exempt authorised nominee is entitled to appoint one (1) or two (2) proxies to attend and vote instead of him/her.
- Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds but the proportion of holdings to be represented by each proxy must be specified.
- The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised. If under the hand of attorney/authorised officer, the Power of Attorney or Letter of Authorisation must be attached.
- The instrument appointing a proxy or proxies must be deposited at Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than 48 hours before the holding of the meeting or any adjournment thereof either by hand, post, courier or electronic mail to bsr.helpdesk@boardroomlimited.com before the Form of Proxy lodgement cut-off time as mentioned above. Alternatively, the proxy form can be submitted by electronic means through the Share Registrar's website, Boardroom Smart Investor Online Portal. Kindly follow the link at <https://investor.boardroomlimited.com> to login and deposit your proxy form electronically, also forty-eight (48) hours before the meeting.
- Personal Data Privacy – By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company hereby agrees and consents that any of your personal data in our possession shall be processed by us in accordance with the Personal Data Protection Act 2010. Further, you hereby warrant that relevant consent has been obtained by you for us to process any third party's personal data in accordance with the said Act.



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AFFIX
STAMP

The Share Registrar
HEXZA CORPORATION BERHAD [196901000339 (8705-K)]
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia

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Hexza Corporation Berhad 196901000339 (8705-K)

Lot 6 & 20, Persiaran Tasek, Kawasan Perindustrian Tasek,
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