



HE GROUP BERHAD

Registration No. 202301016404 (1510326-M)

ENGINEERING PROGRESS RESPONSIBLE GROWTH

ANNUAL REPORT 2025

TABLE OF CONTENTS

3RD ANNUAL GENERAL MEETING



Friday, 19 June 2026



10.00 a.m.



Greens III Sports Wing,
Tropicana Golf &
Country Resort,
Jalan Kelab Tropicana,
47410 Petaling Jaya,
Selangor Darul Ehsan

02	Corporate Profile
03	Corporate Information
04	Corporate Structure
05	Financial Highlights
06	Management Discussion & Analysis
16	Board of Directors' Profile
23	Profile of Key Senior Management
24	Sustainability Statement
73	Corporate Governance Overview Statement
91	Audit and Risk Management Committee Report
95	Statement on Risk Management and Internal Control
98	Statement of Directors' Responsibility
99	Additional Compliance Information
102	Financial Statements
153	List of Properties
154	Analysis of Shareholdings
157	Notice of Annual General Meeting
164	Administrative Notes Proxy Form



Scan this for access to our
Investor Relations webpage, where
you can view our Annual Report
and other financial information.

MISSION

We aspire to consistently upgrade our core competencies towards technology advancement and global positioning, to effectively deliver superior customer value with good investment returns, and be a responsible citizen.

VISION

We aim to serve more customers by doubling our project capacity and covering the whole of Malaysia. We aim to become a major player in the utilities market and a leading turnkey contractor in South East Asia by 2030.

VALUES



INTEGRITY

We know the job, the field and the people. We source local, high-quality material, suppliers and partners. We pride ourselves on being a good paymaster, problem-solver and construction partner.



WORTH

We deliver the right service at the right price. We keep good relationships with our partners and suppliers, always with a long-term view. Above all, we respect your decisions, your budget and your time.



ACCOUNTABILITY

We take ownership of our work. We design according to best practices, with staff safety and your company's well-being in mind. We plan ahead, anticipate challenges, take responsibility for mistakes, and fix what needs fixing.



GROWTH

We recognise the value and potential in people. Our management team grew from hands-on fieldwork, steadily developing over time. We believe in leaders who roll up their sleeves and get the job done.

Corporate Information



BOARD OF DIRECTORS

1

Datuk Christopher Wan Soo Kee
Independent
Non-Executive Chairman

2

Haw Chee Seng
Managing Director

3

Eng Choon Leong
Executive Director

4

Tang Kok Wai
Executive Director

5

Andrea Huang Jia Mei
Independent
Non-Executive Director

6

Ir. Dr. Ng Kok Chiang
Independent
Non-Executive Director

7

Christine Toh Hung Mei
Independent
Non-Executive Director

AUDIT AND RISK MANAGEMENT COMMITTEE

Andrea Huang Jia Mei
(Chairperson)
Ir. Dr. Ng Kok Chiang
Christine Toh Hung Mei

NOMINATION COMMITTEE

Ir. Dr. Ng Kok Chiang
(Chairperson)
Andrea Huang Jia Mei
Christine Toh Hung Mei

REMUNERATION COMMITTEE

Christine Toh Hung Mei
(Chairperson)
Andrea Huang Jia Mei
Ir. Dr. Ng Kok Chiang

COMPANY SECRETARIES

Tea Sor Hua (MACS 01324)
(SSM PC No.: 201908001272)
Lee Siew Fun (MAICSA 7063623)
(SSM PC No.: 202008000735)

SHARE REGISTRAR

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Fax : +603-2783 9222
Email : is.enquiry@vistra.com

REGISTERED OFFICE

Third Floor, No. 77, 79 & 81
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Tel : +603-7725 1777
Email : info@cospec.com.my

HEAD OFFICE

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47160 Puchong
Selangor Darul Ehsan
Tel : +603-8068 1811
Fax : +603-8068 1721
Website : www.hexatech.com.my

AUDITORS

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(Registration No.: 202106000004
(LLP0026851-LCA) & AF002345)
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Jalan Tun Razak
50400 Kuala Lumpur
Tel : +603-9771 4326
Fax : +603-9971 4327

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
Alliance Islamic Bank Berhad
CIMB Bank Berhad
United Overseas Bank (Malaysia)
Berhad
Malayan Banking Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Name: HEGROUP
Stock Code: 0296

Corporate Structure



HE GROUP BERHAD

[REGISTRATION NO. 202301016404 (1510326-M)]

100%

Hexatech Engineering Sdn. Bhd.

[Registration No. 199501008607 (337805-T)]

Provision of power distribution system, other building systems and works, hook-up and retrofitting of electrical equipment and trading.

100%

Digitalflux Technologies Sdn. Bhd.

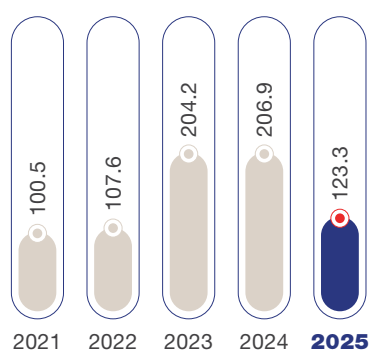
[Registration No. 202601011881 (1673979-T)]

Provision of information technology infrastructure and engineering services.

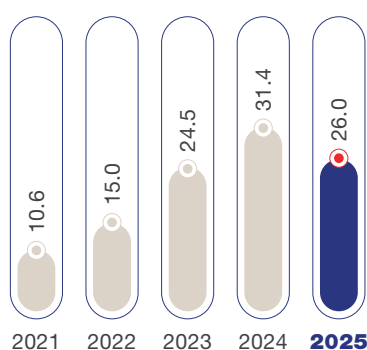
Financial Highlights

Financial Year Ended 31 Dec	2021 (RM million)	2022 (RM million)	2023 (RM million)	2024 (RM million)	2025 (RM million)
Financial Results					
Revenue	100.5	107.6	204.2	206.9	123.3
Gross Profit	10.6	15.0	24.5	31.4	26.0
Profit Before Tax	5.5	8.0	14.8	19.0	14.9
Profit After Tax and Non-Controlling Interests ("PATNCI")	4.1	6.2	11.0	13.7	11.0
Financial Position					
Total Equity	12.7	15.9	26.8	61.9	70.9
Total Assets	61.7	89.3	93.1	111.2	114.1
Current Assets	54.8	81.4	88.1	105.6	108.6
Total Borrowings	6.6	9.4	1.5	1.2	1.0
Cash and Cash Equivalents	6.4	13.8	22.9	57.7	62.3
Financial Ratio					
Basic Earnings per Share (sen)	1.2	1.8	3.1	3.1	2.5
Gross Profit Margin (%)	10.5	13.9	12.0	15.2	21.1
Net Profit Margin (%)	4.1	5.7	5.4	6.6	8.9
Gearing Ratio (times)	0.52	0.59	0.06	0.02	0.01

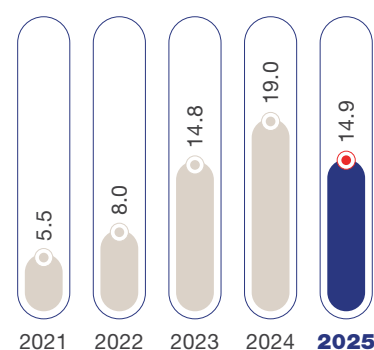
REVENUE



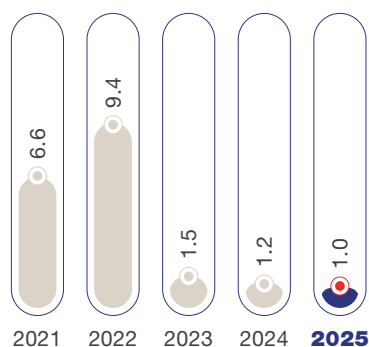
GROSS PROFIT



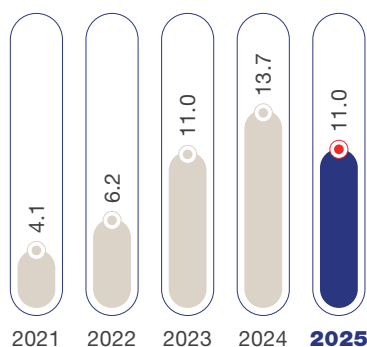
PROFIT BEFORE TAX



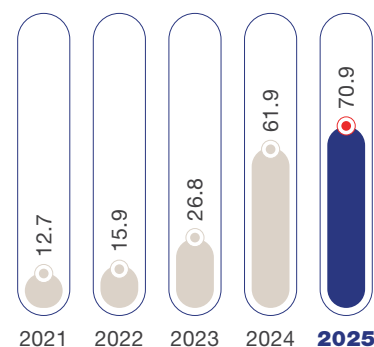
TOTAL BORROWINGS



PROFIT AFTER TAX AND NON-CONTROLLING INTERESTS



SHAREHOLDERS' FUNDS (TOTAL EQUITY)



Management Discussion & Analysis

Dear valued shareholders,

It is with great pride that we mark a significant milestone in the corporate journey of HE Group Berhad (“HE Group” or “the Company”) and its subsidiary (“the Group”) following the successful transfer listing from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) on 21 November 2025. This successful transition marks a definitive new chapter for HE Group, providing a robust platform to accelerate our strategic ambitions by enhancing access to capital to support future expansion, while elevating our Company’s corporate profile and competitive standing within the industry.

As the financial year draws to a close, the operating environment was shaped by global and domestic uncertainties, including evolving trade dynamics and policy developments. Despite these external challenges, we remained disciplined in executing our strategy, strengthening operational resilience, maintaining prudent capital allocation, and driving long-term value creation for our stakeholders.

On that note, with great pleasure, we present to you HE Group’s inaugural Annual Report as a Main Market listed company for the financial year ended 31 December 2025 (“FYE 2025”).



(From left to right) **Rizal IL-Ehzan Fadil Azim**, Chief Executive Officer of Alliance Islamic Bank Berhad; **Ms. Teoh Chu Lin**, Group Chief Corporate & Institutional Banking Officer of Alliance Bank Malaysia Berhad; **Ms. Christine Toh Hung Mei**, Independent Non-Executive Director; **Mr. Tang Kok Wai**, Executive Director; **Mr. Haw Chee Seng**, Managing Director; **Datuk Christopher Wan Soo Kee**, Independent Non-Executive Chairman; **Mr. Eng Choon Leong**, Executive Director; **Ms. Andrea Huang Jia Mei**, Independent Non-Executive Director; **Ms. Lim Shueh Li**, Head / Senior Vice President of Coverage and Origination - Islamic Capital Markets of Alliance Islamic Bank Berhad; and **Mr. Tee Kok Wah**, Head / Senior Vice President of Corporate Finance - Islamic Capital Markets of Alliance Islamic Bank Berhad.

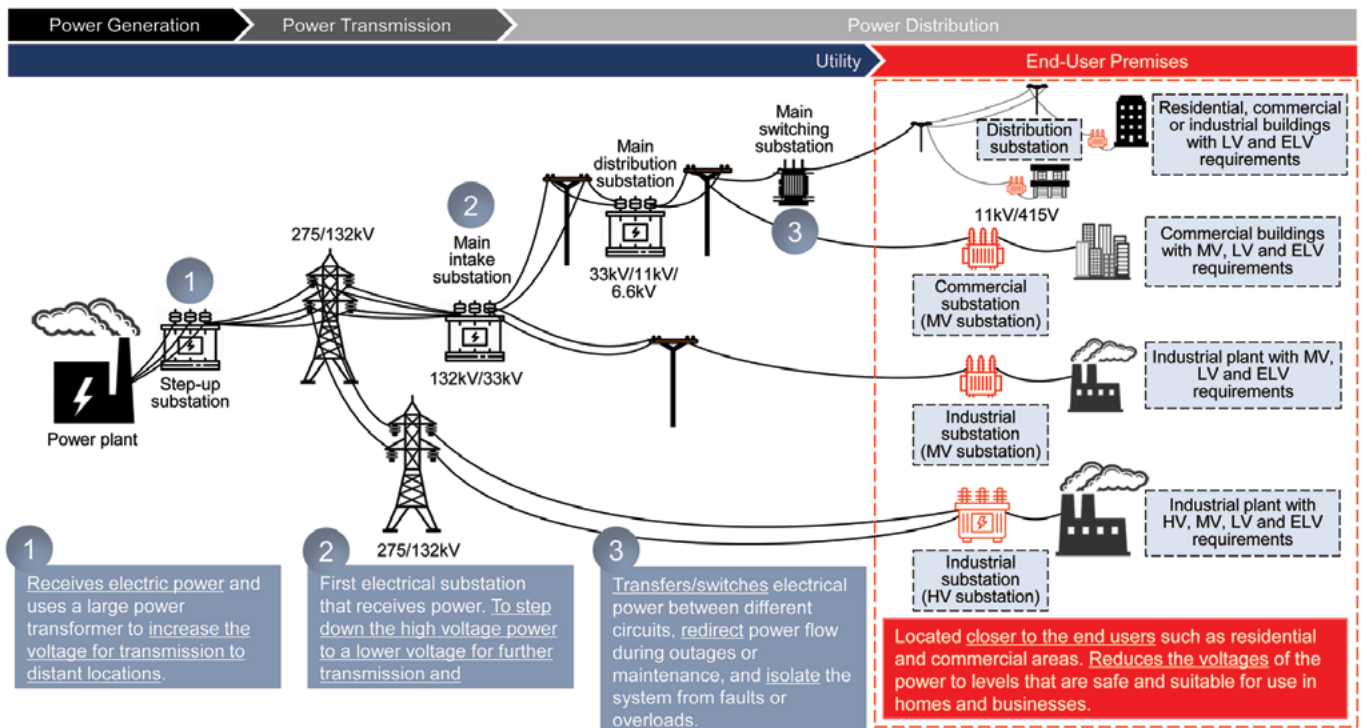
Management Discussion & Analysis

BUSINESS OVERVIEW

HE Group, through our subsidiary, Hexatech Engineering Sdn. Bhd. ("Hexatech") is a well-established electrical engineering service provider in Malaysia. We specialise in design, supply, installation, testing, and commissioning of high voltage ("HV"), medium voltage ("MV"), low voltage ("LV"), and extra low voltage ("ELV") power distribution systems. We serve high-growth and critical end-user industries such as semiconductors, medical devices, and electronic products, and support a wide range of critical applications, including industrial plants, as well as industrial and commercial substations.

Our capability and credibility are underscored by our certifications as a Class A electrical contractor with the Suruhanjaya Tenaga (or the Energy Commission) since 2007 and as a Grade 7 ("G7") Mechanical and Electrical ("M&E") contractor with the Construction Industry Development Board ("CIDB") since 2008. These accreditations strategically position us to undertake projects of any scale and value, reinforcing our commitment to supporting the future development of Malaysia's infrastructure.

OUR ROLE WITHIN THE POWER DISTRIBUTION SYSTEM VALUE CHAIN – WE PRIMARILY SERVICE THE END-USER PREMISES



Notes:
kilovolt = kV; volt = V; High Voltage = HV; Medium Voltage; Low Voltage = LV; Extra-Low Voltage = ELV

----- HE Group's role

Management Discussion & Analysis

Our business segments are as follows:

Power Distribution System

Our power distribution systems for end-user premises comprise a network of electrical infrastructure, electrical equipment and components designed to distribute and control electricity from the main power source to various loads within a facility. By converting high voltage power from the substation into lower, safer voltages, our solutions deliver reliable and efficient operations across diverse applications. Our systems incorporate advanced safety, protection, and power control features to safeguard personnel and assets while delivering consistent, high-quality power for our client's critical operations.



Power distribution system for a semiconductor manufacturing plant

Other Building Systems and Works

We also deliver a broad range of building systems and works such as mechanical systems, control and instrumentation solutions, as well as civil, structural, and architectural works. Our architectural works are centred on practical design principles, efficient space planning, optimised layouts, and visual appeal.

Electrical Equipment Hook-Up and Retrofitting

This segment involves the connection of plant and machinery, electrical equipment, and components to a power source, enabling systems to operate as a complete cohesive whole. Working in tandem with the Power Distribution Systems segment, it provides the reliable power required for safe and efficient operation and integration with other machinery, equipment, and devices.

Moreover, we also undertake electrical system upgrades and modifications, improving performance and ensuring adaptability to evolving client needs, further strengthening the synergy between our core solutions.

Trading of Electrical Products

We are also engaged in the trading of electrical products, including power cables, metering panels, a variety of power conditioning systems, as well as other related electrical products.

2025 AT A GLANCE

Malaysia's economy demonstrated resilience and sustained momentum in 2025 against a backdrop of persistent global uncertainties, fiscal constraints and uneven trade dynamics. For the year, real gross domestic product ("GDP") expanded by 5.2%, surpassing the forecast range of 4.0% to 4.8%, driven by robust domestic demand and resilient export growth¹. This is further supported by favourable labour market conditions, with the unemployment rate declining to 3.0% (2024: 3.2%), according to the International Monetary Fund, alongside ongoing policy reforms that helped navigate challenging external conditions^{2,3}.

¹ Economic and Financial Developments in Malaysia in the Fourth Quarter of 2025

² Bernama

³ International Monetary Fund: Unemployment Rate

Management Discussion & Analysis

Reflecting continued investor confidence, Malaysia recorded strong investment inflows despite the challenging global environment. According to the Malaysian Investment Development Authority (“MIDA”), total approved investments reached a record RM426.7 billion in 2025, representing an 11.0% increase from RM384.4 billion in 2024, marking continued growth in the country’s investment performance. This milestone underscores Malaysia’s attractiveness as an investment destination even amid a cautious global climate⁴.

Despite ongoing global uncertainties, Malaysia is entering 2026 on a firmer footing, supported by resilient domestic demand and sustained investment momentum, with inflation expected to remain moderate amid stable labour market conditions and favourable supply conditions.

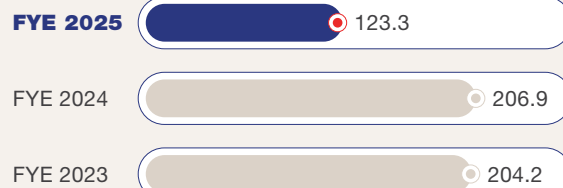
OUR FINANCIAL PERFORMANCE

Financial Results

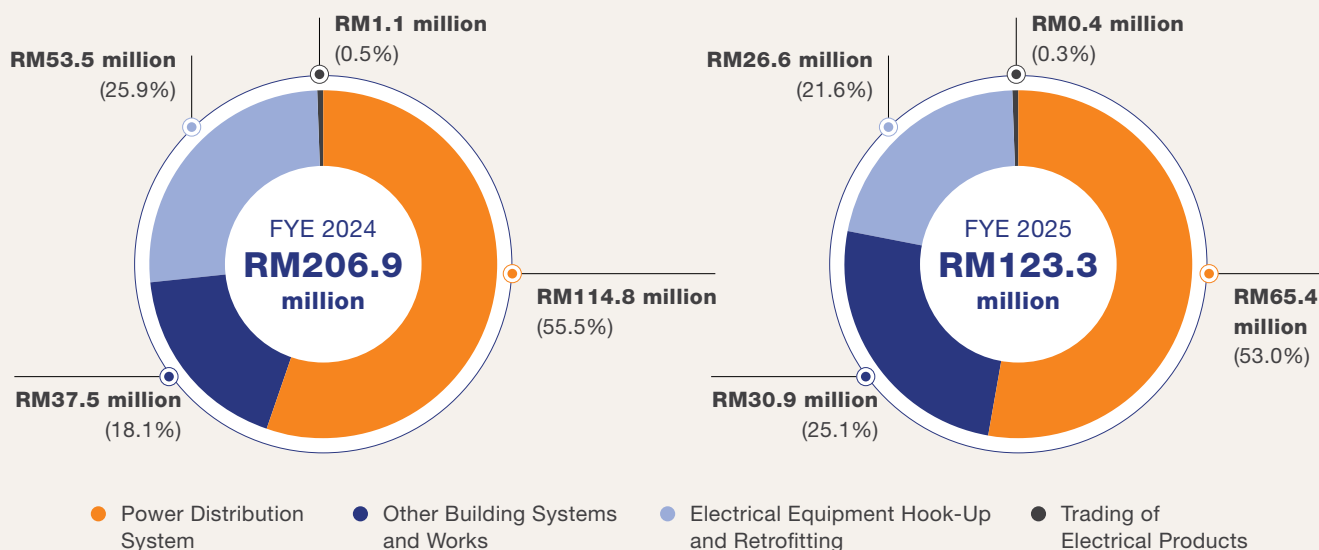
Despite operating in a challenging environment characterised by global trade uncertainties and geopolitical tensions, HE Group delivered resilient financial performance in FYE 2025.

We reported a revenue of RM123.3 million, representing a year-on-year (“YoY”) decline of 40.4% from RM206.9 million in the previous financial year (“FYE 2024”). This was mainly attributed to the completion of several major projects during the year, with newly secured projects commencing mainly in the final quarter of the financial year.

Revenue (RM mil)



Revenue Breakdown by Business Segments



⁴ Malaysian Investment Development Authority

Management Discussion & Analysis

On a segmental basis, the Power Distribution System segment remained as HE Group's largest revenue contributor, generating RM65.4 million and representing 53.0% of total revenue, against RM114.8 million in FYE 2024. The Other Building Systems and Works segment was the second largest contributor, delivering RM30.9 million and accounting for 25.1% of total revenue, compared to RM37.5 million in FYE 2024.

The remaining revenue was derived from the Electrical Equipment Hook-up and Retrofitting segment, which totalled RM26.6 million, contributing 21.6% of total revenue, relative to RM53.5 million in FYE 2024. Meanwhile, the Trading of Electrical Products segment generated RM0.4 million, accounting for 0.3% of the total revenue, compared with RM1.1 million in the prior year.

Income Statement Highlights	FYE 2024 RM mil	FYE 2025 RM mil	YoY changes
Revenue	206.9	123.3	(40.4%)
Gross Profit ("GP")	31.4	26.0	(17.2%)
GP Margin (%)	15.2	21.1	-
Other Income	1.9	2.1	10.5%
Administrative Expenses	(13.9)	(12.4)	(10.8%)
Net Reversal on Impairment on Financial Asset	0.1	0.1	-
Finance Cost	(0.6)	(0.9)	50.0%
Profit Before Tax ("PBT")	19.0	14.9	(21.6%)
PBT Margin (%)	9.2	12.1	-
Tax Expense	(5.3)	(3.8)	(28.3%)
Effective Tax Rate (%)	27.9	25.5	-
Profit After Tax ("PAT")	13.7	11.0	(19.7%)
PAT Margin (%)	6.6	8.9	-

In line with FYE 2025's revenue performance, the Group's GP moderated to RM26.0 million, compared to RM31.4 million reported in the prior year. However, GP margin improved YoY to 21.1% from 15.2%, reflecting a more favourable project mix and effective cost management.

Correspondingly, PBT eased to RM14.9 million compared to RM19.0 million in FYE 2024 due to lower revenue recognition during the year, in line with project completion and the newly secured projects commencing mainly in the final quarter of FYE 2025. Nevertheless, PBT margin strengthened YoY to 12.1% from 9.2% in FYE 2024, indicating improved operational efficiency despite the moderation in profitability.

Similarly, PAT softened YoY to RM11.0 million, compared to RM13.7 million a year ago. However, PAT margin rose YoY to 8.9% from 6.6% in FYE 2024, underscoring HE Group's ability to preserve profitability through disciplined cost management and efficient project execution amid transitional project cycles.



Higher profit margins from favourable project mix and effective cost management, while revenue moderated amid transitional project cycles

Management Discussion & Analysis

Financial Position

Items	FYE 2024 RM mil	FYE 2025 RM mil	YoY changes
Total Assets	111.2	114.1	2.6%
Cash and Cash Equivalents*	57.7	62.3	8.0%
Total Liabilities	49.3	43.2	(12.4%)
Total Borrowings	1.2	1.0	(16.7%)
Total Equity	61.9	70.9	14.5%
Net Gearing Ratio#	Net cash	Net cash	n.a.

* Consists of cash and bank balances, fixed deposits placed with licensed bank and short-term investments.

Net Gearing Ratio = (Total Borrowings – Total Cash & Cash Equivalents) / Equity.

As at the end of FYE 2025, total assets grew by 2.6% YoY to RM114.1 million from RM111.2 million in FYE 2024. This increase was mainly due to a stronger cash and cash equivalent position, as well as higher contract assets arising from ongoing project execution.

Total liabilities fell by 12.4% YoY to RM43.2 million from RM49.3 million a year ago, mainly due to lower contract liabilities, partially offset by higher payables.

Total equity rose by 14.5% to RM70.9 million from RM61.9 million in FYE 2024, driven by higher retained earnings from the Group's profitability during the year.

In conclusion, the Group maintained a net cash position, with total cash and cash equivalents of RM62.3 million significantly exceeding total borrowings of RM1.0 million, reflecting a healthy balance sheet and prudent capital management.



Healthy balance sheet and strong net cash position provide financial flexibility to support future growth and expansion

Cash Flow and Capital Resources

Net Cash from/(used in)	FYE 2024 RM mil	FYE 2025 RM mil	YoY changes
Operating Activities	13.8	6.6	(52.2%)
Investing Activities	1.5	(1.0)	(166.7%)
Financing Activities	19.8	(3.8)	(119.2%)
Net Increase in Cash and Cash Equivalents	35.2	1.8	(94.9%)

The net increase in cash and cash equivalents moderated to RM1.8 million in FYE 2025, primarily attributable to the following factors:

- Net cash inflow from operating activities moderated to RM6.6 million in FYE 2025 from RM13.8 million in FYE 2024, primarily due to timing differences between project execution, billing, and collections, as well as lower PBT during the year.
- Net cash used in investing activities amounted to RM1.0 million, primarily due to the placement of cash collateral and fixed deposits pledged with licensed banks and minimal capital expenditure.
- Net cash used in financing activities amounted to RM3.8 million, mainly due to dividend payments, interest paid, and repayment of lease liabilities and term loans, compared to net cash generated from financing activities in the preceding year following proceeds raised from our initial public offering ("IPO").

Management Discussion & Analysis

OPERATIONAL REVIEW

Our End-User Industries

Recognising the importance of continuous and reliable power for high-value sectors, we provide tailored electrical engineering solutions to a broad base of Malaysian clients, including multinational corporations. Our expertise spans critical industries such as semiconductors, medical devices, and electronics, where we design and implement power distribution systems. These solutions incorporate precision electrical components and stringent safety standards to protect sensitive equipment, ensure operational reliability, and safeguard both personnel and physical assets.

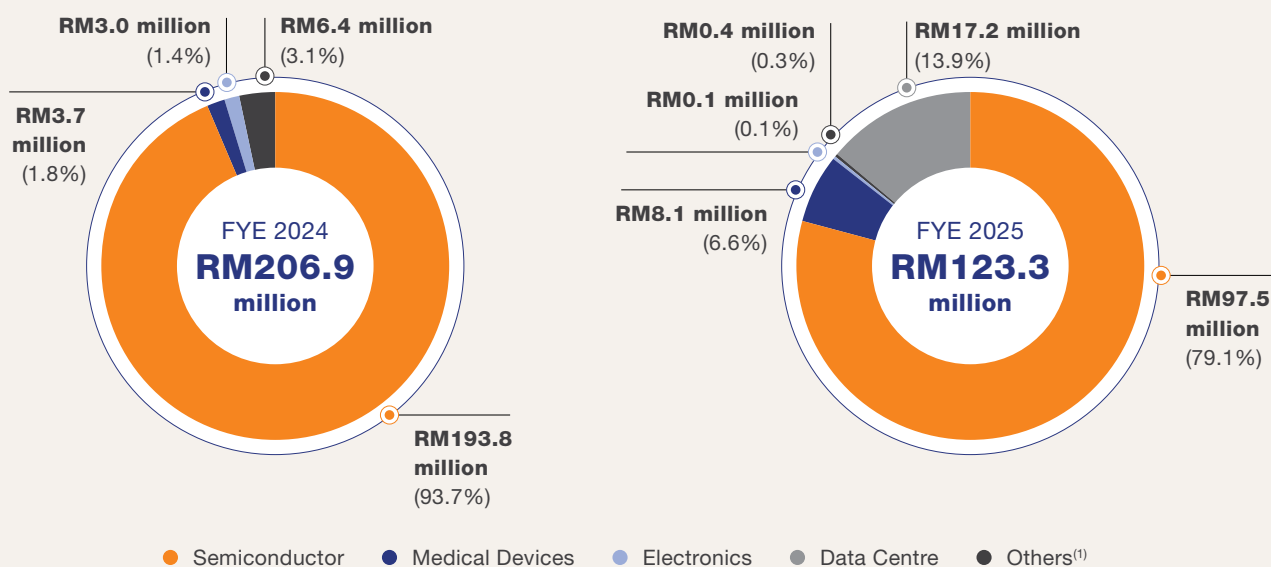
Revenue Breakdown by End-User Industries

In FYE 2025, the Group's revenue mix reflected a higher contribution from the data centre segment, driven by increased participation in data-centre related projects and the ongoing expansion of digital infrastructure in Malaysia. The increased exposure to the data centre segment also reflects the Group's ability to secure projects within this fast-growing industry.



Successful expansion into the data centre segment, contributing over 10.0% of the Group revenue in FYE 2025

Revenue Breakdown by End-User Industries



⁽¹⁾ Includes port, electrodeposited copper foil and trading of electrical products

Management Discussion & Analysis

Contracts

During the year, HE Group continued to secure several significant contracts, reflecting the Company's expanding footprint in critical infrastructure and renewable energy-related sectors:

- i. On 13 November 2025, we were appointed as a subcontractor for a Tier-5 data centre project in Cyberjaya, Malaysia, with a contract value of approximately RM56.6 million, involving the provision of electrical services and other related works. The project is scheduled for completion by April 2026.
- ii. On 20 November 2025, we accepted 3 Letters of Award for turnkey engineering, procurement, and construction contracts relating to a large-scale solar project with a 63-megawatt peak capacity in Johor. This is an on-going project, and the total contract value is approximately RM13.4 million.
- iii. Demonstrating HE Group's continued momentum in securing new opportunities, on 12 January 2026, we accepted a purchase order with a contract value of RM12.6 million for the power distribution works for a manufacturer of electronic products located in Malaysia. The project is expected to be completed in November 2026.

Looking ahead, HE Group continues to actively identify and pursue potential projects through competitive tender processes, with particular focus on critical infrastructure and renewable energy-related developments. This proactive approach to replenishing the Company's order book is fundamental to ensuring long-term earnings sustainability and growth. By maintaining a robust pipeline of projects, HE Group is well positioned to capitalise on emerging opportunities, strengthen its market presence, and deliver value to its stakeholders.

RISKS AND MITIGATIONS

As the business environment continues to evolve, HE Group remains focused on maintaining strategic resilience by establishing and applying clear, well-defined risk tolerance parameters that support the early identification and management of potential disruptions. Ongoing risk assessment and proactive mitigation measures are also embedded across operations to safeguard stability while supporting the Company's long-term growth objectives.

Risks	Mitigations
Long-term operational sustainability	
Our financial performance is closely tied to our ability to secure and deliver project-based contracts. HE Group's revenue is driven by a steady inflow of new projects, supported by the efficient execution of works in progress.	To manage these exposures, we adopt a structured and comprehensive approach. This includes thorough pre-contract assessments to establish clear project scopes, ongoing engagement with clients to align expectations and address potential variations at an early stage, and the use of robust project management systems to monitor execution progress.
While comprehensive planning is undertaken prior to commencement, unanticipated changes in project scope may occur during implementation, which could affect delivery schedules and financial performance.	In parallel, we actively replenish our order book through disciplined tender participation, supporting the development of a stable and sustainable project pipeline that underpins long-term performance.

Management Discussion & Analysis

Risks	Mitigations
Exposure to cost fluctuations Unexpected increases in project costs may give rise to financial risk, as many projects are undertaken at fixed prices. This risk is driven by the time lag between the preparation of cost estimates at the tender or quotation stage and the completion of projects, during which market conditions may change. In addition, our operating costs are exposed to various external influences, including commodity price fluctuations, inflationary pressures, material shortages, supply chain disruptions, and unforeseen project delays. Where these cost increases cannot be passed on to clients, HE Group may be required to absorb the resulting financial impact.	We manage exposure to cost fluctuations through a structured cost estimation approach designed to support project profitability. As part of this process, contingency allowances are incorporated to account for potential labour and material cost increases that may arise between the tender stage and project completion. To support accurate forecasting, market conditions and commodity price movements are monitored on an ongoing basis and reflected in updated projections where appropriate. In addition, cost considerations form part of contract discussions, with the aim of reducing potential financial exposure associated with cost variability.
Dependence on Subcontractors A portion of HE Group's project delivery activities is performed by subcontractors, including mechanical, control and instrumentation, civil, structural and architectural works, as well as the installation, testing, and commissioning of power distribution systems. Expenditure associated with subcontracted works typically accounts for more than 20.0% of our Cost of Sales.	We apply a disciplined approach to subcontractor management, encompassing both client-nominated and internally appointed parties. Potential subcontractors are assessed through a comprehensive pre-qualification process that considers factors such as past performance, financial standing, and technical capability. Subcontract arrangements are documented in detail, with clear requirements covering scope of work, performance expectations, payment terms, retention amounts and completion timelines. This standardised framework, together with ongoing performance monitoring and a diversified subcontractor base, supports accountability, encourages competitive pricing, and helps manage risks associated with subcontractor performance over the life of a project. In parallel, HE Group continues to evaluate opportunities to strengthen in-house capabilities as part of its broader strategic initiatives. Over time, this is intended to reduce reliance on subcontractors, enhance control over project delivery, and support improved financial outcomes.
Project Delivery Delays Meeting agreed project timelines is a key requirement for HE Group's operations. Nevertheless, project completion may be affected by a range of factors, including delays in regulatory approvals, engineering challenges or unforeseen site conditions, shortages of materials or labour, and changes in government policies. Such delays may result in additional project costs or the imposition of liquidated damages, which could adversely impact the Group's financial performance and reputation.	HE Group seeks to reduce the risk of project delays through detailed planning, early engagement with regulatory authorities, and active supply chain management. Contingency measures are maintained, and developments in government policy are monitored on an ongoing basis. Where delays are unavoidable, the Company may apply for Extensions of Time ("EOT"); however, such approvals cannot be assured. As a result, emphasis is placed on disciplined project execution and transparent communication with clients to limit exposure to Liquidated Ascertained Damages ("LAD").

Management Discussion & Analysis

OUTLOOK

Malaysia's economic outlook for 2026 is expected to remain supported by domestic demand and sustained investment activity, notwithstanding an uncertain global and domestic environment. According to Bank Negara Malaysia, the economy entered the year from a position of relative strength, underpinned by solid growth momentum, robust household spending and continued investment upcycle, even as external headwinds persist. There is anticipation that employment and wage growth, as well as steady domestic consumption and investment, will help sustain overall activity through the year, though uncertainties in global trade conditions may temper external demand⁵.

HE Group remains cautiously optimistic about long-term growth prospects, supported by structural expansion in semiconductor, artificial intelligence ("AI") and digital infrastructure investments. The global semiconductor industry is forecasted to expand further in 2026, driven by sustained demand for AI and high-performance computing technologies, with the global chip market poised to approach US\$1 trillion in annual sales⁶.

In tandem with these global trends, Malaysia's digital ambitions under the 13th Malaysia Plan, including the National AI Action Plan 2030, together with significant long-term commitments by global technology providers to expand cloud and data centre infrastructure, reinforces the country's positioning as an AI-driven economy. While gains from the semiconductor upcycle may be uneven, continued technology-driven capital expenditure provides a supportive backdrop for projects aligned with our core capabilities.

Within this operating environment, HE Group expects to focus on leveraging its expertise and experience in delivering electrical engineering solutions, particularly for data centre, semiconductor, and renewable energy related projects. Nevertheless, HE Group will continue to emphasise disciplined cost management, operational efficiency, and prudent financial management while remaining responsive to changes in the broader economic and operating landscape.

DIVIDEND

The Group does not have a fixed dividend policy; however, it remains committed to delivering returns to shareholders. Decisions on dividend declarations are made after

considering a range of factors, including among others, the availability of distributable reserves, cash flow requirements arising from operations, existing financial commitments, and the Group's strategic investment plans, with the objective of supporting the long-term sustainability and growth of the business.

The Board of Directors of HE Group ("the Board") has recommended an interim dividend of 1.0 sen per share, amounting to approximately RM4.4 million in respect of FYE 2025, representing 39.9% of the PAT. This continues the Group's track record of declaring dividends over the past three (3) consecutive financial years since listing, reflecting its continued commitment on delivering returns to shareholders.



Consistent dividend track record, with payouts declared for three (3) consecutive years since listing

APPRECIATION

We extend our sincere appreciation to the Board for their steadfast leadership and strategic oversight throughout FYE 2025. The Board's clarity of direction and measured guidance have been pivotal in reinforcing our performance and strengthening the foundation for sustainable growth.

Equally, the year's achievements reflect the collective dedication of our management team and employees, whose professionalism, resilience, and teamwork enabled HE Group to navigate challenges and deliver meaningful progress. We are also grateful for the continued trust and support of our shareholders, customers, suppliers, financiers, business partners, and all stakeholders, whose confidence remains vital to our success.

Looking ahead, we will continue to pursue growth opportunities with discipline and adaptability amid an evolving business landscape. By upholding robust governance standards and responsible business practices across economic, environmental, and social dimensions, HE Group remains committed to creating enduring value for all stakeholders.

Sincerely,
MR. HAW CHEE SENG
Managing Director

⁵ *New Straits Times*

⁶ *The Star*

Board of Directors' Profile

Datuk Christopher Wan Soo Kee

Independent Non-Executive Chairman

Male | 75 | Malaysian



Datuk Christopher Wan Soo Kee was appointed to the Board on 26 May 2023.

He graduated from the Royal Melbourne Institute of Technology, Australia with a Bachelor in Business (Business Administration) in 1997. He subsequently completed his Master of Business Administration in Training and Human Resource Development from Newport University, United States of America in 1999.

He began his career with the Royal Malaysia Police in 1969 as an Inspector where he served as the Special Branch Officer and his duties were primarily on intelligence procurement. He rose through the ranks over the years and held the rank of Superintendent by 1992 before he was promoted to Assistant Commissioner of Police and served as Deputy Director of Management in 1997. In 2000, he was promoted to Senior Assistant Commissioner II and was made Head of Special Branch in Kuala Lumpur. In 2002, he was promoted to Senior Assistant Commissioner I and became the Chief Police Officer of Melaka. He was then promoted to Deputy Commissioner of Police and was assigned to be the Chief Police Officer of Penang in 2005. In 2006, he was made Commissioner of Police and was appointed as the Director of the Criminal Investigation Department in charge of national criminal investigation.

He retired from the Royal Malaysia Police in 2007 after 38 years of service. He was conferred the Panglima Jasa Negara (PJN) in 2007 by the Yang-di-Pertuan Agong in recognition of his service to the country.

After his retirement, he was appointed as a member of the Election Commission of Malaysia as Commissioner in 2008 and he subsequently retired in 2017. He was also an International Election Observer and has been invited to observe multiple elections including the Mozambique General Elections (2009), Australian General Elections (2010), Kyrgyzstan Parliamentary Elections (2015) and South Korean Legislative Election (2016). He currently is a Director of Development at Mestari Adjusters Sdn. Bhd., a company involved in the provision of services as insurance adjusters and investigators where he provides advice and support on business development and acts as liaison with Government departments and agencies. He is also the Independent Non-Executive Director of Oriental Kopi Holdings Berhad and Tomypak Holdings Berhad.

He attended all six (6) Board meetings held during the financial year ended 31 December 2025.

Board of Directors' Profile

Haw Chee Seng was appointed to the Board on 2 May 2023 and was re-designated to his current position on 29 May 2023. He is responsible for the overall business strategic direction of our Group, driving the business development and marketing of our Group as well as overseeing the technical aspects of the projects undertaken by our Group. He is also the major shareholder of the Company.

He obtained an Engineering Diploma from Midas Institute of Technology, Malaysia.

He started as a Wiring Technician at Hexatech Sdn. Bhd. in 1997. He left Hexatech Sdn. Bhd. in 2003, and became a Project Executive at Hexatech Engineering Sdn. Bhd., later becoming a director in 2005, where he overseeing the business development aspects of the company and he still holds the position to date.

In 2006, while he was a director at Hexatech Engineering Sdn. Bhd., which was transitioning to become a Class A electrical contractor with Energy Commission, he also served as an Assistant Project Manager at Pembinaan & Kejuruteraan Hexa Sdn. Bhd. (known as Mepcon Sdn. Bhd.).

After acquiring shares in Hexatech Engineering Sdn. Bhd. in 2006, he left Pembinaan & Kejuruteraan Hexa Sdn. Bhd. and returned to Hexatech Sdn. Bhd. as an Assistant Project Manager for 8 months in 2007. He then focused on being a director at Hexatech Engineering Sdn. Bhd., where he developed its business operations and strategy. Throughout his career, he played a key role in expanding our Group's industries and market presence.

He attended all six (6) Board meetings held during the financial year ended 31 December 2025.

Haw Chee Seng

Managing Director

Male | **48** | **Malaysian**



Board of Directors' Profile

Eng Choon Leong

Executive Director

Male | 53 | Malaysian



Eng Choon Leong was appointed to our Board on 2 May 2023 and was re-designated to his current position on 29 May 2023. He is responsible for the overall business operations of our Group, including project tendering, project engineering and management, costing and overseeing the finance and human resource departments of our Group. He is also the major shareholder of the Company.

He obtained an Engineering Diploma in Electrical Engineering from the Federal Institute of Technology, Malaysia in 1995, and a Full Technological Certificate for Electrical Engineering Technicians from the City and Guilds of London Institute, United Kingdom in 1995.

Starting as a Junior Site Supervisor at Hexatech Engineering Sdn. Bhd. in 1995, he transitioned through various roles, including Project Executive at Hexatech Sdn. Bhd. (now known as Galaxy Quantum Vision Sdn. Bhd.), Contracts Executive at M&E Hexatech Sdn. Bhd., and Operations Manager at Hexatech Engineering Sdn. Bhd. He managed project planning, supervision, costing, and procurement across these positions.

In 2006, he acquired shares in Hexatech Engineering Sdn. Bhd. and became its director, overseeing the Group's operations to date.

He attended all six (6) Board meetings held during the financial year ended 31 December 2025.

Board of Directors' Profile

Tang Kok Wai was appointed to our Board on 2 September 2024 and is responsible for overseeing the engineering and technical aspects of our Group's projects.

He started his career in 1997, obtaining a Certificate in Electrical Engineering (Power) from Port Dickson Polytechnic before joining Siemens Components (Advanced Technology) Sdn. Bhd. as a Quality Technician. He later pursued further studies, earning a Diploma in Electrical Engineering (Power Electronics and Control) in 1998. He then worked as a Technician at Techsu Steel Corporation Sdn. Bhd. until 2000, when he enrolled at Universiti Teknologi Malaysia and graduated with a Bachelor of Electrical & Electronic Engineering in 2004.

Upon graduation, he joined Hexatech Sdn. Bhd. as a Project Engineer and progressed to Assistant Manager in 2005. After a stint at Hexatech Building Services Sdn. Bhd., where he became Project Manager and later Director, he transitioned to Hexatech Energy Consolidated Sdn. Bhd. ("HEC") as a Project Director in 2012, focusing on project tendering and contract negotiations. He later returned to Hexatech Building Services Sdn. Bhd. before rejoining HEC as a Project Director in 2017. In 2022, he assumed the role of Project Director at Hexatech Engineering Sdn. Bhd., and was re-designated as the Project and Technical Director in 2023.

He attended all six (6) Board meetings held during the financial year ended 31 December 2025.

Tang Kok Wai

Executive Director

Male | **49** | **Malaysian**



Board of Directors' Profile

Andrea Huang Jia Mei

Independent Non-Executive Director

Female | **44** | **Malaysian**



Andrea Huang Jia Mei was appointed to our Board on 26 May 2023. She is the Chairperson of the Audit and Risk Management Committee and a member of the Nomination Committee and Remuneration Committee of the Company.

She completed her Diploma in Commerce (Financial Accounting) in 2003 and obtained an Advanced Diploma in Commerce (Financial Accounting) in 2005 from Tunku Abdul Rahman College, Malaysia (now known as Tunku Abdul Rahman University College). She became a member of the Association of Chartered Certified Accountants ("ACCA"), United Kingdom in 2011. She has been a Chartered Accountant of the Malaysian Institute of Accountants ("MIA") since 2018.

She started her career as an Audit Assistant with Sha, Tan & Co in 2005, and was promoted to Audit Semi-Senior in 2007. She was subsequently promoted and held the post of Audit Senior between 2008 and 2011, where she was responsible for audit assignments of private and public listed companies. Between 2011 to 2014, she was on a career break. In 2014, she was appointed as a director of T & S Secretarial Services Sdn. Bhd. and held this directorship until 2021. T & S Secretarial Services Sdn. Bhd. is involved in the provision of secretarial and management services.

She is currently a director of T&S Boardroom Sdn. Bhd., a company which provides secretarial support services and a director of SocialGreen Governance Sdn. Bhd., a company providing internal control review and sustainability review services. She is also a director of several private limited companies providing secretarial, tax, accounting and consultancy services. She is also currently an Independent Non-Executive Director of Unique Fire Holdings Berhad, listed on the Main Market, while Yew Lee Pacific Group Berhad and Semico Capital Berhad, being companies listed on the ACE Market of Bursa Malaysia Securities Berhad.

She attended six (6) Board meetings held during the financial year ended 31 December 2025.

Board of Directors' Profile

Ir. Dr. Ng Kok Chiang was appointed to our Board on 26 May 2023. He is the Chairman of the Nomination Committee and a member of the Audit and Risk Management Committee and Remuneration Committee.

He obtained his Bachelor of Engineering (Electrical and Electronics Engineering) with first class honours and Bachelor of Commerce majoring in Accounting, Managerial Accounting, and Finance (Investment) from the University of Western Australia, Australia. He also holds a Doctor of Philosophy in Engineering (Research) from the University of Nottingham, United Kingdom.

He is a Professional Engineer with Practising Certificate (Electrical) registered with the Board of Engineers, Malaysia since 2011, a Corporate Member (Electrical) of The Institution of Engineers Malaysia since 2011. He is also a Chartered Engineer registered with the Engineering Council of United Kingdom since 2014, and a Chartered Engineer with The Institution of Engineering and Technology, United Kingdom since 2014. Since 2012, he has been a Professional Member of the Malaysia Green Building Confederation (now known as the Malaysia Green Building Council) and registered as a Green Building Index Facilitator with the Green Building Index Accreditation Panel of Malaysia. In 2024, he was honoured with the prestigious distinction of being named a Fellow of the Institution of Engineers, Malaysia (IEM), recognising his significant contributions and expertise in the field.

He holds the esteemed title of ASEAN Engineer, duly registered with the ASEAN Federation of Engineering Organisation Board (AFEO). Additionally, he has been an active member of the Malaysian Alliance of Corporate Directors (MACD) since 2021 and the Institute of Corporate Directors Malaysia (ICDM) since 2023.

He also serves as an Industrial Advisory Board Member for Heriot-Watt University, Malaysia Campus; Sunway University; and the University of Nottingham, Malaysia Campus. Additionally, he held the position of Assistant Honorary Secretary of The Electrical and Electronics Association of Malaysia (TEEAM) from 2019 to 2021, before serving as Honorary Secretary from 2021 to 2023. In 2023, he was elected Vice President of TEEAM for the 2023 to 2025 term and re-elected to the same position for the term 2025 to 2027.

In 2025, he has been appointed as the Council Member and Chairman of the Industry and Environment, Social and Governance (iESG) Committee of The Chinese Chamber of Commerce and Industry of Kuala Lumpur & Selangor (KLSCCCI). In the same year, he also assume the role of President for the Association of Energy and Infrastructure Economy.

He has extensive experience in research and project management of properties and projects in a wide range of areas which include electrical engineering and implementation of new innovations. He took up the role of Consulting Engineer in ZED-G&P Sdn. Bhd., an engineering consultancy company involved in green technology and building consultancy from 2010 to 2011. Thereafter, he joined MyBig Sdn. Bhd., an engineering research company. As Chief Technology Officer of MyBig Sdn. Bhd., a position he still holds to-date, he is responsible for the management of research projects, creation and protection of the company's intellectual properties, implementation of new innovations in the development of prototypes, and supervision of engineers and researchers under his care.

He is the director of two engineering consultancy firms, Wee Engineers (registered with the Board of Engineers Malaysia) and Wee Consulting Engineers Sdn. Bhd., where he oversees consultancy for various engineering projects. He currently serves as an Independent Non-Executive Director for ACO Group Berhad listed on the ACE Market and SamAiden Group Berhad, listed on the Main Market of Bursa Malaysia Securities Berhad.

He attended all six (6) Board meetings held during the financial year ended 31 December 2025.

Ir. Dr. Ng Kok Chiang

Independent Non-Executive Director

Male | 45 | Malaysian



Board of Directors' Profile

Christine Toh Hung Mei

Independent Non-Executive Director

Female | **45** | **Malaysian**



Christine Toh Hung Mei was appointed to our Board on 26 May 2023. She is the Chairperson of the Remuneration Committee and a member of the Audit and Risk Management Committee and Nomination Committee.

She graduated from Monash University with a Bachelor of Commerce and Bachelor of Business Systems in 2004 and was admitted as a member of the ACCA in 2009. She also obtained a Bachelor of Laws (Hons) from the University of London (External) in 2012 and completed her Certificate of Legal Practice in 2013. She is currently a Fellow of the Chartered Institute of Arbitrators.

She began her career in BDO McCabe Lo Ltd in Hong Kong in 2006 as an Associate. She left BDO McCabe Co Ltd and joined BDO Binder in Malaysia as an Assistant Manager in 2008 where she focused on external audit. In 2009, she left BDO Binder and joined BDO Consulting Sdn. Bhd. as Assistant Manager where she was in charge of internal audit for listed companies. In 2010, she left BDO Consulting Sdn. Bhd. and joined Prestar Precision Tube Sdn. Bhd. as an Assistant Accounts Manager where she was responsible for the submission of financial reports, preparing annual budgets and assisting in the company's internal and external reporting requirements. During her tenure with Prestar Precision Tube Sdn. Bhd., she was studying for her Bachelor of Laws on a part time basis. Upon obtaining her Bachelor of Laws in 2012, she left Prestar Precision Tube Sdn. Bhd. and commenced her pupillage at Vin & Isaac Lee in 2013. She was called to the Malaysian Bar in 2014 and thereafter continued as an Associate in Vin & Isaac Lee. She left Vin & Isaac Lee in 2016 to join MahWengKwai & Associates as a Legal Assistant and was promoted to Senior Associate in 2018 before being made a Partner in 2019. In 2023, she left MahWengKwai & Associates to set up her own firm, Christine Toh & Co where she currently holds the position of Managing Partner. Her primary practice areas include construction disputes, matrimonial disputes and general litigation. She is also an Independent Non-Executive Director of Sorento Capital Berhad, WTEC Group Berhad and ISF Group Berhad.

She attended all six (6) Board meetings held during the financial year ended 31 December 2025.

Notes:-

1. None of the Directors have any family relationship with any Directors and/or major shareholders of the Company.
2. None of the Directors have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries except the recurrent related party transaction disclosed in the circular to shareholders dated 30 April 2026.
3. None of the Directors have been convicted of any offences in the past five (5) years or been imposed on any public sanction or penalty by relevant regulatory bodies during the financial year ended 31 December 2025, other than for traffic offences (if any).
4. Save as disclosed above, none of the Directors have any other directorship in public companies and listed issuers.

Profile of Key Senior Management

Lim Soo Cheng

Chief Financial Officer

Female | 53 | Malaysian

With over two decades of experience, Lim Soo Cheng holds multiple professional qualifications including a member of the Malaysian Institute of Accountants, a fellow Member of the Association of Chartered Certified Accountants, a Chartered Secretary of the Institute of Chartered Secretaries and Administrators, a member of the Company Secretaries Practice Group of the Malaysian Institute of Chartered Secretaries and Administrators, a Chartered Governance Professional, and a Certified Financial Planner from the Financial Planning Association of Malaysia.

Her career journey began in 1996 as an Administration Officer at Purnama Prima Sdn. Bhd. From there, she progressed through various roles such as Accounts Executive at Kestrel Securities Sdn. Bhd. and Finance and Administrative Manager at Hexatech Sdn. Bhd. In 2008, she joined Hexatech Energy Consolidated Sdn. Bhd. as Finance and Administrative Manager, later rising to the position of Financial Controller. Transitioning to Hexatech Engineering Sdn. Bhd. in 2022, she now serves as Financial Controller, overseeing finance, accounts, tax, legal, and company secretarial functions.

In 2023, she was redesignated as the Chief Financial Officer of the Group, leading the finance, accounts, tax, legal, and company secretarial functions.

Seng Keng Theng

Finance and Credit Manager

Male | 55 | Malaysian

Seng Keng Theng obtained a Diploma in Accounting from RIMA College, Malaysia in 1993.

His career began as an Accounts Clerk at Hexatech Sdn. Bhd. in 1995, where he managed accounting tasks. He later moved to Logikontrol Sdn. Bhd. and then to Del-Flow Marketing Sdn. Bhd., handling accounts and finance responsibilities. Returning to Hexatech Sdn. Bhd. in 2004, he resumed his role as an Accounts Executive. After a few transitions, he joined Hexatech Engineering Sdn. Bhd. in 2007 as an Assistant Manager, rising to Finance Manager in 2010, overseeing finance and administrative matters.

In 2023, he was redesignated as the Finance and Credit Manager of our Group and is in charge of the finance, credit control and administrative matters of our Group.

Chua Geok Ping

Human Resources Manager

Female | 52 | Malaysian

Chua Geok Ping obtained her Professional Diploma in Entrepreneurship & Management from Entrepreneurship Institute International, Malaysia.

Starting her career in 1993 as a Consignment Clerk at Emporium Formosa Sdn. Bhd., she handled accounting entries and administrative tasks. Over the years, she held roles such as Accounts Clerk at various companies including Hanjo Holding Sdn. Bhd. and Hexatech Sdn. Bhd. In 2007, she was promoted to Senior Accounts Executive at Hexatech Energy International Sdn. Bhd., overseeing accounts and payroll. Transitioning to Hexatech Energy Consolidated Sdn. Bhd. in 2013 as a Human Resources Manager, she managed various human resource functions. Joining Hexatech Engineering Sdn. Bhd. in 2022 as a Human Resources Manager, she continues her human resource management responsibilities, overseeing the human resource department including managing employee life cycles, developing recruitment and retention strategies as well as overall recruitment and employee management.

In 2023, she was redesignated as the Human Resources Manager of our Group and is in charge of the human resources department of our Group.



Notes:-

1. None of the key senior management personnel has any family relationship with any Directors and/or major shareholders of the Company.
2. None of the key senior management personnel has any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.
3. None of the key senior management personnel has been convicted of any offences in the past five (5) years or been imposed on any public sanction or penalty by relevant regulatory bodies during the financial year ended 31 December 2025, other than for traffic offences (if any).
4. None of the key senior management personnel holds any directorship in public companies and listed issuers.

Sustainability Statement

HE Group Berhad (“HE Group”) believes that sustainability is closely connected to how we operate and progress as a business. As one of Malaysia’s leading electrical engineering service providers, we deliver turnkey power distribution solutions that support our clients’ needs while contributing to the country’s infrastructure development. We also stay mindful of our duty to operate responsibly and create lasting value for our stakeholders and the communities where we work.

ABOUT THIS STATEMENT

At HE Group, we are committed to expanding the value we create for our stakeholders while advancing sustainable practices within the electrical engineering sector. Sustainability continues to shape how we operate, guiding the way we manage our responsibilities and pursue long-term growth. During the year, we conducted a materiality review to better understand the sustainability matters that are most relevant to our business and stakeholders. The insights gained from this process help inform our priorities and support the development of practical strategies to address key risks while capturing opportunities that contribute to responsible and sustainable progress.

Scope and Boundary

This Sustainability Statement (“SS2025”) shares how we manage sustainability across our operations and the progress we have made over the past year. The scope of this statement covers HE Group’s business activities across our operational segments in Malaysia, including our wholly owned subsidiary, Hexatech Engineering Sdn. Bhd. (collectively referred to as “the Group”).

Reporting Period

The information presented in SS2025 reflects our sustainability-related risks, opportunities, data and initiatives for the financial year from 1 January 2025 to 31 December 2025 (“FYE 2025”).

Reporting Cycle

We publish our Sustainability Statement annually as part of our financial reporting cycle.

Reporting Guidelines

This statement has been prepared in accordance with the following requirements:

- Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition)
- Malaysian Code on Corporate Governance 2021

Sustainability Statement

In anticipation of evolving regulatory expectations, the Group has aligned this statement with the International Financial Reporting Standards (“IFRS”) International Sustainability Standards Board (“ISSB”) S1 and S2, as well as the Sustainability Accounting Standards Board (“SASB”) standards for Engineering & Construction Services – Infrastructure Sector (“IF-EN”).

In addition, reference has been made to the United Nations Sustainable Development Goals (“SDGs”), Global Reporting Initiative (“GRI”) Standards, and the FTSE4Good ESG indicators in preparing this statement.

Assurance Statement

SS2025 has been internally reviewed and approved by our Board of Directors on 14 April 2026. The information and data disclosed in this statement have been verified by the respective data owners across the Group to ensure their accuracy.

Feedback and Inquiries

We welcome your feedback and suggestions. Please direct any comments or inquiries to ir@hexatech.com.my.

OUR APPROACH TO SUSTAINABILITY

At HE Group, our approach to sustainability is centred on integrating responsible and sustainable practices across our operations to create long-term value for our stakeholders. As an electrical engineering service provider supporting critical infrastructure, we pursue expansion opportunities while remaining mindful of the sustainability considerations shaping our industry. At the same time, we actively identify and manage sustainability-related risks to ensure our business remains resilient and responsive to evolving expectations.

Our commitment to responsible practices is supported by a strong governance structure that promotes accountability and transparency. We also maintain regular dialogue with our stakeholders to better understand their perspectives and expectations, enabling us to align our strategies with evolving needs. In recognition of these efforts, HE Group received a **FTSE4Good ESG Rating of three (3) stars** in its first year of listing on the Main Market under the Industrial Products & Services sector, reflecting our growing commitment to sound economic, environmental, social and governance practices.



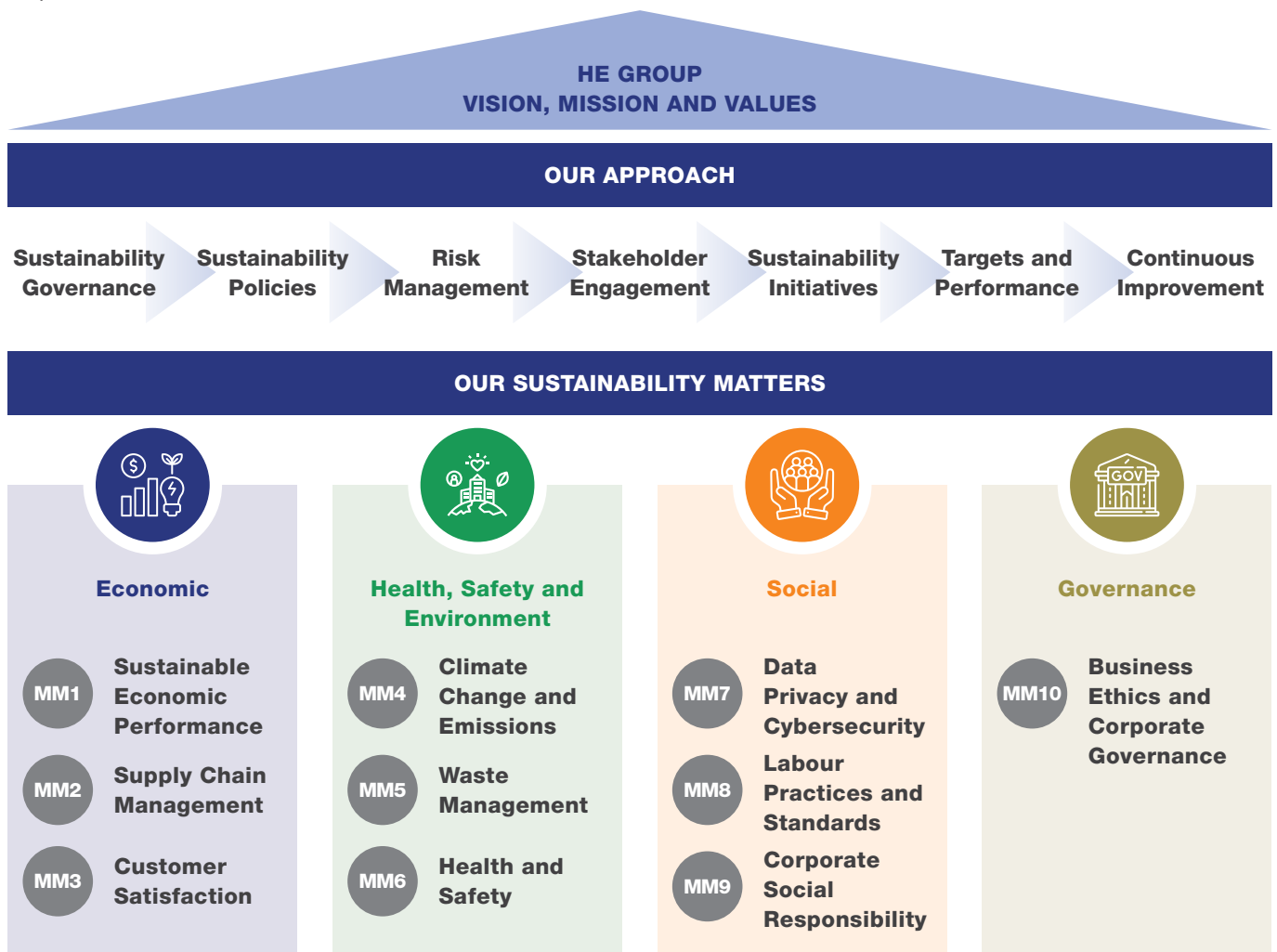
As we move forward, we remain committed to further strengthening how sustainability is embedded across our operations.

Sustainability Statement

SUSTAINABILITY FRAMEWORK

Our Sustainability Framework outlines how we approach sustainability across our business. It guides the way we identify and prioritise sustainability-related risks and opportunities, while remaining aligned with the SDGs.

Our sustainability commitments are informed by national development priorities, including the Thirteenth Malaysia Plan, and support the principles of Ekonomi MADANI in accelerating sustainable and inclusive growth. The framework also helps us embed sustainability considerations into our operations and decision-making as we continue to evolve as a resilient and responsible business.



Outcomes: Achieve our Vision and Mission as well as the SDGs whilst contributing to the national agenda.



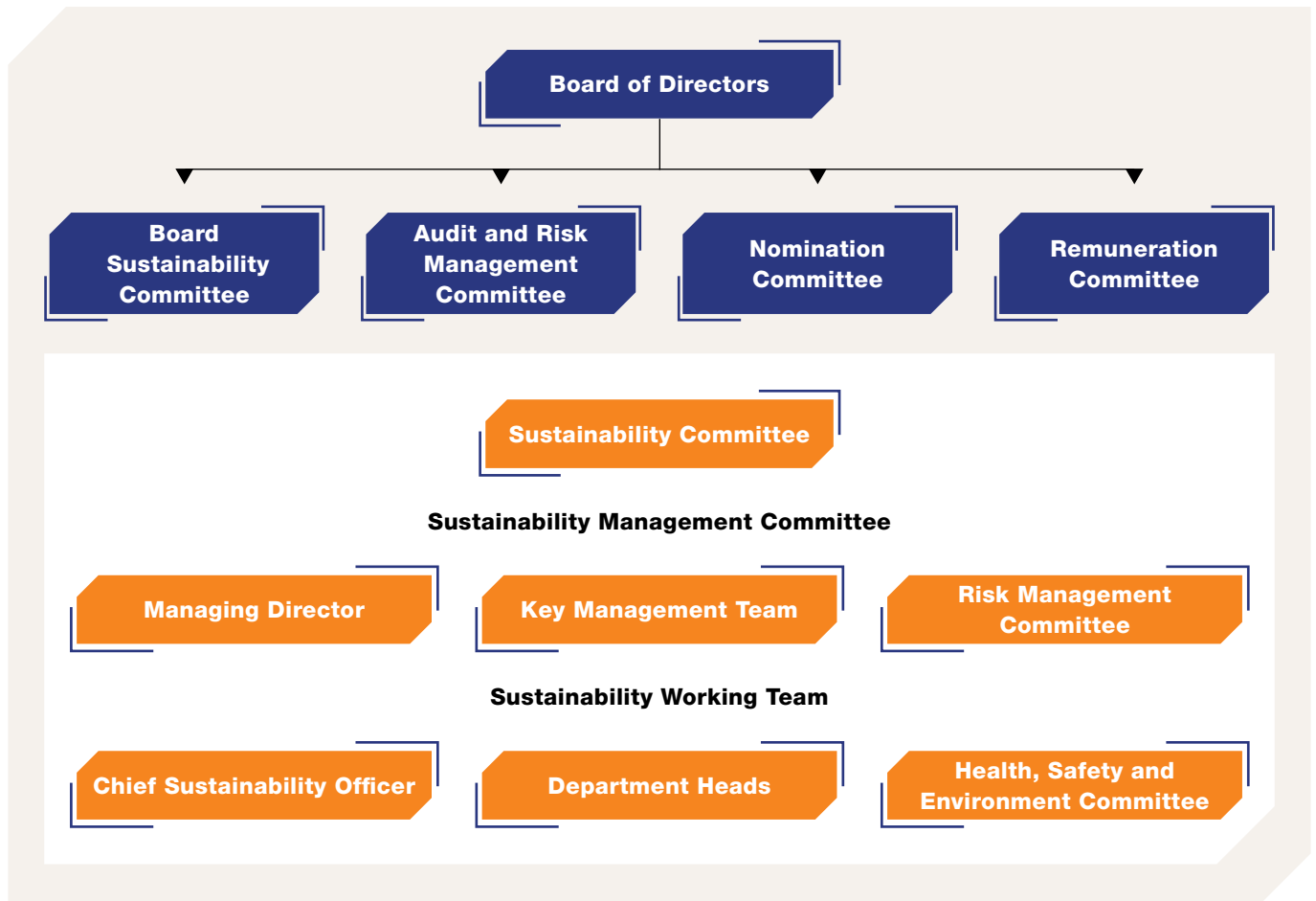
Sustainability Statement

SUSTAINABILITY GOVERNANCE

The Group's transfer from the ACE Market to the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") in November 2025 reflects our commitment to strong governance and responsible business practices. The move also aligns the Group more closely with the expectations of a broader and more diverse investor base as we continue to grow our long-term value creation abilities.

With this milestone comes more rigorous regulatory requirements and higher disclosure standards. In response, we have further bolstered our governance framework to ensure that our structures and processes remain robust and effective. This includes stronger oversight by the Board of Directors ("the Board") and its committees, supported by augmented internal controls and clearer reporting processes across the Group.

An overview of our updated sustainability governance structure is set out below.



Sustainability Statement

The responsibilities and activities of the Board and committees are set out below:

I

BOARD OVERSIGHT



Board of Directors

The Board is ultimately responsible for setting the Group's strategic direction on sustainability, including oversight of sustainability-related risks and opportunities across sustainability matters. The Board provides guidance and oversight of our sustainability initiatives, including the development of our overall sustainability strategy and targets, oversight of our materiality assessment process, and the identification of climate-related risks and opportunities. The Board also ensures the holistic integration of sustainability principles across all operational areas, fostering a strong sustainability culture throughout the Group.

The Board ensures that sustainability is fully integrated into our overall corporate strategy and approves the resources required for the effective management of the Group's sustainability initiatives. In fulfilling this role, the Board considers climate-related risks and opportunities when reviewing strategy, performance objectives and risk management frameworks, and assesses how these are designed to address sustainability-related risks and opportunities and align with stakeholder expectations and our business model, long-term strategy, and net-zero transition.

As part of its strategic decision-making, including the evaluation of major transactions, the Board considers the potential impacts of such transactions on the Group's sustainability-related risks and opportunities as and when they arise.

To support the Board in executing its sustainability oversight responsibilities, a dedicated Board Sustainability Committee ("BSC") was established in 2024.



Board Sustainability Committee

As part of the Group's first year of transition towards alignment with IFRS sustainability disclosure requirements, the Group is establishing a Board Sustainability Committee ("BSC") to strengthen its sustainability governance framework.

The BSC will oversee and approve the Group's sustainability strategy, targets, policies, and sustainability statement, and provide guidance to the Board on emerging sustainability matters. Its Terms of Reference will set out its mandate and responsibilities.

The BSC will comprise five (5) members, including two (2) executive directors and three (3) independent non-executive directors, and will meet at least half yearly to review sustainability developments, challenges, and related risks and opportunities. Members will bring relevant sustainability expertise. Where appropriate, the BSC will engage an independent sustainability advisor and external experts to provide strategic advice, briefings, and training.

The BSC will work with management to establish sustainability-related targets aligned with the Group's strategy and risk management processes, and oversee their implementation. Progress against these targets will be reviewed at least annually, in line with internal reporting cycles.

The Group will continue to enhance and align its sustainability governance framework with IFRS sustainability disclosure requirements as implementation progresses.

Sustainability Statement



Audit and Risk Management Committee

The Audit and Risk Management Committee (“ARMC”) is responsible for overseeing the Group’s financial reporting and performance, internal audit and assurance activities (including assurance over sustainability-related metrics), integrity and governance functions, and the effectiveness of our overall control and governance framework. The ARMC also oversees the identification and management of the Group’s overall risks, including sustainability-related risks.

In addition, the ARMC evaluates and reviews the development and execution of our sustainability vision, strategy, framework, initiatives, policies, and practices, with a focus on identifying opportunities for alignment with the Group’s broader operations and business objectives. This includes assessing our sustainability framework and key sustainability issues to ensure alignment with emerging local and global trends, while considering resource availability and capability feasibility. The ARMC also assists the Board in the preparation of the Sustainability Statement.



Remuneration Committee

The Remuneration Committee (“RC”) is responsible for the development and implementation of the Group’s remuneration policy for Board members and management, including the consideration of sustainability-related performance. In fulfilling this role, the RC ensures that executive remuneration and incentive structures are aligned with sustainable and responsible business practices, supporting accountability for long-term value creation.



Nomination Committee

The Nomination Committee (“NC”) is responsible for identifying and recommending individuals for Board positions, managing the selection and nomination process to ensure that both the Board and the BSC possess the appropriate skills, expertise, and diversity to effectively oversee and guide the Group’s sustainability strategy. This includes facilitating inclusive representation by considering diversity in skills, gender, knowledge, expertise, experience, age, and cultural backgrounds.

Sustainability Statement

II

MANAGEMENT'S ROLE IN GOVERNANCE



Sustainability Management Committee

Management's role in assessing and monitoring sustainability-related risks and opportunities is embedded within the Sustainability Management Committee ("SMC"), which comprises the Key Management Team and is chaired by the Managing Director, who provides oversight and reports directly to the BSC.

The SMC supports the BSC in the strategic management of our sustainability-related risks and opportunities, including overseeing the materiality assessment process, developing sustainability strategies and policies, and monitoring the day-to-day implementation of sustainability actions in line with the Group's overall strategy. It also recommends and develops sustainability-related metrics and targets, evaluates progress against them, and supports the preparation of our Sustainability Statement.

In addition, the SMC evaluates the performance and adequacy of resources dedicated to sustainability compliance, recommends improvements, and ensures alignment between our sustainability policies, strategies, and targets. It ensures that sustainability risks are accurately represented and integrated into the Group's overall risk profile, oversees stakeholder engagement, implements responsive mechanisms for sustainability-related grievances, and identifies material sustainability risks and opportunities while monitoring the effectiveness of the actions we take to address them.

The Sustainability Working Team ("SWT") convenes once a month and regularly receives updates on sustainability-related targets. Headed by the Chief Sustainability Officer with representation from our department heads and the Health, Safety and Environment ("HSE") Committee, the SWT provides reports to the SMC. The SMC reviews sustainability-related matters and provides direction, escalating key risks and opportunities to the BSC. The BSC delivers half-yearly updates to the Board on any potential financial effects of sustainability-related risks and opportunities on the Group's consolidated financial statements that would provide material information, including targets and progress against non-financial metrics.

III

IMPACT OF SUSTAINABILITY ON REMUNERATION POLICIES

The RC is responsible for developing and implementing the remuneration policy for the Board, its committees, and our management team.

Achieving sustainability-related targets requires the collective effort of all entities, operations, and individuals. In 2024, specific targets were assigned to our Key Management Team according to their roles, ensuring accountability for progress, and performance against these targets was assessed during annual appraisals, influencing remuneration, including salary and bonuses, as well as eligibility for promotion.

Sustainability Statement

IV

RISK MANAGEMENT

The Group has established processes and policies to identify and assess sustainability-related risks, including climate-related risks.

Our risk assessment process incorporates both qualitative and quantitative factors, taking into account the nature, likelihood and potential magnitude of risks. Sustainability-related risks are identified through a materiality assessment conducted together with other Group risks. Once identified, these risks and opportunities are prioritised and monitored according to a defined process.

The ARMC is responsible for identifying and managing overall risks across the Group, integrating sustainability-related risks into our broader risk management framework, and reporting to the Board. Risks are prioritised based on severity and likelihood, considering potential financial impacts, operational disruptions, and regulatory changes, with the Board approving the prioritised risks. Sustainability-related opportunities are managed in coordination with the SMC, which reports to the Board and ensures these opportunities are considered with other business opportunities.

Monitoring of sustainability-related risks and opportunities is conducted individually against the metrics and targets for which each manager is responsible. These metrics and targets are reported to the SMC on a regular basis, ensuring continuous oversight and alignment with our overall strategy.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement is an important part of the Group's approach to sustainability. Maintaining open dialogue with our stakeholders helps us better understand their perspectives, expectations and concerns, allowing us to respond more effectively to evolving business and sustainability considerations. Throughout the year, we engage with our stakeholders through structured communication channels tailored to the needs of each stakeholder group. These interactions support meaningful two-way communication and provide valuable insights that enhance our risk management processes and guide informed decision-making.

The table below outlines our key stakeholder groups, their key areas of interest, and the engagement methods we use to address these matters.

INVESTORS/ SHAREHOLDERS 	Key Areas of Interest	Our Engagement Methods and Channels
	• Business continuity and long-term performance • Shareholder returns • Risk management and governance practices • Transparent and timely disclosures	• Annual and Extraordinary General Meetings • Website updates and announcements to Bursa Securities • Investor briefings • Press releases and updates on business strategies and performance

Sustainability Statement

CUSTOMERS



Key Areas of Interest

- Service quality and customer satisfaction
- Product quality and safety
- Competitive pricing
- Timely delivery of products and services
- Regulatory compliance

Our Engagement Methods and Channels

- Customer satisfaction surveys
- Site visits and project discussions
- Industry networking conferences
- ISO 9001 quality management practices
- Meetings and technical requirement briefings

EMPLOYEES



Key Areas of Interest

- Fair employment practices
- Professional development opportunities
- Occupational health and safety
- Competitive compensation and benefits
- Work-life balance

Our Engagement Methods and Channels

- Management communication sessions
- Training and professional development programmes
- Performance appraisal and feedback sessions
- Health and safety awareness and training
- HSE Committee to facilitate the maintenance of a safe and respectful workplace

SUPPLIERS



Key Areas of Interest

- Ethical and responsible procurement practices
- Supply chain reliability and collaboration
- Support for local suppliers
- Health and safety standards

Our Engagement Methods and Channels

- Transparent procurement standards
- Policy and procedure briefings
- Supplier assessments and audits
- Local supplier engagement initiatives
- HSE meetings

COMMUNITIES



Key Areas of Interest

- Community welfare and development
- Protection of community health, safety and the environment
- Local employment opportunities

Our Engagement Methods and Channels

- Engagement with local community members
- Participation in community initiatives
- Implementation of environmental and safety policies
- Local hiring and purchasing practices

GOVERNMENT/ REGULATORY AUTHORITIES



Key Areas of Interest

- Alignment with government policies and initiatives
- Compliance with regulatory and statutory requirements

Our Engagement Methods and Channels

- Alignment of business and operational practices with national priorities
- Participation in regulatory briefings and seminars
- Implementation and monitoring of governance policies

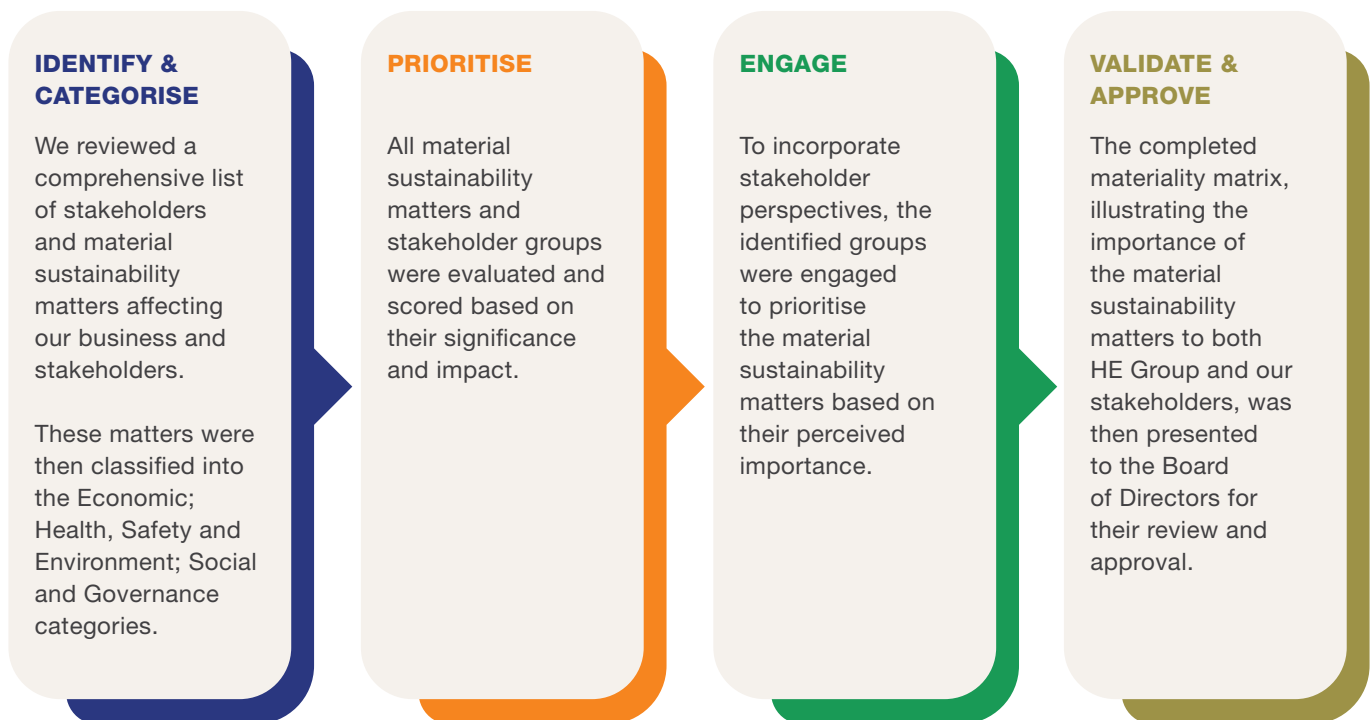
Sustainability Statement

MATERIALITY

A materiality assessment helps us identify and prioritise the sustainability matters that are most significant to the Group and our stakeholders. It forms an important part of our sustainability approach by helping us focus our resources on the areas that have the greatest influence on our long-term value creation and risk management.

Engaging with our key stakeholders allows us to better understand their evolving expectations while identifying emerging risks and opportunities that may affect our business. The insights gathered through this process help guide our strategic priorities and support informed decision-making, ensuring alignment between our business objectives and stakeholder interests.

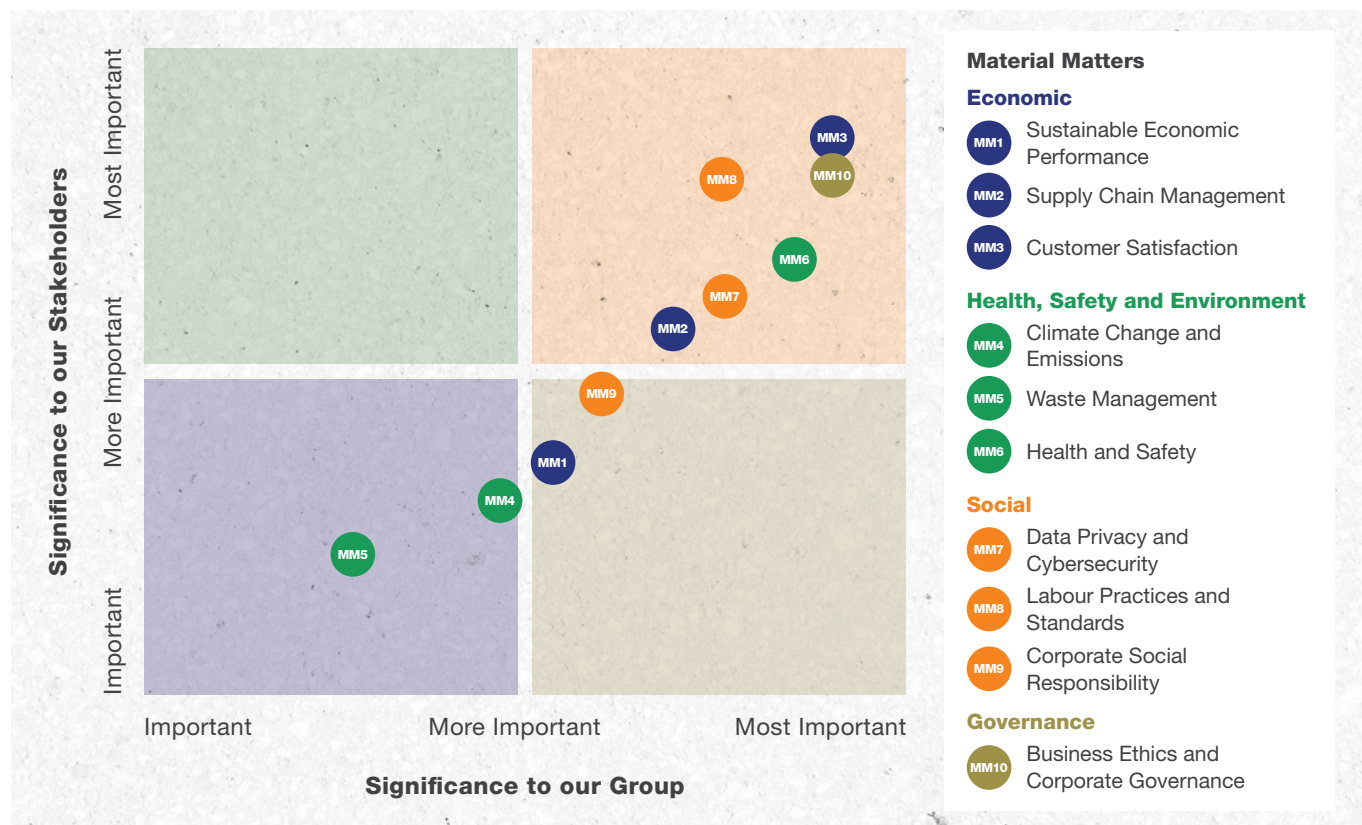
Our materiality assessment was carried out through a structured and systematic process. This approach helps ensure that our sustainability priorities remain aligned with stakeholder expectations and business needs, while also taking into account emerging sustainability considerations. The key phases of our materiality assessment process are outlined below:



In FYE 2025, we conducted a materiality review to reassess the relevance and impact of our identified material matters. The results confirmed that our existing sustainability priorities remain appropriate and continue to reflect our current operations, industry landscape and stakeholder expectations.

Sustainability Statement

Materiality Matrix



The materiality matrix above illustrates how our identified sustainability matters are prioritised based on their relative significance to the Group and our stakeholders. Matters positioned in the upper-right quadrant represent those of highest importance to both parties and therefore receive greater strategic focus and governance oversight.

For FYE 2025, the material matters identified as most significant include MM3: Customer Satisfaction, MM10: Business Ethics and Corporate Governance, and MM8: Labour Practices and Standards. These priorities reflect our continued focus on maintaining strong relationships with our customers, upholding high standards of integrity and governance, and fostering fair and responsible employment practices. Together, these areas support the Group's long-term sustainability and increase stakeholder trust.

Other material matters within the matrix continue to support and reinforce our overall sustainability approach. These include MM1: Sustainable Economic Performance and MM2: Supply Chain Management, which are essential to maintaining operational resilience and responsible procurement practices. Environmental considerations such as MM4: Climate Change and Emissions and MM5: Waste Management guide our efforts to manage our environmental impacts, while MM6: Health and Safety remains central to ensuring a safe working environment for our employees and partners. In addition, MM7: Data Privacy and Cybersecurity and MM9: Corporate Social Responsibility reflect our commitment to responsible business practices and positive community engagement.

While some matters are positioned lower on the matrix relative to others, they remain important components of our broader sustainability agenda. We continue to monitor these areas and allocate appropriate resources to address them, ensuring that our sustainability approach remains balanced and responsive to stakeholder expectations.

Sustainability Statement

SUSTAINABILITY RISK MANAGEMENT

Effective oversight of sustainability-related risks is an important part of how the Group protects long-term value and improves our resilience. Rather than viewing sustainability as a compliance exercise, we consider sustainability factors as elements that can shape our operating environment, influence stakeholder trust and affect our competitive position.

In FYE 2025, we continued to tighten the integration of sustainability considerations into our enterprise risk management processes. This allows us to better anticipate emerging risks and respond more effectively to changing industry conditions. At the same time, we recognise that sustainability challenges can also create opportunities that support innovation and operational improvement.

The table below outlines our material sustainability matters, the key risks associated with each, and the opportunities we seek to leverage to support responsible growth and long-term value creation.

 ECONOMIC		
	Risks	Opportunities
MM1 Sustainable Economic Performance	Ignoring sustainability factors may weaken financial performance and limit long-term value creation.	Embedding sustainability into economic performance boosts our resilience and improves operational efficiency. It also extends our ability to attract responsible investment.
MM2 Supply Chain Management	Unethical or unsustainable practices within the supply chain may damage the Group's reputation and weaken stakeholder trust.	Adopting responsible supplier selection and developing long-term partnerships increase supply chain resilience and support ethical sourcing.
MM3 Customer Satisfaction	Failure to meet customer expectations may reduce customer confidence and affect revenue.	Delivering reliable solutions and responsive service improves customer loyalty and supports sustainable business growth.

Sustainability Statement



HEALTH, SAFETY AND ENVIRONMENT

	Risks	Opportunities
MM4 Climate Change and Emissions	Poor management of climate-related impacts may lead to regulatory exposure and disrupt operations.	Reducing greenhouse gas ("GHG") emissions improves operational efficiency and supports national climate commitments. It also solidifies our position as a responsible industry participant.
MM5 Waste Management	Failure to comply with proper waste management practices may result in regulatory penalties and reputational harm.	Effective waste management reduces environmental impact and reinforces our reputation among stakeholders.
MM6 Health and Safety	Workplace incidents may affect productivity and expose the Group to legal liabilities.	Maintaining strong safety practices protects employee well-being and supports a safe working environment.



SOCIAL

	Risks	Opportunities
MM7 Data Privacy and Cybersecurity	Weak data protection measures may expose the Group to data breaches and legal consequences.	Strong cybersecurity practices protect sensitive information and reinforce stakeholder trust.
MM8 Labour Practices and Standards	Unfair labour practices may increase employee turnover and affect workforce morale.	Fair employment practices and equal opportunities support a positive work environment and improve employee engagement.
MM9 Corporate Social Responsibility	Limited engagement with local communities may weaken relationships and affect the Group's reputation.	Supporting community initiatives builds relationships and underscores our role as a responsible corporate citizen.

Sustainability Statement

	GOVERNANCE	Risks	Opportunities
MM10	Business Ethics and Corporate Governance	Weak governance or compliance practices may damage the Group's reputation and affect long-term sustainability.	Strong ethical standards and governance practices reinforce transparency and deepen stakeholder confidence.

PERFORMANCE SCORECARD

Our sustainability performance scorecard translates our sustainability priorities into measurable indicators and clear targets. It provides the Group with a consistent way to monitor progress, evaluate outcomes and identify areas for improvement. Linking priorities with defined indicators also raises accountability across our organisation and supports informed decision-making.

In FYE 2025, we introduced a set of targets to guide the implementation of our sustainability initiatives and track progress across key areas. These targets provide an initial benchmark as we continue to fortify our internal data collection and reporting processes. They also support greater transparency while establishing a stronger foundation for measuring our sustainability performance. Over time, they will enable us to better assess our impact and guide our continuous improvement.

FYE 2025 PERFORMANCE SCORECARD		
Material Matters	Targets	Performance
MM1 Sustainable Economic Performance	Maintain positive economic value distributed to stakeholders	Refer to Direct Economic Contributions table under MM1: Sustainable Economic Performance
MM2 Supply Chain Management	Achieve >80% procurement from local suppliers	99.98%
	Ensure >70% of suppliers comply with vendor policy	70.5%
MM3 Customer Satisfaction	Achieve customer satisfaction score of >75%	99%
	Ensure customer complaint resolution within seven (7) working days on average	Five (5) working days on average

Sustainability Statement

FYE 2025 PERFORMANCE SCORECARD

Material Matters	Targets	Performance
MM4 Climate Change and Emissions	Reduce Scope 1 (1,254.60 tCO ₂ e) and Scope 2 (110.43 tCO ₂ e) GHG emissions by 0.5% and 1.0% respectively by FYE 2028 (baseline: FYE 2025)	Not applicable
MM5 Waste Management	Ensure 100% of hazardous waste is handled by licensed contractors	100%
MM6 Health and Safety	Achieve zero (0) fatalities Ensure 10% of employees receive annual safety training Maintain zero (0) Lost Time Incident Rate ("LTIR")	Zero (0) fatalities 6.8% Zero (0) LTIR
MM7 Data Privacy and Cybersecurity	Maintain zero (0) cybersecurity breaches Ensure at least 10% of employees complete cybersecurity awareness training annually	Zero (0) breaches Plans under development for upcoming implementation
MM8 Labour Practices and Standards	Maintain zero (0) cases of human rights infringement Provide 5 hours of training per employee annually Achieve at least 20% female representation in management	Zero (0) cases 8.1 hours 21.4%
MM9 Corporate Social Responsibility	Conduct at least one (1) community engagement programme annually Achieve 5% employee participation in volunteer programmes	One (1) programme conducted Plans under development for upcoming implementation
MM10 Business Ethics and Corporate Governance	Provide annual anti-bribery and corruption training to 100% of employees and Board members	Plans under development for upcoming implementation

Sustainability Statement

SUSTAINABILITY-RELATED POLICIES

The Group's Sustainability Policy complements our existing internal policies, several of which are outlined below. Together, they form a cohesive framework that guides how we identify and manage key sustainability matters while reinforcing strong governance across our operations.

We regularly review and update these policies to ensure they remain relevant and effective. This allows the Group to stay aligned with evolving industry expectations and recognised best practices, while maintaining a clear and consistent approach to responsible business conduct.



For more detailed information about our policies, please visit <https://www.hexatech.com.my/corporate-governance-meetings.html>.

MANAGEMENT APPROACH TO MATERIAL MATTERS

Managing our material sustainability matters is central to protecting the Group's long-term performance and resilience. We integrate sustainability considerations into our strategic planning and risk management processes so that we remain responsive to evolving stakeholder expectations and regulatory changes. Alignment with national priorities and broader global sustainability goals also helps ensure the Group remains relevant and competitive in a changing business environment.

The sections that follow explain how we manage each material matter, including the actions in place to address our key sustainability considerations.

Sustainability Statement



ECONOMIC



MM1

Sustainable Economic Performance

MM2

Supply Chain Management

MM3

Customer Satisfaction

The Group delivers comprehensive turnkey solutions supported by strong electrical and mechanical engineering expertise across building services, energy, automation and semiconductor sectors. Our work in designing and delivering infrastructure that is reliable, resilient and built for long-term performance contributes to global sustainability priorities, particularly SDGs 7 and 9.

Alongside this, the Group promotes responsible consumption and production across our operations. Sustainable procurement practices and adherence to recognised standards and certifications support the quality and reliability of our solutions. This approach also bolsters customer confidence in the products and services we deliver.

MM1

Sustainable Economic Performance

Sustainable economic performance is a cornerstone of the Group's long-term value creation and responsible growth. We balance financial performance with social and environmental considerations so that our business contributes to broader and more inclusive economic development. This approach sharpens our ability to respond to changing market conditions while managing risks and capturing emerging opportunities.

Over the years, the Group has built a strong reputation in delivering power distribution systems for critical industries, including semiconductor, medical device, and electrical and electronics sectors. Our engineering expertise and innovative solutions position us well to support Malaysia's high-value industries as the nation continues to level up its industrial capabilities through initiatives such as the Fourth Industrial Revolution Policy Malaysia, New Industrial Master Plan 2030, and Malaysia Digital Economy Blueprint.

In this connection, we focus on raising economic value by encouraging innovation, improving operational efficiency and maintaining responsible procurement practices. These efforts support stable employment and allow us to continue investing in the communities where we operate. The table below illustrates how the economic value generated by the Group is distributed among our stakeholders.

Direct Economic Contributions (MYR)

	FYE 2025	FYE 2024
Revenue	123,280,684	206,909,946
Tax Expenses	3,846,664	5,286,990
Employee Wages and Benefits	10,635,601	9,295,490
Dividend	1,980,000	1,760,000

Sustainability Statement

MM2**Supply Chain Management****Supplier Engagement and Responsible Sourcing**

The Group values strong and constructive relationships with our suppliers, recognising that collaboration plays a vital role in advancing sustainability practices across our value chain. Through regular communication and periodic reviews, we align expectations and promote responsible business conduct, supporting long-term partnerships built on trust and shared progress.

This approach ensures that environmental and social considerations are embedded in our supplier selection and engagement processes. We prioritise vendors that comply with applicable labour regulations and demonstrate responsible and ethical business practices.

Suppliers are required to formally acknowledge and comply with the Group's Anti-Bribery and Corruption Policy, Vendor Policy and Sustainability Policy, which outline our expectations on ethical conduct, labour standards and environmental responsibility. They are expected to adhere to our procurement standards, ensuring that materials and components are responsibly sourced and traceable where relevant. Suppliers must strictly prohibit forced labour, child labour and other exploitative practices, while fully complying with all applicable laws and regulations, including those relating to occupational health and safety and environmental protection.

To further strengthen accountability, we will enhance supplier engagement and enforcement mechanisms to increase vendor policy compliance beyond 80%, improving on the current baseline of 70.5%.

As part of this commitment, we remain vigilant to potential risks related to forced labour, modern slavery and human trafficking across both new and existing operations. Regular assessments enable us to identify and address labour-related concerns at an early stage, reinforcing our commitment to ethical labour practices and responsible supply chain management.

Responsible Procurement Practices

Reliable and high-quality power solutions depend on strong procurement practices. The Group follows a structured and transparent approach when sourcing materials, services and subcontractors, ensuring that our procurement decisions support both project requirements and our broader operational standards.

Vendors undergo a due diligence process that reviews safety performance, environmental responsibility and product quality. Technical capability and regulatory compliance are also assessed to confirm that our partners are well positioned to support the successful delivery of projects. In conjunction with these practices, some projects require specialised design expertise. In these cases, our in-house engineers collaborate with qualified external partners to produce practical and efficient solutions. Clients remain closely informed throughout the process, supported by clear proposals and transparent pricing structures.

Critical electrical equipment is sourced in accordance with the client's technical specifications or through approved suppliers to ensure compatibility with project requirements. Subcontractors, including those nominated by clients, are also carefully assessed to confirm that their capabilities and track record meet our quality and safety expectations.

Sustainability Statement

Commitment to Local Procurement

Local procurement remains an important part of our approach as we seek to support local economic expansion while heightening the resilience of our supply chain. In FYE 2025, almost all of the Group's procurement spending was directed to Malaysian suppliers, reflecting our continued commitment to working with local businesses and partners.

In addition to supporting domestic economic activity, sourcing locally enables us to operate more efficiently. Shorter supply chains reduce transportation distances, contributing to lower logistics-related emissions while improving delivery timelines and project coordination. This allows the Group to respond more quickly to project requirements while maintaining high standards of quality and reliability, while also raising supply responsiveness.

Proportion of Spending on Local Suppliers

Period	Total Amount of Spending on All Suppliers (MYR)	Total Amount of Spending on Local Suppliers (MYR)	Proportion of Spending on Local Suppliers
FYE 2025	101,844,807	101,819,441	99.98%
FYE 2024	169,785,303	148,884,730	87.69%

MM3 Customer Satisfaction

Customer satisfaction remains central to the way the Group operates. Every project is delivered with careful attention to detail and a clear focus on meeting our clients' technical and operational requirements. As a provider of specialised electrical engineering solutions, we follow a structured project approach that aligns closely with customer specifications. This ensures the systems we deliver meet demanding industry benchmarks voltage stability and frequency consistency, among others. Maintaining this level of precision is critical, as even minor power fluctuations can affect the performance of our clients' sensitive equipment.

The importance of reliable power infrastructure continues to grow as Malaysia solidifies its position in high-value industries such as semiconductor manufacturing and advanced electronics. These sectors depend on stable electrical systems to maintain operational continuity and protect highly sensitive equipment. As the country stimulates industrial development through initiatives such as the New Industrial Master Plan 2030 and the National Semiconductor Strategy, demand for dependable power solutions continues to increase. The Group's engineering expertise positions us well to support these industries with infrastructure designed for reliability and long-term performance.

Supporting our clients extends beyond system delivery. The Group remains engaged throughout the full lifecycle of our solutions, including maintenance, warranty support and defect management. Close collaboration with customers allows our technical and client support teams to respond to operational requirements and provide timely assistance when needed. Regular engagement sessions and structured communication channels also ensure that clients remain informed on project progress, as well as system and service performance.

Sustainability Statement

Commitment to Quality Excellence

Our focus on quality is reinforced by recognised industry certifications. The Group holds a Class A Electrical Contractor certification from the Energy Commission Malaysia and Grade 7 Mechanical and Electrical Contractor status with the Construction Industry Development Board. In addition, we maintain certification to ISO 9001:2015 for the supply, installation, maintenance and servicing of mechanical and electrical systems. These credentials provide assurance that our projects are delivered in line with established quality management standards and industry expectations.



Satisfying Our Clients

The Group conducts periodic customer satisfaction surveys to assess key aspects of our performance, including system reliability, responsiveness, communication effectiveness and the overall service experience. Insights from these surveys provide valuable input for refining our service delivery and engagement.

In FYE 2025, we delivered strong service performance, achieving a customer satisfaction score of 99% – well above our 75% target – while reducing average complaint resolution time to five working days from the seven-day target.

All feedback and complaints received during the year were addressed promptly. Matters were escalated to the relevant technical and service teams for investigation and corrective action where necessary. Root cause analyses were conducted to prevent recurrence and bolster internal processes, reinforcing the Group's commitment to reliable service delivery.



The Group is committed to managing HSE matters responsibly across our operations. Maintaining safe workplaces and minimising our environmental impact are important priorities as we deliver engineering solutions across diverse project environments.

With this commitment in place, we implement structured management practices and operational controls to support employee well-being and reduce workplace risks while protecting the environment. These efforts form an important part of our broader sustainability approach and contribute to global sustainability priorities, including SDGs 3, 12 and 13. The following section outlines how the Group manages our environmental and health and safety material matters, including the policies and practices in place to support safe and sustainable operations.

Sustainability Statement

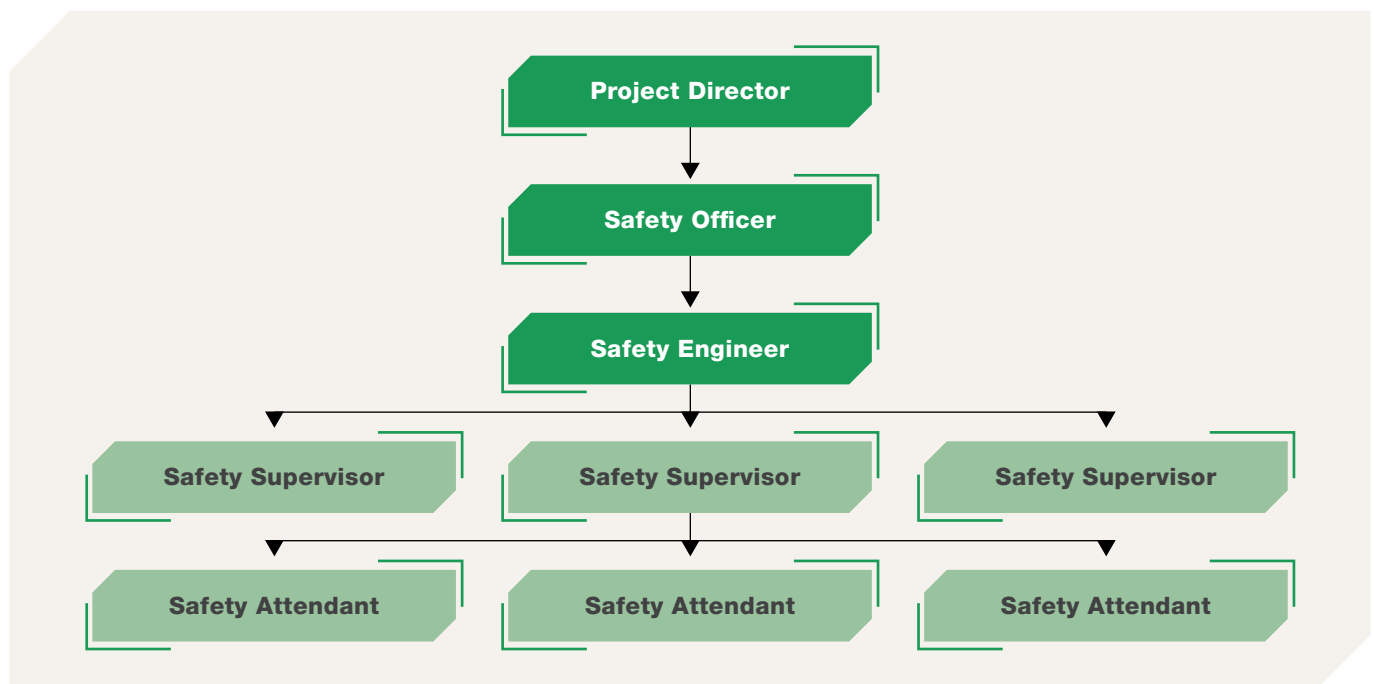
HSE Policy

The Group is committed to maintaining high standards of HSE performance across our operations. Our HSE Policy provides a framework that guides how we manage environmental impact, safeguard employee well-being and maintain safe working conditions across our projects and facilities.

The Group applies the following principles in managing our HSE matters:

- Establish a clear HSE governance structure that encourages participation from both employees and management.
- Minimise the use of virgin materials where practicable and prioritise responsible resource use.
- Reduce waste and optimise resource efficiency by applying the principles of Reduce, Reuse, Recycle and Recover (“4Rs”).
- Minimise air pollution and reduce GHG emissions where possible.
- Conserve water and energy through efficient technologies and responsible operational practices.
- Explore the adoption of renewable energy and alternative water sources where suitable.
- Implement structured HSE risk management to identify, assess and address potential risks and hazards.
- Prevent workplace incidents and injuries while maintaining systems for monitoring and reviewing safety performance.
- Enhance our HSE practices through continuous improvement supported by measurable targets.
- Encourage stakeholder participation through engagement, training and awareness programmes.
- Protect biodiversity and minimise environmental disturbance across our activities.
- Comply with applicable statutory, legal and regulatory HSE requirements.
- Align our practices with recognised environmental, health and safety management system standards.

HSE Committee



Sustainability Statement

The Group's commitment to workplace safety and environmental responsibility is supported by an established HSE Committee. The committee plays a key role in guiding the implementation of our safety practices and ensuring that our operations remain aligned with regulatory requirements and internal standards. Just as importantly, it helps foster a culture where employees remain aware of safety responsibilities and environmental considerations in their daily work.

The committee oversees the identification of workplace hazards, the implementation of safety measures and the monitoring of compliance across our project sites. Regular coordination among committee members helps ensure that potential risks are addressed early and that safety practices are applied consistently throughout our operations.

The HSE Committee brings together personnel with specialised responsibilities to support effective oversight and implementation:

- **Project Director** – Provides overall leadership for our HSE initiatives, ensures alignment with regulatory requirements and supports the allocation of resources needed to implement safety measures.
- **Safety Officer** – Oversees the implementation of our safety policies, conducts risk assessments and monitors our adherence to established procedures.
- **Safety Engineer** – Evaluates technical safety considerations and establishes engineering controls to manage operational risks.
- **Safety Supervisor** – Oversees daily site activities and ensures workers follow established safety guidelines.
- **Safety Attendant** – Supports on-site safety practices, assists with emergency preparedness and ensures the proper use of protective equipment.

Emergency Preparedness and Response

Maintaining a safe working environment requires preparedness for unexpected situations. To support this, the Group has established a dedicated Emergency Response Team trained to respond quickly and effectively to workplace emergencies, including major incidents. In line with this, we continue to increase our workforce's readiness through health and safety training programmes that equip them with the knowledge and practical skills needed to respond confidently and responsibly in emergency situations.

HSE Compliance

Compliance with HSE regulations is a fundamental part of our operational practices. The Group adheres to key regulatory frameworks, including the Occupational Safety and Health Act 1994, Factories and Machinery Act 1967 and Environmental Quality Act 1974, as well as relevant regulatory orders and industry codes of practice. These requirements are integrated into our project planning and operational processes to ensure consistent compliance throughout the project lifecycle. During the reporting year, the Group maintained full compliance with applicable HSE regulations, with no fines, penalties or community complaints recorded.

HSE Risk Management

Managing operational risks is a key priority in our project delivery. The Group adopts the Hazard Identification, Risk Assessment and Risk Control methodology produced by the Department of Occupational Safety and Health Malaysia to systematically identify and manage potential hazards across our operations. This structured approach allows us to address risks associated with power distribution system installations and the handling of high-voltage components.

Preventive measures include regular workplace inspections, internal safety audits at operational sites, and the provision of appropriate safety equipment for our workforce. Alongside these measures, our project planning processes are designed to anticipate potential safety and environmental risks, supported by structured approaches to assess and manage environmental considerations across project design, siting, and construction phases. Careful coordination helps minimise disruptions to surrounding communities while protecting nearby properties, traffic flow, and on-site equipment, among others.

Sustainability Statement

In FYE 2025, the Group achieved full compliance, recording zero (0) incidents of non-compliance with environmental permits, standards, and regulations.

HSE Communication and Meetings

Clear communication plays an important role in maintaining strong safety practices. Regular HSE meetings provide opportunities for our teams to review safety performance, discuss emerging risks and reinforce safe work practices across our project sites. These include daily toolbox briefings to highlight operational hazards, weekly supervisor coordination and progression meetings to review safety trends and project progress, as well as periodic HSE Committee meetings that provide updates on safety performance across sites.

Awareness and Training

Training and awareness programmes support the consistent application of our safety practices. All site workers are required to use appropriate tools and understand the potential hazards associated with their work. New workers also participate in mandatory orientation sessions that introduce project requirements, HSE responsibilities and emergency procedures. These programmes help ensure that every worker understands their role in maintaining a safe and responsible working environment.

Number of Employees Trained on Health and Safety Standards

Period	Total Number of Employees	Total Number of Employees Trained on Safety and Health Standards
FYE 2025	131	9
FYE 2024	117	8

FYE 2025 Health and Safety Training

Title of Training	Number of Hours	Number of Employees
Empowering Construction Work Design and Management	8.5	1
Fall Protection and Safe Work at Height	8	1
Basic Lifting Supervisor	16	1
<i>Garis Panduan Pentaksiran dan Pengurusan Risiko Psikosocial di Tempat Kerja (PRisMA)</i>	9	1
Innovating OSH: The Future of the Workplace	17.5	1
Full Course: CIDB Assessment Through Method 1	12	1
Basic Scaffold Inspector Competency	16	1
ISO 9001 Awareness Training	12	2

In FYE 2025, safety training coverage reached 6.8% against a target of 10%. As safety remains a top priority for safeguarding our workforce and operations, targeted actions are being implemented to drive training participation and expand coverage going forward.

Sustainability Statement

MM4**Climate Change and Emission**

Environmental Stewardship and Energy Management

Environmental responsibility is embedded in the way the Group operates. We recognise that responsible energy management and operational practices form an important part of our environmental stewardship. While our direct electricity consumption remains modest, continuous efforts are made to improve energy efficiency and minimise our environmental impact wherever possible. At the same time, we encourage greater awareness of sustainable practices across the organisation so that environmental responsibility becomes part of our everyday operations.

One of our early renewable energy initiatives was the installation of a 172 kilowatt-peak (kWp) rooftop solar photovoltaic system at our former factory in Alor Gajah, Melaka more than a decade ago. The system enables the Group to generate renewable energy and supply it to the national grid under Malaysia's Net Energy Metering Scheme. Clean electricity generated from the system helps reduce reliance on conventional energy sources while supporting the country's transition towards a lower-carbon energy mix.

Besides renewable energy generation, we also place attention on boosting energy efficiency within our facilities. Key equipment at work sites such as air-conditioning systems have been upgraded to energy-efficient inverter models, supported by regular maintenance to ensure optimal performance. Employees are encouraged to adopt practical energy-saving habits, including switching off lights and electrical appliances when not in use and placing devices in hibernation mode when idle. Energy-efficient lighting, including LED fixtures where applicable, further supports the Group's efforts to reduce electricity consumption.

Responsible resource use also extends to the Group's digital infrastructure. To optimise resource utilisation, our computing and storage systems leverage cloud technologies that offer greater operational efficiency. Cloud-based platforms reduce the need for extensive on-site hardware while enabling more efficient data management and secure access to information.

Digital collaboration tools also contribute to lowering operational emissions. Video conferencing platforms and flexible working arrangements allow meetings to be conducted remotely when appropriate, reducing the need for business travel and daily commuting. These practices support productivity and work flexibility while helping minimise transportation-related emissions.

In addition, the Group advocates for a paperless working environment wherever possible. Digital document sharing and electronic workflows help reduce paper consumption while supporting more efficient information management across departments.

Sustainable Products and Services

Beyond our internal operations, the Group also contributes to broader sustainability efforts through the solutions we deliver. Our work aligns with national initiatives such as Malaysia's National Energy Transition Roadmap and the National Climate Change Policy, both of which support the country's transition towards cleaner and more sustainable energy systems.

The rooftop solar photovoltaic system at our Alor Gajah facility supplies renewable electricity to Tenaga Nasional Berhad under a Renewable Energy Power Purchase Agreement. The project is supported by a 21-year Feed-in Tariff concession from 2013 to 2034, reflecting our long-term commitment to renewable energy generation. In FYE 2025, the system generated and sold 509.66 gigajoules ("GJ") of solar energy to the national grid, contributing to Malaysia's expanding renewable energy capacity.

Sustainability Statement

In addition, the Group continues to support clients in improving energy efficiency within their own operations. Our collaboration with Vertiv (Malaysia) Sdn. Bhd. enables us to provide cutting-edge power solutions designed to optimise energy performance while helping customers manage operational costs more effectively.

Total Energy Consumption

Period	Non-Renewable Energy (GJ)			Renewable Energy (Solar)(GJ)			Total Energy Consumption (GJ)	Percentage Consumed (%)	
	Electricity	Fuel	Gas and Others	Generated	Consumed	Sold		Grid Electricity	Renewable Energy
FYE 2025	169.73	16,482.93	0.00	509.66	0.00	509.66	16,652.66	1%	0%
FYE 2024	158.59	10,243.00	0.00	563.27	0.00	563.27	10,401.59	2%	0%

Note:

Total Energy Consumption = Electricity + Fuel + Gas and Others + Renewable Energy Consumed

GHG Emissions (tCO₂e)

Period	Scope 1	Scope 2	Scope 3
FYE 2025	1,254.60	110.43	9,716.00
FYE 2024	874.13	35.42	Not available

GHG Definitions

Scope 1	Company-owned vehicles' fuel consumption
Scope 2	Company premises' electricity consumption
Scope 3	Indirect emissions occurring across the value chain, including those arising from purchased goods and services, transportation, and other upstream and downstream activities

GHG Framework: GHG Protocol

Emission Factors: Malaysia Energy Commission's 2019 Grid Emission Factor Report

Water consumption within the Group's operations remains minimal, reflecting the nature of our activities, which are not water-intensive. During FYE 2025, total water use amounted to 0.00042 megalitres, sourced entirely from municipal potable water. No surface water, groundwater, quarry water or harvested rainwater was used during the reporting period.

Although water usage is relatively low, the Group remains mindful of responsible resource management. Employees are encouraged to adopt simple conservation practices in the workplace, helping ensure that water resources are used efficiently and responsibly across our operations.

Total Volume of Water Used (Megalitres)

Period	Surface, Ground, Quarry, Harvested Water	Municipal Potable Water	Total
FYE 2025	0	0.00042	0.00042
FYE 2024	0	0.00041	0.00041

During FYE 2025, the Group maintained strong environmental compliance, recording zero incidents of non-compliance with applicable permits, standards, and regulations.

Sustainability Statement

MM5

Waste Management

Responsible waste management forms an important part of the Group's environmental approach. We recognise that improper waste disposal can lead to environmental harm, including soil and water contamination as well as air pollution. To address these risks, the Group applies structured waste management practices guided by our HSE procedures, with a focus on reducing waste generation and encouraging responsible resource use.

The waste generated from our operations includes materials such as steel, copper and aluminium cables. These materials are carefully segregated and stored as scrap for recycling. The Group then appoints waste contractors approved by the Department of Environment to collect and recycle the scrap in accordance with regulatory requirements.

The Group also encourages reuse and recycling wherever possible. Employees are supported through initiatives that spur waste reduction in daily operations, including greater use of electronic communication, double-sided printing and the recycling of scrap paper. These small but practical measures help reinforce awareness of responsible waste practices across the Group.

Responsible management of electronic equipment also forms an important part of the Group's environmental practices. We strive to extend the functional life of our devices beyond the typical five-year replacement cycle, with regular maintenance and component upgrades allowing our computers to remain operational for six to eight years.

Sustainability considerations are also incorporated into our hardware procurement and asset management processes, with energy efficiency, durability and responsible end-of-life handling guiding our purchasing decisions. Where possible, aging devices are repaired or repurposed to support continued use and reduce resource consumption, while equipment that reaches the end of its service life is disposed of through licensed contractors in accordance with Department of Environment requirements, helping minimise e-waste across our operations.

Waste (Metric Tonnes)

Period	Recycled (Diverted from Disposal)	Non-Recycled (Directed to Disposal)	Total Waste Generated	Percentage of Waste Recycled vs Generated
FYE 2025	23.82	0	23.82	100%
FYE 2024	7.98	0	7.98	100%

Note:

The Group did not disclose waste generation data in our FYE 2024 report, as the relevant tracking and reporting processes were not yet fully established. Following enhancements to our data collection and monitoring systems in FYE 2025, we are now able to measure and disclose waste generated. For comparability and transparency, we have now also included FYE 2024 data, based on information compiled and validated during FYE 2025. All recorded waste for both periods was recycled.

MM6

Health and Safety

The health and safety of our employees and stakeholders remain a top priority for the Group. We are committed to maintaining a safe and secure working environment by actively managing workplace risks and preventing safety incidents across our operations. Given the nature of electrical engineering and infrastructure work, maintaining strong safety practices is particularly important, as projects often involve complex installations, high-voltage systems and work in active industrial environments. Clear procedures, ongoing supervision and a strong safety culture help ensure that our employees, contractors and partners can carry out their responsibilities safely.

Sustainability Statement

Safety at Site

Across the engineering and construction sectors, industry expectations for workplace safety continue to intensify as regulators and clients place greater emphasis on risk management, site safety and worker well-being. In this environment, the Group remains focused on maintaining high safety standards while ensuring full compliance with applicable regulations and industry guidelines.

Our commitment to safe operations is further demonstrated through recognised certifications and regulatory compliance. During the year, the Group maintained its registration with the Energy Commission Malaysia as a Class A electrical contractor under the Electricity Supply Act 1990. This certification reflects our capability to undertake high-voltage electrical works while meeting stringent technical and safety requirements. The Group was also recognised by Kide International, a global engineering, procurement and construction service provider, for its contribution to achieving 1,000,000 safe manhours without any lost time injuries at the TIM2 Project.

The Group also ensures that all workers are protected when undertaking project activities. For new projects, we secure Contractors' All Risk and Workmen's Compensation insurance to manage risks associated with construction activities. This coverage provides protection against unforeseen damages and liabilities while ensuring that our workers are supported in the event of workplace incidents.

Against the backdrop of these credentials, our operational safety measures continue to deliver positive outcomes. In FYE 2025, the Group recorded zero LTIR and work-related fatalities, reflecting the effectiveness of our safety practices and the strong safety culture maintained across our operations. We remain committed to continuously improving our health and safety management practices to protect our workforce and support safe project delivery.

LTIR and Work-Related Fatalities

EMPLOYEES

Period	Total Number of Hours Worked in the Reporting Period	Number of Lost Time Injuries in the Reporting Period	LTIR [1]	Total Recordable Incident Rate	Work-Related Fatalities
FYE 2025	252,447	0	0.00	0	0
FYE 2024	122,560	0	0.00	0	0

CONTRACTORS & SUBCONTRACTORS

Period	Total Number of Hours Worked in the Reporting Period	Number of Lost Time Injuries in the Reporting Period	LTIR	Total Recordable Incident Rate	Work-Related Fatalities
FYE 2025	517,872	0	0.00	0	0
FYE 2024	675,900	0	0.00	0	0

Note:

1. LTIR is calculated as a rate, where the number of lost time incidents during the reporting period are expressed per the total number of hours worked as at the end of the reporting period.
2. The value of 200,000 represents a standardised value of the total amount of hours that 100 employees work weekly for 40 hours for a duration of 50 weeks ($100 \times 40 \times 50 = 200,000$).

Sustainability Statement



SOCIAL



MM7

Data Privacy and Cybersecurity

MM8

Labour Practices and Standards

MM9

Corporate Social Responsibility

The Group prioritises sustainability through a responsible business model that places people and ethical conduct at the centre of our operations. As expectations for responsible employment continue to grow across the engineering and construction sectors, we remain focused on creating a safe and supportive working environment for our workforce.

In addition to strong labour standards, we emphasise responsible governance practices such as data privacy, cybersecurity and corporate social responsibility. These efforts help deepen trust with our customers and the communities we serve. This approach enables the Group to contribute to broader sustainability priorities, including SDGs 3, 8 and 16.

MM7

Data Privacy and Cybersecurity

Protecting customer and stakeholder information is fundamental to maintaining trust in our operations. As part of this commitment, the Group has established robust confidentiality and information security systems designed to safeguard sensitive data across our business activities. These measures are guided by our compliance with Malaysia's Personal Data Protection Act 2010 and other applicable regulatory requirements, ensuring that the way we collect, store and manage personal information aligns with recognised legal and ethical standards.

In line with the above, we continuously review and broaden our cybersecurity practices to keep pace with the evolving digital landscape. Regular system assessments and secure data backup processes help us maintain the integrity and availability of critical information, while also reducing the risk of operational disruptions. These proactive measures allow us to identify potential vulnerabilities early and respond effectively to emerging cybersecurity threats.

To further enhance cybersecurity resilience, the Group enforces internal policies governing the secure use of company systems and networks. Our employees are required to familiarise themselves with these policies, which provide guidance on secure data handling practices, password management, software usage restrictions and safe online behaviour. Periodic reviews of data protection protocols and cybersecurity awareness initiatives further support our efforts to strengthen digital security across the organisation.

During the year under review, the Group recorded no incidents of data privacy or cybersecurity breaches, reflecting the effectiveness of our preventive measures and reinforcing stakeholder confidence in our ability to protect critical information.

Number of Substantiated Cybersecurity Complaints

0

FYE 2025

0

FYE 2024



Sustainability Statement

MM8

Labour Practices and Standards

Our approach to employee well-being is grounded in the principles set out in our Sustainability Policy. We firmly believe in the importance of maintaining an ethical workplace where fair treatment, equitable compensation and structured employee development, among others, guide our people practices. This approach helps create an environment where employees feel valued and empowered to grow with us.

Human Rights Policy

The Group is committed to respecting internationally recognised human rights across our operations and value chain. Our Human Rights Policy is guided by established international frameworks, including the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization (“ILO”) Core Conventions and the Universal Declaration of Human Rights. These frameworks shape how we drive ethical labour practices and uphold responsible business conduct in our business dealings.

In this connection, the Group operates in compliance with applicable labour laws across the jurisdictions where we operate, including Malaysia’s Employment Act 1955 and related legislation. Our Sustainability Policy establishes labour standards that guide employment practices and inform expectations of our suppliers and business partners.

Respect for individuals is embedded across our recruitment, training, performance evaluation, remuneration and career progression processes. All employees are treated with dignity and fairness regardless of race, gender, age, marital status, nationality, religion or disability. Clear reporting channels are available for employees and external stakeholders to raise concerns confidentially and without fear of retaliation, with reported matters reviewed and addressed appropriately.

During the year under review, no human rights violations were recorded within the Group.

Human Rights Violations

	FYE 2025	FYE 2024
Number of substantiated complaints concerning human rights violations	0	0

Labour Rights and Workplace Standards

The Group maintains employment practices that respect labour rights and protect the well-being of our workforce. Our operations comply with national regulations governing working hours, overtime, rest periods and employee welfare.

Working hours are monitored across operations and overtime is subject to prior approval to prevent excessive working hours. All employees covered under the relevant salary scales are remunerated in accordance with Malaysia’s Minimum Wages Order.

Maintaining ethical employment practices also includes a strict prohibition of child labour and forced labour across our operations. Our practices comply with Malaysia’s Children and Young Persons (Employment) Act 1966 and the Employees’ Minimum Standards of Housing, Accommodation and Amenities Regulations 2020. All foreign workers engaged by the Group are legally employed in accordance with Malaysia’s immigration requirements.

Employees’ rights to freedom of association and collective bargaining are respected in accordance with applicable labour laws. All our personnel-related decisions, including recruitment, promotion, discipline and termination, are conducted with fairness, transparency and respect.

Sustainability Statement

Respectful and Inclusive Workplace

Creating an inclusive workplace environment is an important part of our people practices, as we recognise that diverse perspectives help to nurture our innovation, creativity and adaptability.

Our employment practices are guided by principles of fairness, merit and equal opportunity. Recruitment, promotion and career growth decisions are based on capability and performance rather than personal background. Policies across the Group prohibit disability-based discrimination, bullying and sexual harassment in any form.

To support an inclusive workplace, we also seek to accommodate cultural and religious practices where possible. For example, extended Friday lunch breaks are provided to allow Muslim employees to observe their religious obligations.

Employees are provided with accessible and confidential reporting channels to raise workplace concerns without fear of retaliation. Each report is reviewed carefully and addressed with appropriate action to maintain a professional and respectful working environment.

In addition, a structured onboarding programme helps new employees integrate smoothly into the organisation by introducing them to the Group's culture, policies and operational processes. We also support inclusive workforce participation by offering post-retirement contractual employment opportunities for employees who wish to remain active in the workforce, allowing experienced personnel to continue contributing their expertise while supporting knowledge retention.

Talent Attraction and Development

The Group places strong emphasis on attracting and developing capable individuals who can contribute to our organisation's long-term growth. Recruitment follows a merit-based approach, allowing us to attract individuals whose capabilities and values align with our organisational culture and strategic direction.

For managerial and executive roles, candidates are assessed based on competency, academic performance, emotional intelligence and adaptability. Innovativeness and digital literacy are also considered, reflecting the increasing role of technology across our operations. This emphasis on capability extends across the organisation, including project workers and non-executive employees.

Continuous learning forms an important part of how we progress our workforce capabilities. The Group provides access to both internal and external training programmes designed to sharpen technical knowledge and professional skills. External programmes expose employees to emerging technologies, evolving regulatory requirements and industry best practices, while internal knowledge-sharing sessions led by experienced team members support the transfer of expertise and reinforce consistent technical standards across the organisation.

Training and development are integrated into the Group's annual planning and performance management processes. Each year, a training needs analysis identifies competency gaps and evolving operational requirements, allowing targeted programmes to advance workforce readiness and support organisational growth.

Our training initiatives are organised into three (3) main areas: company-wide training, department-specific programmes and induction training. These programmes equip employees with foundational knowledge, specialised technical capabilities and an understanding of the Group's operational standards, respectively.

Sustainability Statement

In FYE 2025, our workforce collectively completed 1,114 hours of training as depicted below:

FYE 2025 Employee Training Summary

Types of Training	Number of Employees Who Attended	Number of Hours
Human Rights	0	0
Health and Safety	9	99
Environment	0	0
Career Development (with certification)	0	0
Operations (e.g., Finance, Technical, Risk Management and IT)	74	964
Anti-Corruption	113	51
TOTAL		1,114

Total Hours of Training by Employee Category

Period	Senior Management	Management	Executive	Non-Executive	Total Number of Hours	Total Number of Employees	Average Hours Per Employee	Average Days Per Employee
FYE 2025	32	264	675.5	91.5	1,063	131	8.1	1.0
FYE 2024	106	76	494	18	694	117	5.9	0.7

Annual performance appraisals further support employee development by assessing individual performance and identifying opportunities for career progression. These evaluations contribute to workforce planning and succession management by identifying high-potential employees and enlarging leadership capacity within the Group.

We also support the grooming of future talent through internship programmes that provide undergraduates with practical exposure to real-world engineering solutions.

Equitable Pay, Benefits and Recognition

Fair and competitive compensation remains an important part of how we support employee well-being. The Group complies with applicable wage regulations, including Malaysia's Minimum Wages Order, and regularly reviews our remuneration framework to ensure competitiveness within the market.

Employees benefit from a comprehensive rewards and benefits package designed to support financial security, health and overall well-being. Beyond statutory leave entitlements, the Group provides additional leave provisions such as extended maternity and paternity leave, examination leave and compassionate leave to support employees during significant life events. Where operationally feasible, flexible working arrangements are provided to support employees in balancing their professional and personal commitments while remaining compliant with regulatory requirements governing working hours and rest periods.

Our benefits framework also includes medical and hospitalisation insurance coverage, contributions to the Employees Provident Fund ("EPF"), the Social Security Organisation ("SOCSO") and the Employment Insurance System ("EIS"), as well as personal accident insurance coverage.

Regular townhall sessions and employee engagement initiatives provide opportunities to recognise our employees' contributions and encourage open communication across the organisation. Formal recognition programmes such as the Long Service Award, Excellence Award and Most Innovative Employee Award further reinforce a culture where dedication, creativity and innovation are valued.

Sustainability Statement

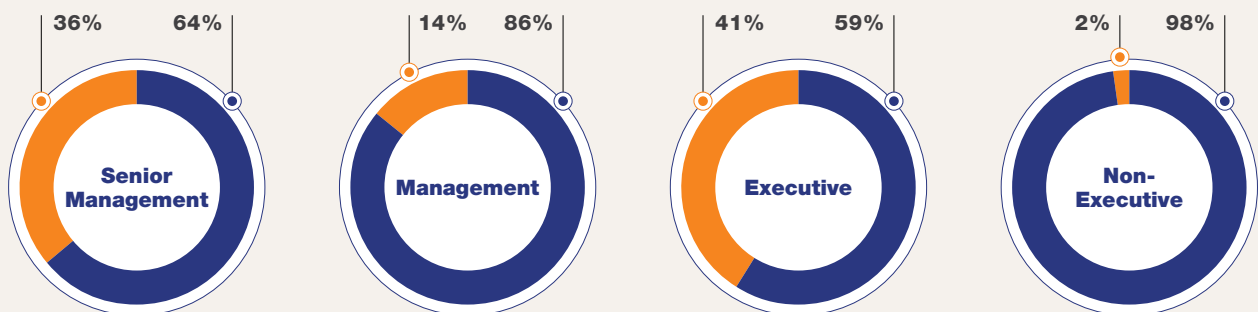


The Group organised a 5-day, 4-night company trip to Hanoi and Sapa, Vietnam in May and July 2025, bringing employees together for a well-deserved break and shared experience outside the workplace. Set against the scenic landscapes of northern Vietnam, the trip provided an opportunity for colleagues to connect in a relaxed setting while appreciating the value of teamwork and camaraderie built throughout the year.

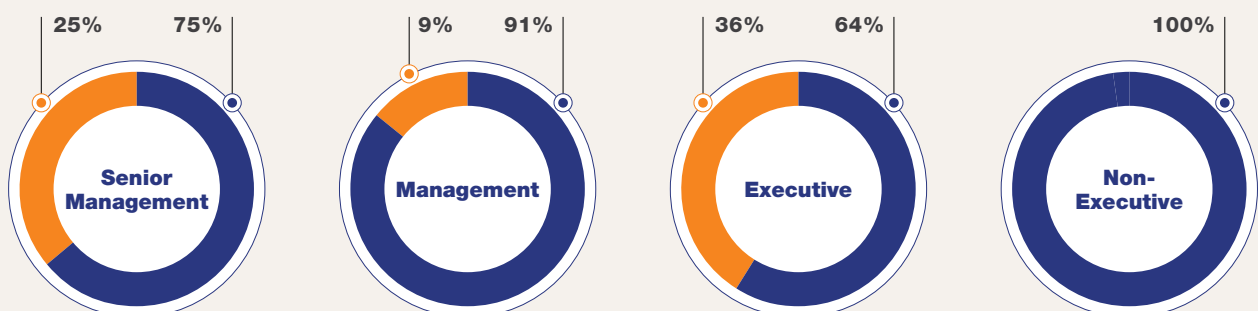
Percentage of Employees by Gender

● Male ● Female

FYE 2025



FYE 2024*



Note:

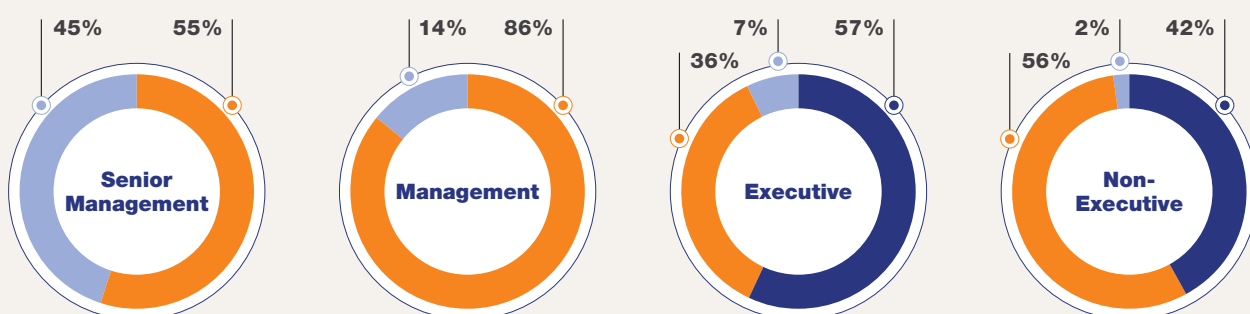
Restatements were made to address inconsistencies in the inputs for FYE 2024.

Sustainability Statement

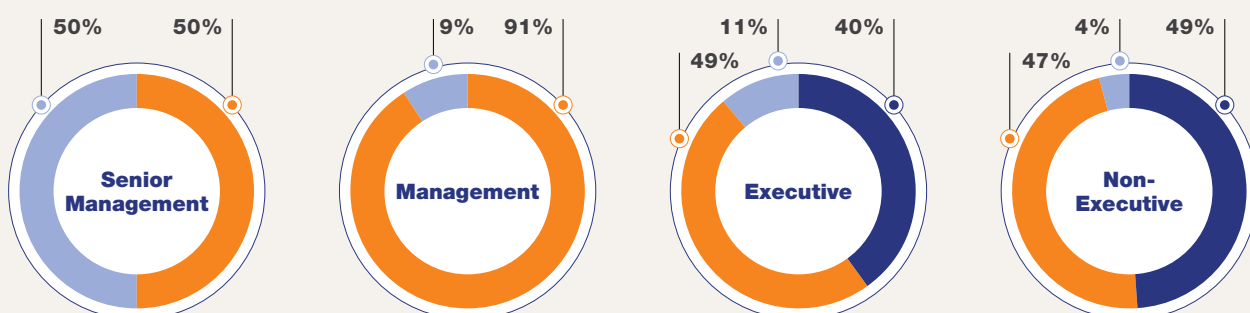
Percentage of Employees by Age Group

● <30 Years Old ● 30-50 Years Old ● >50 Years Old

FYE 2025



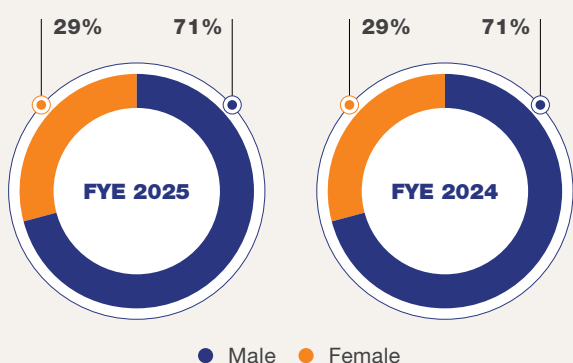
FYE 2024*



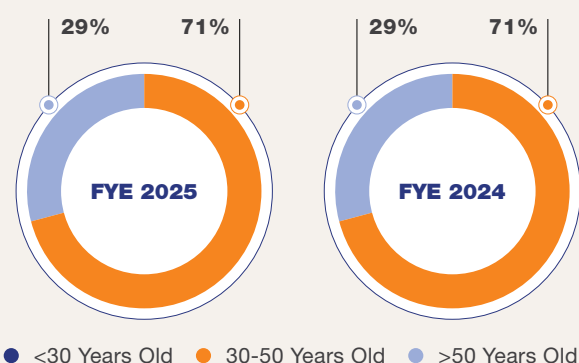
Note:

Restatements were made to address inconsistencies in the inputs for FYE 2024.

Percentage of Directors by Gender

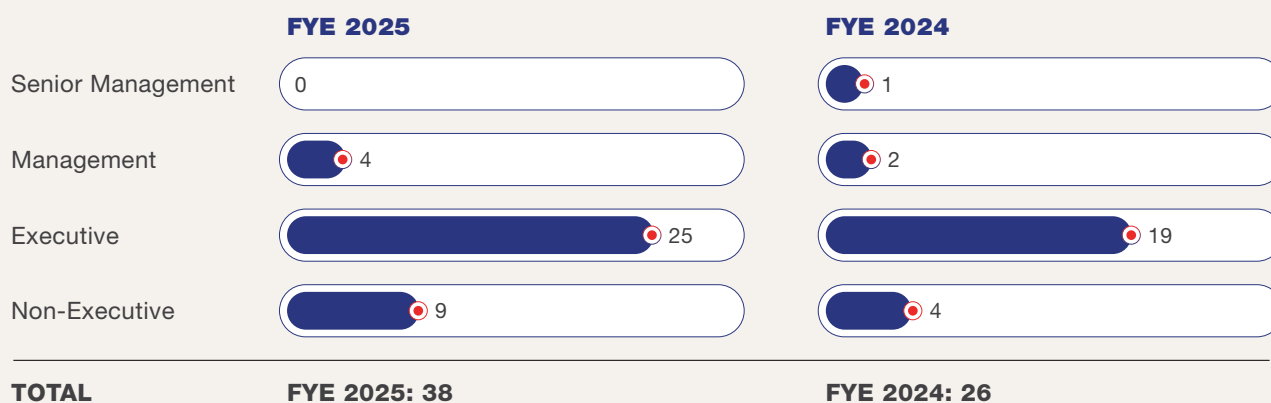


Percentage of Directors by Age Group

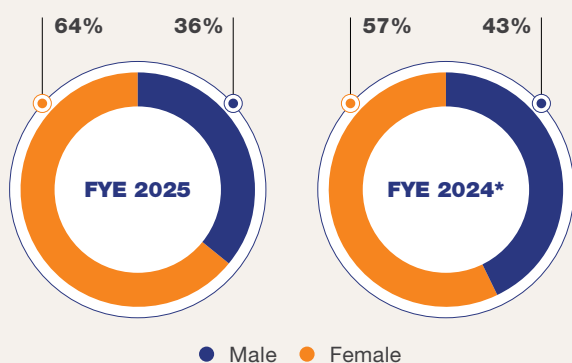


Sustainability Statement

Employee Turnover (Number)

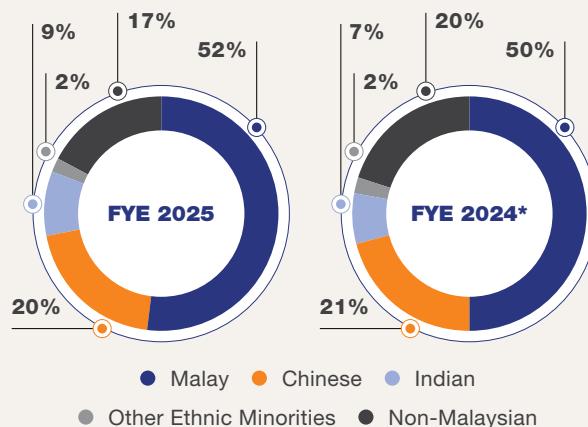


Percentage of Employees by Employment Type



Note:
Restatements were made to address inconsistencies in the inputs for FYE 2024.

Percentage of Employees by Ethnicity



Note:
Restatements were made to address inconsistencies in the inputs for FYE 2024.

Sustainability Statement

MM9

Corporate Social Responsibility

Our growth is closely linked to the strength and vitality of the communities where we operate. Recognising this relationship, we remain committed to supporting local development and contributing to the well-being of the people and institutions that have supported our journey. Our community engagement efforts focus on initiatives that expand access to education, skills development and long-term employment opportunities.

One of our key initiatives is an internship programme for students pursuing studies in electrical engineering. The programme provides valuable exposure to industry practices while helping to nurture the next generation of technical professionals. Structured learning opportunities allow students to gain practical workplace experience, preparing them for future careers while contributing to a stronger talent pipeline for the industry.

The internship experience places students within real project environments, where they work with experienced professionals and gain first-hand insight into daily operations. Interns observe and participate in project planning, technical problem-solving and on-site coordination, enabling them to establish both technical knowledge and essential workplace capabilities. Skills such as communication, teamwork and time management are honed naturally through this hands-on experience.

Community engagement remains an evolving priority for the Group. We continuously enhance our initiatives to deepen relationships with local communities and create more meaningful opportunities for collaboration. Moving forward, we will strengthen awareness and introduce more inclusive initiatives to increase employee participation in volunteer programmes towards our 5% target. We will also continue to explore new avenues to contribute beyond our core operations, supporting a more inclusive and sustainable environment for the communities we serve.

Community and Society

Period	Total Amount Invested in the Community Where the Target Beneficiaries are External to the Group (MYR)	Total Number of Beneficiaries of the Investment in Communities
FYE 2025	56,115	4
FYE 2024	16,000	3

FYE 2025 Charitable Donations

Beneficiary	Purpose	Amount (MYR)
PIBG SMK Tinggi St David	Contribution for the school's new canteen	10,000
Lembaga Pengelola Sekolah SKJ (Tamil) PA SJKT Paya Rumput	Sponsorship of the school's sporting event	1,000
Universiti Tunku Abdul Rahman	Scholarship for 1 foundation-year student + tablet computer	19,182
Universiti Tunku Abdul Rahman	Scholarship for 1 degree student	25,933
Total		56,115

Sustainability Statement



GOVERNANCE



MM10

Business Ethics and Corporate Governance

The Group is committed to accountability and integrity in the way we conduct our business. Robust governance structures and clear ethical guidelines guide our decision-making and support responsible management across the organisation. These principles reinforce our commitment to strong corporate governance and ethical business conduct, augmenting stakeholder confidence while supporting the Group's sustainable growth.

MM10

Business Ethics and Corporate Governance

Integrity and responsible conduct guide the way we carry out our business activities. Strong governance practices play an essential role in maintaining stakeholder trust, particularly as regulatory expectations and corporate accountability standards continue to evolve. In this environment, a robust governance framework with clear oversight structures and disciplined risk management processes helps ensure accountability and responsible decision-making across the organisation.

Our governance practices emphasise high standards of business conduct and strict adherence to applicable regulatory frameworks, including the Malaysian Anti-Corruption Commission Act 2009 and the Malaysian Code on Corporate Governance 2021. These regulations guide the way we conduct our operations, supporting fair, ethical and responsible business practices that reinforce stakeholder confidence and long-term business sustainability.

Code-Driven Actions

Clear policies provide the foundation for ethical behaviour throughout the organisation. Our Code of Conduct and Ethics serves as a central reference point for employees and business partners, outlining the standards of integrity and professionalism expected across all levels of the Group. The Code addresses key principles such as mutual respect and compliance with applicable laws, helping ensure consistent governance practices across our operations.

No Tolerance for Bribery and Corruption

Our Anti-Bribery and Corruption Policy establishes a strict zero-tolerance stance towards bribery and corrupt practices. The policy reflects our expectation that all employees uphold the highest standards of professionalism and integrity in every aspect of their work. Business activities must be conducted ethically, fairly and transparently, with no tolerance for illegal or unethical practices such as misleading conduct, misrepresentation or undue influence. Employees are also expected to treat all individuals and business partners with respect and avoid any actions that may exploit or disadvantage others.

Regular training programmes underscore these expectations by expanding employees' understanding of corruption risks, reporting obligations and the Group's disciplinary procedures for policy breaches. These sessions help ensure that employees remain aware of their responsibilities and are equipped to identify and address potential ethical concerns in the course of their work.

Sustainability Statement

Strong internal oversight further reinforces our commitment to ethical conduct. Internal audits, periodic risk assessments and strengthened control systems help monitor compliance with the Group's policies while reinforcing accountability across the organisation. Together, these measures help ensure that our business activities remain aligned with our commitment to ethical conduct and responsible governance.

Confirmed Incidents of Corruption and Action Taken

Period	Confirmed Incidents of Corruption	Number of Actions Taken
FYE 2025	0	0
FYE 2024	0	0

Safeguarding Whistleblowers

Our culture of openness and responsibility is supported by our Whistleblowing Policy, which provides employees and members of the public with a confidential and accessible channel to raise concerns. Our whistleblowing channels and contact details are publicly available on our website (<https://www.hexatech.com.my/corporate-governance-meetings.html>) to promote transparency and accountability, enabling employees and external stakeholders to report concerns safely and without fear of retaliation.

All reported matters are reviewed and investigated carefully to ensure appropriate corrective and preventive actions are implemented. Periodic reviews help maintain our policy's alignment with evolving governance standards and recognised best practices.

Holding Membership in The Electrical and Electronics Association of Malaysia ("TEEAM")

Beyond internal governance, the Group also maintains active engagement with the broader industry. Our membership in TEEAM allows us to stay informed of regulatory changes, industry trends and emerging best practices while contributing to collaborative initiatives that elevate professional standards within the sector.

Staying Politically Neutral

As part of our commitment to responsible business conduct, the Group maintains a position of political neutrality in its operations. During the year under review, the Group did not make any financial contributions or provide support to political parties, candidates or affiliated organisations. This approach reflects our dedication to maintaining independence and integrity in all our business activities.

"No Gift" Policy

Our employees are prohibited from accepting gifts from vendors, suppliers, service providers, contractors, customers, or any parties that may influence business decisions. Employees are expected to decline such courtesies when business decisions are involved, particularly during supplier selection or reconfirmation, to avoid any perception of undue influence and to uphold fair and ethical business practices.

Sustainability Statement

Vendor Selection Policy

The Group conducts due diligence on prospective business partners as part of its governance and risk management practices. This process ensures that partners demonstrate responsible conduct, comply with applicable laws and align with our ethical standards. Assessments include a review of reputation, governance practices and potential corruption risks, such as bribery and conflicts of interest.

Intermediaries

Similar due diligence is applied when engaging intermediaries, including contractors and consultants. Risk assessments are conducted based on the nature of services and potential exposure to corruption risks. Intermediaries are expected to comply with our Anti-Bribery and Corruption Policy and uphold the same ethical standards as employees.

Corruption Risk Assessment

The Group conducts periodic corruption risk assessments across our operations to identify areas of potential exposure. These assessments cover risks such as bribery, facilitation payments and conflicts of interest, supporting continuous improvement of our internal controls and governance practices.

Higher-Risk Activities

For activities with higher corruption risks, we implement enhanced controls and monitoring. These measures ensure risks are effectively managed and all activities remain aligned with the Group's Anti-Bribery and Corruption Policy and commitment to ethical business conduct.

Percentage of Employees who Received Training on Anti-Corruption by Employee Category

Period	Employee Category	Total Number of Employees	Number of Employees who Received Training	Percentage of Employees who Received Training
FYE 2025	Senior Management	11	0	0%
	Management	7	7	100%
	Executive	70	70	100%
	Non-Executive	43	36	84%
FYE 2024	Senior Management	12	6	50%
	Management	11	2	18%
	Executive	69	3	4%
	Non-Executive	25	0	0%

The Group is developing plans to implement annual mandatory anti-bribery and corruption training for all employees and Board members. This annual programme will serve to reinforce ethical standards and strengthen compliance awareness, ensuring participants remain up to date with evolving regulatory requirements and best practices.

Percentage of Operations Assessed for Corruption-Related Risks

Period	Total Number of Operations	Total Number of Operations Assessed for Corruption Risks	Percentage of Operations Assessed for Corruption Risks
FYE 2025	7	7	100%
FYE 2024	7	0	0%

Sustainability Statement

HE Group Berhad

BMLR Transition Period

Date & Time: 2026-04-22_14:56:15

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Supply Chain Management	Proportion of Spending on Local Suppliers	Percentage	99.98	* >80	No assurance
Footnote Target	Edited Target				
Energy Management	Total Energy Consumption	GJ	16,652.66	-	No assurance
Emissions Management	Scope 1	tCO2e	1,254.60	-	No assurance
* -	Scope 2	tCO2e	110.43	-	No assurance
Footnote Sustainability Matter	Edited Sustainability Matter				
* -	Scope 3	tCO2e	9,716.00	-	No assurance
Footnote Sustainability Matter	This row has been added.				
Footnote Sustainability Matter	Edited Sustainability Matter				
Water	Total Volume of Water Used	Megalitres	0.00042	-	No assurance
Health and Safety	* Number of Work-Related Fatalities	Number	0	* 0	No assurance
Footnote Metric	Edited Metric				
Footnote Target	Entered Target				
-	* Lost Time Incident Rate ("LTIR")	Rate	0.00	* 0.00	No assurance
Footnote Metric	Edited Metric				
Footnote Target	Entered Target				
-	Total Number of Employees Trained on Safety and Health Standards	Number	9	* 13	No assurance
Footnote Target	Entered Target				

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-22_14:56:15

Page 1 of 11

Sustainability Statement

HE Group Berhad
BMLR Transition PeriodDate & Time: 2026-04-22_14:56:15
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
-	Annual Safety Training	Percentage	6:9	-	No assurance
Footnote Sustainability Matter	This row has been deleted.				
* Labour Practices and Standards	* Total Hours of Training by Employee Category - Senior Management	Hours	32	-	No assurance
Footnote Sustainability Matter	Edited Sustainability Matter				
Footnote Metric	Edited Metric				
-	* Total Hours of Training by Employee Category - Management	Hours	264	-	No assurance
Footnote Metric	Edited Metric				
-	* Total Hours of Training by Employee Category - Executive	Hours	675.5	-	No assurance
Footnote Metric	Edited Metric				
-	* Total Hours of Training by Employee Category - Non-Executive	Hours	91.5	-	No assurance
Footnote Metric	Edited Metric				
* -	Percentage of Employees that are Contractors or Temporary Staff	Percentage	36	-	No assurance
Footnote Sustainability Matter	Edited Sustainability Matter				
* -	* Total Number of Employee Turnover by Employee Category - Senior Management	Number	0	-	No assurance
Footnote Sustainability Matter	Edited Sustainability Matter				
Footnote Metric	Edited Metric				

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-22_14:56:15

Page 2 of 11

Sustainability Statement

HE Group Berhad BMLR Transition Period

Date & Time: 2026-04-22_14:56:15
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
-	* Total Number of Employee Turnover by Employee Category - Management	Number	4	-	No assurance
Footnote Metric	Edited Metric				
-	* Total Number of Employee Turnover by Employee Category - Executive	Number	25	-	No assurance
Footnote Metric	Edited Metric				
-	* Total Number of Employee Turnover by Employee Category - Non-Executive	Number	9	-	No assurance
Footnote Metric	Edited Metric				
-	Number of Substantiated Complaints Concerning Human Rights Violations	Number	0	* 0	No assurance
Footnote Target	Edited Target				
* -	* Percentage of Employees by Gender - Senior Management (Male)	Percentage	64	-	No assurance
Footnote Sustainability Matter	Edited Sustainability Matter				
Footnote Metric	Edited Metric				
-	* Percentage of Employees by Gender - Senior Management (Female)	Percentage	36	-	No assurance
Footnote Metric	Edited Metric				
-	* Percentage of Employees by Gender - Management (Male)	Percentage	86	-	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-22_14:56:15

Page 3 of 11

Sustainability Statement

HE Group Berhad
BMLR Transition PeriodDate & Time: 2026-04-22_14:56:15
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Footnote Metric	Edited Metric				
-	* Percentage of Employees by Gender - Management (Female)	Percentage	14	-	No assurance
Footnote Metric	Edited Metric				
-	* Percentage of Employees by Gender - Executive (Male)	Percentage	59	-	No assurance
Footnote Metric	Edited Metric				
-	* Percentage of Employees by Gender - Executive (Female)	Percentage	41	-	No assurance
Footnote Metric	Edited Metric				
-	* Percentage of Employees by Gender - Non-Executive (Male)	Percentage	98	-	No assurance
Footnote Metric	Edited Metric				
-	* Percentage of Employees by Gender - Non-Executive (Female)	Percentage	2	-	No assurance
Footnote Metric	Edited Metric				
* -	* Percentage of Employees by Age Group - Senior Management (Under 30)	Percentage	0	-	No assurance
Footnote Sustainability Matter	Edited Sustainability Matter				
Footnote Metric	Edited Metric				
-	* Percentage of Employees by Age Group - Management (Under 30)	Percentage	0	-	No assurance
Footnote Metric	Edited Metric				

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-22_14:56:15

Page 4 of 11

Sustainability Statement

HE Group Berhad BMLR Transition Period

Date & Time: 2026-04-22_14:56:15
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
-	* Percentage of Employees by Age Group - Executive (Under 30)	Percentage	57	-	No assurance
Footnote Metric	Edited Metric				
-	* Percentage of Employees by Age Group - Non-Executive (Under 30)	Percentage	42	-	No assurance
Footnote Metric	Edited Metric				
-	* Percentage of Employees by Age Group - Senior Management (Between 30-50)	Percentage	55	-	No assurance
Footnote Metric	Edited Metric				
-	* Percentage of Employees by Age Group - Management (Between 30-50)	Percentage	86	-	No assurance
Footnote Metric	Edited Metric				
-	* Percentage of Employees by Age Group - Executive (Between 30-50)	Percentage	36	-	No assurance
Footnote Metric	Edited Metric				
-	* Percentage of Employees by Age Group - Non-Executive (Between 30-50)	Percentage	56	-	No assurance
Footnote Metric	Edited Metric				
-	* Percentage of Employees by Age Group - Senior Management (Above 50)	Percentage	45	-	No assurance
Footnote Metric	Edited Metric				

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-22_14:56:15

Page 5 of 11

Sustainability Statement

HE Group Berhad
BMLR Transition PeriodDate & Time: 2026-04-22_14:56:15
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
-	* Percentage of Employees by Age Group - Management (Above 50)	Percentage	14	-	No assurance
Footnote Metric	Edited Metric				
-	* Percentage of Employees by Age Group - Executive (Above 50)	Percentage	7	-	No assurance
Footnote Metric	Edited Metric				
-	* Percentage of Employees by Age Group - Non-Executive (Above 50)	Percentage	2	-	No assurance
Footnote Metric	Edited Metric				
* -	* Percentage of Directors by Gender - Male	Percentage	71	-	No assurance
Footnote Sustainability Matter	Edited Sustainability Matter				
Footnote Metric	Edited Metric				
-	* Percentage of Directors by Gender - Female	Percentage	29	-	No assurance
Footnote Metric	Edited Metric				
-	* Percentage of Directors by Age Group - Under 30	Percentage	0	-	No assurance
Footnote Metric	Edited Metric				
-	* Percentage of Directors by Age Group - Between 30-50	Percentage	71	-	No assurance
Footnote Metric	Edited Metric				
-	* Percentage of Directors by Age Group - Above 50	Percentage	29	-	No assurance

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Page 6 of 11

Sustainability Statement

HE Group Berhad
BMLR Transition Period

Date & Time: 2026-04-22_14:56:15
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Footnote Metric					
-	Number of Board Directors	Number	7	-	No assurance
-	Number of Independent Directors	Number	4	-	No assurance
-	* Number of Women on the Board	* Number	* 2	-	No assurance
Footnote Metric					
Re-arrange the Sequence					
Footnote Measurement Unit					
Re-arrange the Sequence					
Footnote 2025					
Community and Society	Total Amount Invested in the Community Where the Target Beneficiaries are External to the Group	MYR	56,115	-	No assurance
	Total Number of Beneficiaries of the Investment in Communities	Number	4	-	No assurance
	Annual General Meeting- Number of the Days Between the Date of Notice and Date of Meeting	Number	26	-	No assurance
Footnote Sustainability Matter					
This row has been deleted.					
* Date Privacy and Cybersecurity	Number of Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	Number	0	* 0	No assurance
Footnote Sustainability Matter					
Edited Sustainability Matter					
Footnote Target					
Edited Target					
* -	* Percentage of Employees Completing Annual Cybersecurity Awareness Training	Percentage	* Plans Under Development for Upcoming Implementation	* 10	* No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-22_14:56:15

Page 7 of 11

Sustainability Statement

HE Group Berhad				Date & Time: 2026-04-22_14:56:15			
BMLR Transition Period				FYE 31/12/2025			
Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance		
Footnote Sustainability Matter	Edited Sustainability Matter						
Footnote Metric	Edited Metric						
Footnote 2025	Edited 2025						
Footnote Target	Edited Target						
Footnote Assurance	Re-arrange the Sequence						
* Business Ethics and Corporate Governance	* Percentage of Employees who have Received Training on Anti-Corruption by Employee Category - Senior Management	Percentage	* 0	* 100	No assurance		
Footnote Sustainability Matter	Edited Sustainability Matter						
Footnote Metric	Edited Metric						
Footnote 2025	Edited 2025						
Footnote Target	Edited Target						
-	* Percentage of Employees who have Received Training on Anti-Corruption by Employee Category - Management	* Percentage	* 100	* 100	No assurance		
Footnote Metric	Edited Metric						
Footnote Measurement Unit	Re-arrange the Sequence						
Footnote 2025	Re-arrange the Sequence						
Footnote Target	Edited Target						

Sustainability Statement

HE Group Berhad BMLR Transition Period

Date & Time: 2026-04-22_14:56:15
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
-	* Percentage of Employees who have Received Training on Anti-Corruption by Employee Category - Executive	Percentage	* 100	* 100	No assurance
Footnote Metric	Edited Metric				
Footnote 2025	Edited 2025				
Footnote Target	Edited Target				
-	* Percentage of Employees who have Received Training on Anti-Corruption by Employee Category - Non-Executive	Percentage	* 84	* 100	No assurance
Footnote Metric	Edited Metric				
Footnote 2025	Edited 2025				
Footnote Target	Edited Target				
-	* Percentage of Operations Assessed for Corruption-Related Risks	Percentage	100	-	No assurance
Footnote Sustainability Matter	This row has been added.				
Footnote Metric	Edited Metric				
-	Confirmed Incidents of Corruption and Action Taken	Number	0	0	* No assurance
Footnote Sustainability Matter	This row has been added.				
Footnote Assurance	Edited Assurance				
Sustainable Economic Performance	Revenue	MYR	123,280,684	-	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-22_14:56:15

Page 9 of 11

Sustainability Statement

HE Group Berhad
BMLR Transition PeriodDate & Time: 2026-04-22_14:56:15
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
-	Tax Expenses	MYR	3,846,664	-	No assurance
-	Employee Wages and Benefits	MYR	10,635,601	-	No assurance
-	Dividend	MYR	1,980,000	-	No assurance
Customer Satisfaction	Customer Satisfaction Score	Percentage	99	>75	No assurance
Waste Management	* Percentage of Hazardous Waste Handled by Licensed Contractors	Percentage	100	* 100	No assurance
Footnote Metric	Edited Metric				
Footnote Target	Edited Target				
Health and Safety	Fatal Workplace Incidents	Number	0	-	No assurance
Footnote Sustainability Matter	This row has been deleted.				
-	Lost Time Incident Rate ("LTIR")	Number	0	-	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Labour Practices and Standards	Human Rights Infringement	Number	0	-	No assurance
Footnote Sustainability Matter	This row has been deleted.				
-	Training	Hours	6.2	-	No assurance
Footnote Sustainability Matter	This row has been deleted.				
-	Female Representation	Percentage	21.4	-	No assurance
Footnote Sustainability Matter	This row has been deleted.				
Corporate Social Responsibility	Community Engagement	Number	1	-	No assurance

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-22_14:56:15

Page 10 of 11

Sustainability Statement

HE Group Berhad

BMLR Transition Period

Date & Time: 2026-04-22_14:56:15

FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Footnote Sustainability Matter					
This row has been deleted.					
-	Employee Participation in Volunteer Programmes	Percentage	* Plans Under Development for Upcoming Implementation	* 5	No assurance
Footnote 2025					
Edited 2025					
Footnote Target					
Edited Target					
Business Ethics and Corporate Governance	Provision of Annual Anti-Bribery and Corruption Training to Employees and Board Members	Percentage	100	100	No assurance
Footnote Sustainability Matter					
This row has been deleted.					

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-22_14:56:15

Page 11 of 11

Corporate Governance Overview Statement

The Board of Directors (“the Board”) of HE Group Berhad (“HE Group” or “the Company”) remains committed to upholding and promoting sound corporate governance practices across the Company and its subsidiaries (“the Group”) as a key element in the discharge of its responsibilities, with the objective of enhancing shareholders’ value in accordance with the principles and best practice recommendations set out in the Malaysian Code on Corporate Governance (“MCCG”) and the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

This Corporate Governance Overview Statement outlines the Board’s commitment to upholding high standards of corporate governance practices and ethical business conduct for the financial year ended 31 December 2025 (“FYE 2025”), in accordance, where applicable, with the principles and best practice recommendations set out in the MCCG.

This Corporate Governance Overview Statement has been prepared in accordance with Paragraph 15.25 of the Listing Requirements of Bursa Securities, and should be read in conjunction with the Corporate Governance Report for the FYE 2025 (“CG Report”), which is available on the Group’s website at www.hexatech.com.my and on the website of Bursa Securities.

This Corporate Governance Overview Statement makes reference to the following three (3) key principles of the MCCG:-

- a) Board leadership and effectiveness;
- b) Effective audit and risk management; and
- c) Integrity in corporate reporting and meaningful relationship with stakeholders.

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

1.1 Board Roles and Responsibilities

The Board is responsible for overseeing the overall performance of the Group and the management of its business affairs, with a strong emphasis on upholding high standards of governance to support the Group’s sustainable growth and long-term success while delivering enduring value to its stakeholders. Guided by an experienced and proactive leadership team, the Company benefits from a well-balanced Board composition that includes suitably qualified Independent Directors who contribute objective judgement and effective oversight. The Board provides leadership in setting the Group’s strategic direction and supervising its operational activities, with the ultimate objective of enhancing shareholder value.

In discharging its responsibilities and ensuring the effective achievement of the Group’s goals and objectives, the Board has, among others:-

- To review and adopt the overall strategic direction, business plans, and annual budgets of the Group, including major capital commitments;
- To establish key performance indicators and succession plans;
- To oversee and evaluate the conduct and sustainability of the businesses of the Group;
- To review and approve new ventures, major acquisitions and disposal of undertakings and properties;
- To deliberate on proposals presented and recommended by the management and monitor their implementation;
- To identify principal risks and ensure the implementation of appropriate systems to manage and monitor significant financial and non-financial risks;
- To review the adequacy and integrity of the Group’s internal control systems, risk management and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines; and
- To oversee the development and implementation of a shareholder communication policy for the Group.

Corporate Governance Overview Statement

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

1.1 Board Roles and Responsibilities (Cont'd)

In carrying out its fiduciary duties and responsibilities, the Board is guided by the Board Charter, which sets out the roles, responsibilities and authorities of the Board. To support the effective discharge of its functions, the Board has also delegated specific responsibilities to the following Board Committees to assist in the oversight and execution of certain key matters:-

- a. Audit and Risk Management Committee (“ARMC”);
- b. Nomination Committee (“NC”); and
- c. Remuneration Committee (“RC”).

Each Committee operates in accordance with clearly defined Terms of Reference (“TOR”). The Committees are authorised by the Board to consider and deliberate on matters delegated to them within the scope of their respective TOR, and to report to the Board on their proceedings and deliberations, together with their recommendations for the Board’s consideration and approval.

The Board Charter and TOR of the respective committees are available on the Company’s website at www.hexatech.com.my.

1.2 The Chairman of the Board

The Board is led by Datuk Christopher Wan Soo Kee, an Independent Non-Executive Chairman, supported by the Managing Director and other Board members who bring a diverse range of expertise. Collectively, they play a pivotal role in guiding the strategic direction and overseeing the operations of the Group. The Chairman is dedicated to promoting good corporate governance and has been instrumental in fostering a high-performing Board culture.

The Board is of the view that the Chairman should not serve on any Board Committees. This approach reinforces checks and balances and preserves objectivity, ensuring that the Chairman’s oversight of the Board’s activities remains independent from the deliberations and decisions of the Committees. In line with the MCCG recommendations, the Chairman of the Board does not hold membership in any Board Committees.

1.3 The Chairman and Managing Director

In line with sound corporate governance practices, a clear distinction is maintained between the roles of the Chairman of the Board and the Managing Director. This separation is designed to ensure a balance of power and authority, enhance accountability, and prevent the concentration of unchecked decision-making authority.

The Chairman of the Board is responsible for providing leadership to the Board, ensuring its effectiveness, guiding its conduct and governance, and facilitating constructive discussions on matters before the Board. In contrast, the Managing Director is responsible for the overall day-to-day management of the Group. The Managing Director leads the management team, oversees the operations of the business units, and ensures the effective execution of strategies, policies, and decisions approved by the Board. With a comprehensive understanding of the Company’s operations and performance, the Managing Director is well-positioned to navigate matters affecting both the industry and the Group as a whole.

Corporate Governance Overview Statement

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

1.4 Qualified and Competent Company Secretaries

The Board is supported by two (2) Company Secretaries nominated by CMS who are experienced and qualified to act as company secretaries under Section 235(2) of the Companies Act 2016 and are registered holders of the Practising Certificate issued by the Companies Commission of Malaysia. All Directors have access to the advice and services of the Company Secretaries.

The Company Secretaries consistently participate in relevant training programs, conferences, or seminars organised by authorities and professional bodies to keep themselves abreast with the latest developments in corporate governance and changes in regulatory requirements that are relevant to their role and enable them to provide valuable advisory services to the Board.

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

During the FYE 2025, all Board and Board committee meetings were properly convened, accurate, and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.

1.5 Meeting of Board and Board Committees

To assist Directors in planning their schedules, the Company Secretaries prepare an annual meeting calendar in advance of each financial year. This calendar sets out the scheduled dates for Board and Board Committee meetings, as well as the annual general meeting ("AGM"). It also includes the designated closed periods for Directors and principal officers regarding dealings in the Company's securities, aligned with the dates for announcements of the Group's quarterly results.

Notices for Board and Board Committee meetings, together with the relevant meeting papers, are typically provided to Directors at least five (5) business days prior to the meetings. This allows Directors adequate time to review the materials and make well-informed decisions.

The deliberations and outcomes of matters discussed during Board or Board Committee meetings are formally documented in the minutes, which are maintained at the Company's registered office. Draft minutes are circulated to the respective Board or Committee Chairman for review within a reasonable timeframe following the meetings. The minutes accurately reflect the discussions and decisions made, including instances where any Director abstains from voting or deliberating on a particular matter.

For urgent matters requiring Board approval outside of scheduled meetings, board papers accompanied by Directors' Written Resolutions are circulated for consideration. All approved written resolutions are subsequently tabled for notation at the next scheduled Board meeting.

Corporate Governance Overview Statement

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

1.6 Board Charter

The Company has formalised and adopted a Board Charter which sets out the Board's composition and balance, roles and responsibilities, as well as its operation and processes. The Board Charter also serves as a key reference document and primary induction literature, providing valuable insights to newly appointed Board members.

The Board Charter would be periodically reviewed and updated in accordance with the needs of the Company and any new regulations that may have an impact on the discharge of the Board's responsibilities.

The Board Charter is published on the Company's website at www.hexatech.com.my.

1.7 Code of Ethics and Conduct

The Code of Ethics and Conduct which forms part of the Board Charter is observed by all Directors, management and employees of the Group is available on the Company's website at www.hexatech.com.my.

The Board is committed to upholding this Code of Ethics and Conduct, which sets out the ethical standards expected in all business and professional activities and ensures that decisions are made in the best interests of the Group and its shareholders.

The Code of Ethics and Conduct will be reviewed from time to time to ensure it remains relevant and aligned with best practices in corporate governance.

1.8 Anti-Bribery and Corruption Policy ("ABC Policy")

In line with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Act 2018"), the Company has implemented an Anti-Bribery and Corruption Policy ("ABC Policy") to foster a culture of integrity and transparency across all of the Group's activities.

The ABC Policy is aligned with the Listing Requirements of Bursa Securities and the Guidelines on Adequate Procedures issued under Section 17A(5) of the MACC Act 2018. It sets out the responsibilities of the Company and all individuals working for the Group in upholding the Group's stance against bribery and corruption. The ABC Policy also establishes key principles to govern interactions with customers, business partners, and other third parties, while providing guidance on the prevention, management, and remediation of bribery and corruption-related risks.

The ABC Policy will be reviewed at least once in every three (3) years to ensure that they continue to remain relevant and appropriate. The ABC Policy is made available on the Company's website at www.hexatech.com.my.

Corporate Governance Overview Statement

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

1.9 Whistle Blowing Policy

The Group is committed to upholding the highest standards of integrity, transparency, and accountability in the conduct of its business and operations. To support this commitment, the Group has established a Whistle Blowing Policy that provides clear channels for reporting and feedback. The policy is aligned with the Companies Act 2016 and Section 17A of the MACC Act 2018 ("the Acts"), which include provisions to protect officers who disclose breaches, non-compliance with the Acts, or any serious offences involving fraud or dishonesty.

The Board will review and update the Whistle Blowing Policy at least once every three (3) years to ensure its continued effectiveness and alignment with applicable legislation and regulatory requirements.

The Whistle Blowing Policy is published on the Company's website at www.hexatech.com.my.

1.10 Directors' Fit and Proper Policy

The Board has adopted the Directors' Fit and Proper Policy in accordance with the Paragraph 15.01A of the Listing Requirements of Bursa Securities. This policy serves as a guide to the NC and the Board in their review and assessment of potential candidates for appointment to the Group's Board, as well as retiring Directors seeking re-election at the AGM.

The Directors' Fit and Proper Policy ensures that the NC and the Board apply rigorous standards when evaluating candidates, enabling the selection of Directors who possess the appropriate qualifications, experience, and integrity to contribute effectively to the Board.

The Board will periodically review the Directors' Fit and Proper Policy and may update it as necessary to ensure alignment with the Board's objectives, prevailing laws, and best practices. The policy is accessible on the Company's website at www.hexatech.com.my.

In addition, the Board has adopted a formal Nomination and Appointment of New Directors Process and Procedures to guide the NC and the Board in the systematic nomination and appointment of new Directors, ensuring a structured and transparent approach in fulfilling their responsibilities.

1.11 Conflict of Interest Policy

The Board had adopted a Conflict of Interest Policy which sets forth guidelines and procedures to identify, disclose, and address conflicts of interest that may arise within the Group. This ensures that any actual, potential, and perceived conflicts of interest are effectively managed. This policy is also designed to ensure compliance with the Listing Requirements of Bursa Securities and the provisions under the Companies Act 2016, as well as to uphold the highest standards of corporate governance and transparency.

The Board will review the Conflict of Interest Policy from time to time and make any necessary amendments to ensure it remains consistent with the Board's objectives, current law, and practices.

Corporate Governance Overview Statement

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I – BOARD RESPONSIBILITIES (CONT'D)

1.12 Sustainability Governance

The Board recognises that sustainable business practices are crucial for long-term value creation and views responsible business conduct as fundamental to achieving operational excellence.

The Board is committed to overseeing the Group's sustainability strategies, priorities, and targets, while management is responsible for the operational implementation of Environmental, Social, and Governance (ESG) initiatives as part of the Group's corporate strategy. As fiduciaries of the Company's shareholders, the Board remains dedicated to upholding exemplary corporate governance practices that emphasise ethics, integrity, and corporate responsibility.

The Board ensures that both internal and external stakeholders are kept informed of the Company's sustainability strategies, priorities, targets, and overall performance. This Annual Report provides a comprehensive overview of the Company's sustainability initiatives.

In addition, the Board has incorporated an assessment of Directors' understanding of sustainability matters into the annual performance evaluation, recognising its importance to the Company's overall performance. The Board remains committed to continuously reviewing and enhancing its sustainability practices to align with best practices and deliver long-term value for all stakeholders.

PART II – COMPOSITION OF THE BOARD

2.1 Board Composition

The Board currently comprises seven (7) members and the composition of the current Board is set out in the table below:-

No.	Names	Designation
1.	Datuk Christopher Wan Soo Kee	Independent Non-Executive Chairman
2.	Haw Chee Seng	Managing Director
3.	Eng Choon Leong	Executive Director
4.	Tang Kok Wai	Executive Director
5.	Andrea Huang Jia Mei	Independent Non-Executive Director
6.	Ir. Dr. Ng Kok Chiang	Independent Non-Executive Director
7.	Christine Toh Hung Mei	Independent Non-Executive Director

This current Board composition complies with Paragraph 15.02 of the Listing Requirements of Bursa Securities, which requires that at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, are Independent Directors.

The Board composition is also in line with Practice 5.2 of the MCCG of having at least half of the Board comprising Independent Non-Executive Directors. This composition is able to provide independent and objective judgement as well as provide an effective check and balance to safeguard the interest of the minority shareholders and other stakeholders, and ensure high standards of conduct and integrity are maintained.

Corporate Governance Overview Statement

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – COMPOSITION OF THE BOARD (CONT'D)

2.1 Board Composition (Cont'd)

The Board comprises members with diverse backgrounds and expertise across various fields. Collectively, they bring a broad spectrum of skills, experience, and knowledge that enable effective oversight and management of the Group's business. Profiles of the Directors are set out in this Annual Report.

2.2 Tenure of Independent Directors

The Board acknowledges that the tenure of an Independent Non-Executive Director shall not exceed a cumulative term of nine (9) years as recommended by the MCGG. However, if the Board intends to retain an Independent Non-Executive Director who has served the Board for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting. Furthermore, the Board recognises that under the Listing Requirements of Bursa Securities, the tenure of an Independent Director should not exceed a cumulative term of twelve (12) years.

Based on the assessment carried out during the financial year under review, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their abilities to act in the best interest of the Company.

The Company has not adopted a policy that limits the tenure of its Independent Directors to nine (9) years, being a step-up practice. Notwithstanding that, the assessment of the independence of Independent Non-Executive Directors will be conducted annually via the Annual Evaluation of Independence of Directors to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.

During the financial year under review, none of our Directors has served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years.

2.3 Board Diversity and Senior Management Team

The Board acknowledges the importance of Board and Senior Management Team composition diversity as recommended by the MCGG. In pursuing a diversity agenda, the Directors and Senior Management are sourced from a diverse pool and recruited based on objective criteria, merit and with due regard for diversity in skills, knowledge, experience, age, cultural background, gender, and contribution.

In line with the recommendation under the MCGG for gender diversity, the Board has established and adopted a Gender Diversity Policy which provides a framework for the Company to improve its gender diversity at the Board and senior management level. The policy emphasises the need for diversity amongst the Board members, amongst others, including race, ethnicity, age, gender, skills, competencies, experiences, and expertise.

Currently, there are two (2) female Directors on the Board, namely, Ms. Andrea Huang Jia Mei and Ms. Christine Toh Hung Mei, representing 28.57% of the Board composition.

Corporate Governance Overview Statement

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – COMPOSITION OF THE BOARD (CONT'D)

2.4 Board Committees

The Board Committees are set up to manage specific tasks for which the Board is responsible within defined TOR. This ensures that the Board members can spend their time more efficiently while the Board Committees are entrusted with the authority to examine particular issues.

The Board has established three (3) Board Committees and the membership of each committee is set out in the table below:-

Composition	ARMC	NC	RC
Andrea Huang Jia Mei (Independent Non-Executive Director)	Chairperson	Member	Member
Ir. Dr. Ng Kok Chiang (Independent Non-Executive Director)	Member	Chairperson	Member
Christine Toh Hung Mei (Independent Non-Executive Director)	Member	Member	Chairperson

The TOR of the respective Board Committees are available on the Company's website at www.hexatech.com.my.

2.5 NC

The NC is chaired by Ir. Dr. Ng Kok Chiang, an Independent Non-Executive Director of the Company.

The NC is responsible for identifying and recommending suitable candidates for Board membership, as well as for continuously assessing the performance of the Directors. The Board retains ultimate responsibility and authority for the appointment of Directors. This process ensures that Board composition aligns with the Company's long-term strategic objectives and that a skills matrix is established to support the Company's strategic direction and evolving needs.

The NC has written TOR dealing with its authority and duties which include the selection and assessment of Directors. The TOR of the NC had incorporated the relevant practices recommended under the MCCG. The TOR of the NC is published on the Company's website at www.hexatech.com.my.

During the FYE 2025, the activities undertaken by the NC were as follows:-

- Evaluated the balance of skills, knowledge, and experience of the Board. Carried out the assessment and rating of each Director's performances against the criteria as set out in the annual assessment form. The performance of Non-Executive Directors was also carefully considered, including whether he/she could devote sufficient time to the role.
- Undertaken an effectiveness evaluation exercise of the Board and its Committees as a whole with the objective of assessing its effectiveness.
- Reviewed and assessed the independence of the Independent Directors of the Company.
- Reviewed and assessed the performance of the ARMC.
- Reviewed and recommended to the Board for consideration, the re-election of the Directors who were due to retire at the AGM.

Corporate Governance Overview Statement

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – COMPOSITION OF THE BOARD (CONT'D)

2.6 Board Appointment and Re-appointment Process

The NC is tasked by the Board to make independent recommendations for appointments to the Board. In evaluating the suitability of candidates, the NC considers, inter-alia, the character, experience, integrity, commitment, competency, qualification, and track record of the proposed new nominee for appointment to the Board. In the case of a nominee for the position of Independent Non-Executive Director, NC evaluates the nominee's ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

In accordance with the Listing Requirements of Bursa Securities and the Company's Constitution, one-third (1/3) of the Directors of the Company for the time being shall retire at the AGM of the Company provided always that all Directors, shall retire from office at least once (1) in every three (3) years but shall be eligible for re-election at the AGM. Additionally, the Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the conclusion of the next AGM and shall be eligible for re-election.

In assessing the candidates' eligibility for re-election, the NC considers their competencies, commitment, contribution, performance based on their respective performance evaluation to the Board and their ability to act in the best interest of the Company.

The Board makes recommendations concerning the re-election, re-appointment, and continuation in office of any Director for shareholders' approval at the AGM.

2.7 Annual Evaluation of the Directors, Board and Board Committees as a whole

The Board recognises the importance of assessing the effectiveness of the Board and Board Committees as a whole as well as the individual director's performance. Facilitated by the NC, the Company conducted an annual assessment to determine the effectiveness of the Board and Board Committees as a whole as well as the contribution of each individual Director. The process was carried out by sending the following customised annual assessment forms to the Directors:-

- (i) Performance of the Managing Director and Executive Directors;
- (ii) Performance of Non-Executive Chairman;
- (iii) Performance of Non-Executive Directors;
- (iv) Independence of the Independent Directors;
- (v) Performance of the ARMC; and
- (vi) Effectiveness of the Board and Board Committees as a whole.

The annual assessment was facilitated by the Company Secretaries and conducted on a peer and self-evaluation basis through questionnaires circulated to the Directors.

The annual assessment forms for the FYE 2025, duly completed by the Directors and/or ARMC were collated and tabled to the NC for deliberations and subsequently escalated to the Board for consideration on the key issues arising thereon, if any.

Corporate Governance Overview Statement

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – COMPOSITION OF THE BOARD (CONT'D)

2.8 Attendance of Board and Board Committees' Meetings

The Board meets at least once every quarter on a scheduled basis and additional meetings are to be convened as and when deemed necessary by the Board. All the Directors fulfilled the requirements of the Listing Requirements of Bursa Securities of having attended at least 50% of the Board meetings held by the Company for the FYE 2025.

The attendance records of each Board member at the Board and Board Committees meetings held during the FYE 2025 are as follows:-

Name of Directors	Board	ARMC	NC	RC
No. of Meetings Attended				
Datuk Christopher Wan Soo Kee (Independent Non-Executive Chairman)	6/6	-	-	-
Haw Chee Seng (Managing Director)	6/6	-	-	-
Eng Choon Leong (Executive Director)	6/6	-	-	-
Tang Kok Wai (Executive Director)	6/6	-	-	-
Andrea Huong Jia Mei (Independent Non-Executive Director)	6/6	5/5	1/1	1/1
Ir. Dr. Ng Kok Chiang (Independent Non-Executive Director)	6/6	5/5	1/1	1/1
Christine Toh Hung Mei (Independent Non-Executive Director)	6/6	5/5	1/1	1/1

2.9 Directors' Training

During the FYE 2025, the Directors have attended the following training programmes in compliance with Paragraph 15.08 of the Listing Requirements of Bursa Securities:-

Name of Directors	Training/Seminar attended
Datuk Christopher Wan Soo Kee	- Key Amendments to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad - Board Simulation – Balancing Risks & Opportunity in Sustainability Leadership Programme
Haw Chee Seng	- Key Amendments to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad - Mandatory Accreditation Programme Part II: Leading for Impact
Eng Choon Leong	- Key Amendments to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad - Mandatory Accreditation Programme Part II: Leading for Impact

Corporate Governance Overview Statement

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – COMPOSITION OF THE BOARD (CONT'D)

2.9 Directors' Training (Cont'd)

During the FYE 2025, the Directors have attended the following training programmes in compliance with Paragraph 15.08 of the Listing Requirements of Bursa Securities:- (Cont'd)

Name of Directors	Training/Seminar attended
Tang Kok Wai	- Key Amendments to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad - Mandatory Accreditation Programme Part II: Leading for Impact
Andrea Huong Jia Mei	- Key Amendments to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad - Enhanced COI Framework - Webinar on Service Tax Expansion 2025 (Broadening Scope) Financial, Rental, Lease & Construction - ESG and IFRS S1 and S2 - Guide to Procurement Audit - IFRS Sustainability Disclosure IFRS S1 and S2
Ir. Dr. Ng Kok Chiang	- Webinar The Emerging of Humanoid Robot - Webinar Artificial Intelligence – The Great Beyond - Key Amendments to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad - National Climate Governance Summit - ESIE - Energy Storage International Conference and Expo Beijing - MPSEA Roadshow and Seminar 2025: Shaping Malaysia Renewable Energy's Future - UOB Sustainable Accelerator Programme 2.0 (SAP): Simplifying SME Decarbonisation Journey - Financing Zero Conference: Catalysing Critical Finance Pathways for Asean's Net-Zero Transition - ESG Forum For SMEs: Unlock your Sustainability Opportunities - Workshop on Development of Guidelines on MEPS for HEM for the Energy Efficiency Act - National Economic Forum 2025: Turning Strategy into Reality - KLSCCCI HR Summit – Evolving Leadership Roles in the Transformative Era of AI: Embrace or Extinct - Empowering Global Competitiveness Advancing Standards, Innovation and Readiness - THE 14TH ACCCIM Young Entrepreneurs Conference (YEC) 2025 Themed International Vision of Young Entrepreneurs Rooted in ASEAN, Expanding Globally - High Impact Business Acceleration Model - Workshop on Guidelines on Safety of Battery Energy Storage System - Board Simulation – Balancing Risks and Opportunity in Sustainability Leadership - ASEAN AI Business Summit 2025 at One World Hotel

Corporate Governance Overview Statement

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II – COMPOSITION OF THE BOARD (CONT'D)

2.9 Directors' Training (Cont'd)

During the FYE 2025, the Directors have attended the following training programmes in compliance with Paragraph 15.08 of the Listing Requirements of Bursa Securities:- (Cont'd)

Name of Directors	Training/Seminar attended
Ir. Dr. Ng Kok Chiang (Cont'd)	• AFEEC-FAPECA Conference and Meetings 2025 in Bali Themed Energy Transition – Path to Sustainable New and Renewable Energy • ESG Forum: Profit with Purpose • From Policy to Practice: Implementing the NAPBHR, HREDD, and the Future of Malaysian ESG • Sustainability Environment ASIA • Investing for Impact: Aligning Capital with ESG • Clean Energy Transition ASIA (CETA) Summit 2025
Christine Toh Hung Mei	• Perfection of Transfer and Charge • Mandatory Accreditation Programme Part II: Leading for Impact • Year in Review: Case Law Updates on Adjudication • Setting the Stage: An Analysis on the Powers, Duties and Obligations of the Arbitral Tribunal • From An Adjudicator's Perspective: Issues and Challenges in the Conduct of Adjudication Proceedings • Arbitration in Action: The Conduct of Effective Hearings • The Basics of Family Law • The Final Step: Keeping an Eye on Effective and Enforceable Awards • The Art of Drafting Enforceable Adjudication Decisions • Case Law Updates on Arbitration within and beyond Malaysia • Managing Construction Projects: Strategies for Compliance, Control and Commercial Management • Housing Development Late Delivery and Defect Law & Practice • AIAC's Adjudicators CCD Workshop Series 2025 – Open Forum Discussion on CIPAA and Adjudication • Voices in Arbitration: Let's Discuss! • Key Amendments to the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad

In order to effectively carry out their roles and duties, the Directors are committed to participating in professional development programmes as necessary. This ongoing commitment to professional development ensures that the Directors stay up-to-date with best practices and emerging trends in their respective areas of expertise. The Company encourages and supports the Directors' participation in such programmes, recognising the importance of maintaining a skilled and knowledgeable Board.

Corporate Governance Overview Statement

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION

3.1 Remuneration Policy

The Board had established a formal and transparent Remuneration Policy to attract and retain Directors and Senior Management of the Company and is available on the Company's website at www.hexatech.com.my.

The RC assists the Board in implementing its policies and procedures on remuneration, which includes reviewing and recommending the proposed remuneration packages of the Directors of the Company. The RC is also responsible for ensuring that the remuneration packages are commensurate with the expected responsibility and contribution by the Directors and link to the strategic objectives of the Company.

The Board will determine the remuneration package of the Managing Director/Executive Director(s), taking into consideration the recommendations of the RC for the Managing Director/Executive Director(s). The remuneration packages for the Managing Director/Executive Director(s) are structured in such a way that they link rewards to both corporate and individual performance.

The Independent Non-Executive Directors of the Company will be paid a basic fee as ordinary remuneration based on their responsibilities in Committees and the Board, their attendance and/or the special skills and expertise they bring to the Board. The fee shall be fixed in sum and not by a commission on or percentage of profits or turnover. Apart from Directors' fees, all Independent Non-Executive Directors are entitled to meeting allowances for attending Board and Board Committee meetings. Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.

3.2 Remuneration of Directors

The remuneration payable to each of the individual Director of the Company and of the Group for the FYE 2025 are as follows:-

(A) The Company

Name of Directors	Fees (RM'000)	Allowance (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefits- in Kind (RM'000)	Other emoluments* (RM'000)	Total (RM'000)
Datuk Christopher Wan Soo Kee	60	7	-	-	-	-	67
Haw Chee Seng	-	-	-	-	-	-	-
Eng Choon Leong	-	-	-	-	-	-	-
Tang Kok Wai	-	-	-	-	-	-	-
Andrea Huong Jia Mei	36	7	-	-	-	-	43
Ir. Dr. Ng Kok Chiang	36	7	-	-	-	-	43
Christine Toh Hung Mei	36	7	-	-	-	-	43
Total	168	28	-	-	-	-	196

Corporate Governance Overview Statement

PRINCIPLE A BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION (CONT'D)

3.2 Remuneration of Directors (Cont'd)

(B) The Group

Name of Directors	Fees (RM'000)	Allowance (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefits- in Kind (RM'000)	Other emoluments* (RM'000)	Total (RM'000)
Datuk Christopher Wan Soo Kee	60	7	-	-	-	-	67
Haw Chee Seng	-	24	399	79	17	61	580
Eng Choon Leong	-	29	312	64	3	50	458
Tang Kok Wai	-	16	312	64	7	49	448
Andrea Huong Jia Mei	36	7	-	-	-	-	43
Ir. Dr. Ng Kok Chiang	36	7	-	-	-	-	43
Christine Toh Hung Mei	36	7	-	-	-	-	43
Total	168	97	1,023	207	27	160	1,682

Note:-

Other emoluments include the Employees Provident Fund (EPF), Social Security Organisation (SOCSO) and Employment Insurance System (EIS).

3.3 Remuneration of Senior Management

The remuneration of the Senior Management of the Company for the FYE 2025 is as follows:-

Range of Remuneration	No. of Senior Management Officer
RM100,001 to RM150,000	1
RM150,001 to RM200,000	1
RM300,001 to RM350,000	1

Due to the confidential and sensitive nature of Senior Management remuneration, as well as security considerations, the Board has chosen not to disclose individual remuneration details on a named basis.

The Board believes that naming Senior Management in the disclosure could be detrimental to the Company, particularly in a competitive talent market, as it may affect recruitment and retention efforts. Accordingly, the Board considers that disclosing the aggregated remuneration of Senior Management in bands of RM50,000, without identifying individuals, provides sufficient transparency while safeguarding the Company's interests.

Corporate Governance Overview Statement

PRINCIPLE B EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – ARMC

4.1 Effective and Independent ARMC

The ARMC is relied upon by the Board to, amongst others, provide advice and oversee in the areas of financial reporting, external audit, internal control environment and internal audit processes, review of related party transactions as well as conflict of interest situations.

The ARMC is chaired by Ms. Andrea Huang Jia Mei, an Independent Non-Executive Director who is distinct from the Chairman of the Board. The majority of the members of the ARMC are financially literate, whilst the Chairperson of the ARMC is a member of the Malaysian Institute of Accountants.

The ARMC comprises three (3) members. The composition of the ARMC complies with Paragraphs 15.09 and 15.10 of the Listing Requirements of Bursa Securities and the recommendation of MCCG whereby all three (3) AC members are Independent Non-Executive Directors. None of the Independent Non-Executive Directors has appointed alternate directors.

None of the members of the ARMC were former key audit partners and to uphold utmost independence, the Board has no intention to appoint any former key audit partner as a member of the ARMC.

The members of the ARMC are equipped with the requisite skills and knowledge to fulfill their responsibilities outlined in the TOR of the ARMC. They possess a deep understanding of matters falling within the purview of the ARMC, including the financial reporting process.

It is expected that they dedicate ample time to updating their knowledge and enhancing their skills through relevant continuing education programmes. This ensures their active engagement and informed participation during deliberations. The ARMC members have consistently stayed informed about developments in accounting and auditing standards, practices, and regulations.

4.2 External Auditors

The Group maintains a transparent and effective relationship with the External Auditors, granting them direct communication authority. This enables the External Auditors to bring to the attention of the ARMC any matters requiring the Board's attention regarding compliance with accounting standards and related regulatory requirements.

During the FYE 2025, the AC met with the External Auditors once without the presence of the Executive Directors and the Management. This allowed the AC and the External Auditors to exchange independent views on the matters which required the AC's attention.

The Board had established the External Auditors Assessment Policy together with the annual performance evaluation form, which sets out the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability and independence of the External Auditors. The factors considered by the ARMC in its assessment include the adequacy of professionalism and experience of the staff, the resources of the External Auditors, fees, independence, and the level of non-audit services rendered to the Group.

The ARMC 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.

Corporate Governance Overview Statement

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

PART I – ARMC

4.2 External Auditors (Cont'd)

The ARMC is satisfied with the performance, suitability, and independence of the External Auditors of the Company, TGS TW PLT. Having assessed their performance, the ARMC is satisfied with the competence and independence of the External Auditors and had recommended to the Board, the re-appointment of the External Auditors upon which the shareholders' approval will be sought at the forthcoming AGM of the Company.

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

5.1 Risk Management and Internal Control Framework

The Board recognises its overall responsibility for establishing and maintaining a sound risk management framework and internal control system within the Group. These systems are designed to manage the Group's risks within an acceptable risk appetite, rather than to completely eliminate the risk of failing to achieve the Group's policies, objectives and goals. They provide reasonable assurance against material misstatements in financial reporting, as well as against financial losses or fraud.

The Company engages Internal Auditors to provide independent evaluations of the adequacy, efficiency and effectiveness of the internal control system. The Internal Auditors report directly to the ARMC, and internal audit plans are submitted to the ARMC for review and approval by the Board to ensure comprehensive coverage.

Further information on the features, adequacy, and effectiveness of the Group's risk management and internal control framework is presented in the Statement on Risk Management and Internal Control in this Annual Report.

5.2 Internal Audit Function

The internal audit function of the Group is outsourced to GovernanceAdvisory.com Sdn. Bhd. ("GA"), an independent professional consulting company, which is independent of the activities and operations of the Group as its Internal Control Consultant to review the adequacy and sufficiency of systems, procedures and controls of the Group.

The Board had established the Internal Auditors Assessment Policy together with the annual performance evaluation form, to outline the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability and independence of the Internal Auditors.

The ARMC had obtained assurance from GA confirming that they are, and have been, independent throughout the conduct of the internal audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The internal audit functions and activities carried out during the FYE 2025 are as disclosed in the ARMC Statement in this Annual Report.

Corporate Governance Overview Statement

PRINCIPLE C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

PART I – COMMUNICATION WITH STAKEHOLDERS

6.1 Continuous Communication with Stakeholders

The Board recognises the need for stakeholders and the wider investment community to ensure that they are kept informed of all material business matters affecting the Group. This is done through the timely dissemination of information on the Group's performance and major developments which are communicated via the following channels:-

- (a) the Annual Report and relevant circulars published on the Company's website and Bursa Securities' website;
- (b) the convening of AGM and/or Extraordinary General Meeting; and
- (c) the release of various disclosures and announcements including quarterly financial results.

The Board adheres strictly to the Bursa Securities disclosure framework to provide investors and the public with accurate and complete information on a timely basis and not merely to meet the minimum regulatory requirements for disclosure. The Board ensures that confidential information is handled properly by authorised personnel to avoid leakage and improper use of such information. The Board is also mindful that information which is expected to be material must be announced immediately.

The Company's website at www.hexatech.com.my serves as one of the most convenient ways for shareholders and members of the public to gain access to corporate information, news, and events relating to the Group.

The Company's AGM remains a principal forum used by the Group for communication with its shareholders. At the AGM, shareholders will be accorded time and opportunity to raise questions on the proposed resolutions and also matters relating to the performance, developments within and the future direction of the Group. The Board will also ensure that each item of special business that is included in the notice of meeting is accompanied by a full written explanation of that resolution and its effects to facilitate its understanding and evaluation.

PART II – CONDUCT OF GENERAL MEETING

7.1 Conduct of General Meetings

The Board will ensure that the Notice of the AGM is sent out at least 28 days prior to the meeting to allow sufficient time for the shareholders to go through the Annual Report and make necessary attendance and voting arrangements.

In line with Practice 13.1 of MCCG, the notice convening the Second ("2nd") AGM of the Company was issued to shareholders at least 28 days before the date of the 2nd AGM, which gives shareholders sufficient time to prepare themselves to attend the 2nd AGM or to appoint a proxy to attend and vote on their behalf.

At the AGM, the shareholders are encouraged to participate in discussing the resolutions proposed or future developments of the Group's operations in general. The Board, the Management team and the Company's External Auditors, are present to answer the questions raised and provide clarification as requested by the shareholders.

All resolutions set out in the Notice of 2nd AGM were put to vote by poll and the votes cast were validated by an independent scrutineer appointed by the Company. The outcome of all resolutions proposed at the general meetings is announced to Bursa Securities at the end of the meeting day.

Corporate Governance Overview Statement

PRINCIPLE C

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

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

7.2 Effective Communication and Proactive Engagement

All the Directors were present at the 2nd AGM held on 17 June 2025 and responded to questions raised by the shareholders.

The Chairman of the Board and its Board Committees members were available to respond to shareholders' queries concerning the Company and the Group in the 2nd AGM. The External Auditors were also invited to attend the AGM and assist the Board in addressing relevant queries made by the shareholders.

From the Company's perspective, the AGM serves as a forum for Directors to engage with the shareholders personally to understand their needs and seek their feedback. The Board welcomes questions and feedback from the shareholders during and at the end of shareholders' meetings and ensures their queries are responded to properly and systematically.

The Board had ensured that a reasonable time is provided to the shareholders for discussion at the 2nd AGM before each resolution is proposed. The summary of the key matters discussed at the 2nd AGM was published on the Company's website at www.hexatech.com.my for the shareholders' information.

Audit and Risk Management Committee Report

The Audit and Risk Management Committee (“ARMC” or “the Committee”) of HE Group Berhad (“the Company”) is pleased to present the ARMC Report for the financial year ended 31 December 2025 (“FYE 2025”).

1. OBJECTIVES

The ARMC was established with the primary objective of assisting the Board of Directors (“the Board”) in fulfilling its statutory obligations effectively. By conducting impartial and independent assessments, the Committee provides additional assurance to the Board concerning the effectiveness of financial, operational, and administrative controls and procedures, thereby enhancing governance and risk management practices within the Company and its subsidiary (“the Group”).

2. COMPOSITION OF ARMC

The ARMC comprises the following members, all of whom are Independent Non-Executive Directors of the Company:-

Name of Committee members	Designation
Andrea Huang Jia Mei (Chairperson)	Independent Non-Executive Director
Ir. Dr. Ng Kok Chiang (Member)	Independent Non-Executive Director
Christine Toh Hung Mei (Member)	Independent Non-Executive Director

The Company has complied with Paragraph 15.09 of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) as well as Practices 9.1 and 9.4 under Principle B of the Malaysian Code of Corporate Governance.

The Chairperson of ARMC, Ms. Andrea Huang Jia Mei is a member of the Association of Chartered Certified Accountants, United Kingdom and a Chartered Accountant of the Malaysian Institute of Accountants. In this respect, the composition of ARMC complies with Paragraph 15.09(1)(c)(i) of the Listing Requirements of Bursa Securities.

The authorities and duties of the ARMC are governed by the Terms of Reference of the ARMC. The Terms of Reference of the ARMC can be accessed from the Company’s website at www.hexatech.com.my.

3. MEETINGS AND ATTENDANCES

The ARMC held a total of five (5) ARMC Meetings during the FYE 2025. The details of attendance of each member at the ARMC Meetings are as follows:

Name of Committee members	Meeting Attendance
Andrea Huang Jia Mei (Chairperson)	5/5
Ir. Dr. Ng Kok Chiang (Member)	5/5
Christine Toh Hung Mei (Member)	5/5

The presence of the External Auditors and/or the Internal Auditors at the ARMC meetings can be requested if required by the ARMC. Other members of the Board and the Management of the Group may attend the Meeting (specific to the relevant meeting and to the matters being discussed) upon invitation of the ARMC.

Audit and Risk Management Committee Report

4. SUMMARY OF WORKS OF THE ARMC FOR THE FYE 2025

The summary of the activities undertaken by the ARMC during FYE 2025, amongst others, included the following:-

- i. Reviewed the unaudited condensed quarterly financial results and annual audited financial statements of the Company and the Group including the announcements pertaining thereto. The discussion focused particularly on any changes in or implementation of major accounting policy changes, significant and unusual events and compliance with accounting standards and other legal requirements before recommending to the Board for approval and making the announcement to Bursa Securities;
- ii. Reviewed with the Internal Auditors, the internal audit plan, the reports for the internal audit function and considered the findings of internal audit reviews and Management responses thereon, and ensure that appropriate actions are taken on the recommendations raised by the Internal Auditors;
- iii. Reviewed the related party transactions and/or recurrent related party transactions, if any, that transpired within the Group to ensure that the transactions entered into were at arm's length basis and on normal commercial terms.
- iv. Reviewed and received the Audit Review Memorandum from External Auditors in respect of the financial statement of the Group for the financial year ended 31 December 2024 ("FYE 2024");
- v. Considered and recommended the re-appointment of TGS TW PLT as the External Auditors and their audit fees to the Board for consideration based on the competency, efficiency and transparency as demonstrated by the External Auditors during their audit;
- vi. Evaluated the performance of External Auditors and Internal Auditors of the Company;
- vii. Self-appraised the performance of the ARMC and submitted the evaluation form to the Nomination Committee for assessment;
- viii. Reviewed the disclosures of conflict of interest ("COI") involving the Directors and key senior management of the Group and concluded that no significant COI were identified that would necessitate further examination and implementation of specific mitigation measures. The only exceptions were related party transactions that had been duly disclosed and entered into with the Group, which are being managed in accordance with the established governance and approval processes.
- ix. Reviewed and received the Audit Planning Memorandum from External Auditors in respect of the financial statements of the Group for the FYE 2025;
- x. Reviewed the updated sustainability policy of the Company.
- xi. Reviewed and recommended to the Board for approval on the Corporate Governance Overview Statement, ARMC Report, Statement on Risk Management and Internal Control, Additional Compliance Information, and Sustainability Statement before recommending to the Board for approval for inclusion in the Company's Annual Report.
- xii. Reviewed the Corporate Governance Report before recommending to the Board for approval.
- xiii. Reviewed the Circular to Shareholders in relation to the Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature before recommending to the Board for approval.

Audit and Risk Management Committee Report

5. INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to a professional services firm. This arrangement ensures an independent assessment and assist the ARMC in assessing the adequacy and effectiveness of the Group's governance and internal control system. Additionally, the Internal Auditors presents significant audit findings and offers recommendations for continuous enhancement of the system.

The cost incurred on the outsourced internal audit functions for FYE 2025 by the Group amounted to RM28,000.

The internal audit function has conducted independent and systematic audit reviews in accordance with the approved annual internal audit plan. These reviews encompass key functional areas and business activities of the Group, emphasising best practices and addressing all business risks with a core focus. The aim is to provide reasonable assurance that the following aspects continue to operate satisfactorily and effectively:

- The effectiveness and efficiency of operations;
- Reliability of reporting;
- Compliance with applicable laws and regulations; and
- Safeguarding the assets.

The internal audit reviews are conducted based on functional areas, serving as a valuable platform for evaluating processes and provide assurance that all areas of concern, findings, and recommendations are addressed. Subsequent follow-up audit reviews are conducted to assess the implementation of appropriate actions and enhancements as deemed necessary by Management.

The ARMC believes that internal audit function operates independently, and the Internal Auditors have performed their audit assignments with impartiality, proficiency, and due professional care.

6. FINANCIAL REPORTING

The ARMC will review and scrutinise the information of the unaudited consolidated quarterly financial results and annual audited financial statements of the Group to ensure material accuracy, adequacy, validity, timeliness, and compliance with applicable financial reporting standards for disclosure to shareholders. These reports which present a balanced and fair assessment of the Group's financial position and prospects will then be tabled to the Board for approval and release to Bursa Securities.

7. RELATIONSHIP WITH AUDITORS

The Group has established a transparent and appropriate relationship with both the External and Internal Auditors. Such a relationship allows the Group to seek professional advice on matters relating to compliance and corporate governance. The internal audit function of the Group will be outsourced to a third party who reports directly and regularly to the ARMC. Both the External and Internal Auditors have direct reporting and access to the ARMC to ensure that issues highlighted are addressed independently, objectively, and impartially without any undue influence of the Management.

The Board, through the ARMC, shall maintain appropriate, formal, and transparent relationships with the External and Internal Auditors. The ARMC will meet the External and Internal Auditors without the presence of Management, whenever necessary, which demonstrates their independence, objectivity, and professionalism.

Meetings with the External Auditors will be held to discuss the Group's audit plans, audit findings, and financial statements as well as to seek their professional advice on other related matters.

Audit and Risk Management Committee Report

8. EVALUATION OF THE PERFORMANCE OF THE AUDITORS

Pursuant to the Terms of Reference of the ARMC, the Board has prior to the Listing, established the Assessment Policy for both the External and Internal Auditors together with their annual performance evaluation forms respectively. The policy is to outline the guidelines and procedures for the ARMC to review, assess, and monitor the performance, suitability, and independence of the External and Internal Auditors.

The External and Internal Auditors are precluded from providing any services that may impair their independence or conflict with their role.

The ARMC shall obtain assurance from the External and Internal 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 ARMC shall carry out an annual performance assessment of the External and Internal Auditors and may request the Executive Director and Chief Financial Officer to join the assessment.

The annual evaluation form provides a checklist for the ARMC to carry out a formal review of the independence, effectiveness, and efficiency of the External and Internal Auditors of the Company. The following are some of the criteria to be annually reviewed by the ARMC:-

- a. Calibre of the audit firm;
- b. Quality of the audit engagement team;
- c. Quality of communication and interaction with the audit team;
- d. Audit scope and quality processes;
- e. Audit governance and independence; and
- f. Audit fee.

Statement on Risk Management and Internal Control

INTRODUCTION

The Malaysian Code on Corporate Governance requires the Board of Directors (“the Board”) to establish a sound risk management framework and internal controls system to safeguard the shareholders’ investments and assets of HE Group Berhad (“the Company”) and its subsidiaries (“the Group”). Pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), a listed corporation must ensure that its Board include a statement about the state of internal control and risk management of the listed issuer as a group in its annual report.

The Board recognises its responsibilities and the importance of a sound system of risk management and internal controls. The Board continues with its commitment to maintaining sound systems of risk management and internal control throughout the Group and in compliance with the Listing Requirements of Bursa Securities and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“Guide”).

The Board is pleased to provide the following statement which outlines the nature and scope of risk management and internal control of the Group in 2025.

BOARD’S RESPONSIBILITIES

The Board acknowledges its duty to uphold a robust system of internal controls and to regularly ensure the adequacy, effectiveness, and integrity of the risk management and internal control framework in alignment with the Group’s objectives and strategies. This commitment extends to safeguarding shareholders’ investments and the Group’s assets.

Quarterly Board meetings are convened to assess the Group’s risk management and internal control environment. The Audit and Risk Management Committee (“ARMC”), supported by independent internal auditors, conducts periodic evaluations to ascertain whether risks potentially impeding the Group’s objectives are adequately assessed, managed, and controlled. During ARMC meetings, issues and corresponding management actions are reviewed and deliberated upon, with resulting minutes presented to the Board. The Board emphasises the integration of risk management across all Company activities and establishes acceptable risk thresholds to inform decision-making and governance processes.

The Board recognises the inherent limitations of any internal control system, understanding that it can manage and mitigate but not entirely eliminate risks that may hinder the Group’s business objectives within the risk tolerance established by the Board and Management. Consequently, the internal control system can offer reasonable, though not absolute, assurance against the occurrence of any material misstatement, loss, or fraud.

Statement on Risk Management and Internal Control

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

1. Risk Management System

The Board has a Risk Management Framework (“Framework”), developed in line with International Organisation for Standardisation (“ISO”) principles and in place to identify, evaluate and manage significant risks facing by the Group. This Framework, documented in writing, will involve compiling the Group’s risk profile, risk registers, and implementing appropriate control measures to mitigate risks to acceptable levels. The Board believes that maintaining a sound risk management and internal control system is founded on a clear understanding and appreciation of the following key elements of the Group’s Framework: -

- a. A formalised Framework to streamline the Group’s risk management activities;
- b. The Board and the Managing Director must first ascertain the levels of the risk appetite of the Group to determine the extent of the risk context;
- c. A risk management structure which outlines the lines of reporting and establishes the responsibility of personnel at different levels, i.e. the Board, ARMC and Management;
- d. The Heads of Department and key management staff are responsible for identifying, assessing and managing strategic and operational risks from time to time;
- e. The identified key risks, which are included in the risk register, are monitored regularly to provide an early warning signal of increasing risk exposures; and
- f. The effectiveness of the control measures/ actions stated in the risk register will be reviewed and reported to the ARMC periodically or on a frequency as determined by the ARMC.

2. Internal Control System

The Board is further supported by a structured internal control environment designed to promote operational efficiency, financial reliability and regulatory compliance. Internal audits are conducted based on audit plan approved by the ARMC and are guided by the International Professional Practices Framework (“IPPF”).

Audit observations and recommendations are communicated to Senior Management and the ARMC, supported by a robust follow-up actions to ensure the timely resolution of identified issues.

The Group maintains a comprehensive internal control environment driven by these key elements:

- a. An organisational structure with clear lines of accountability and responsibilities provides a sound framework within the organisation in facilitating check and balance for proper decision-making at the appropriate authority levels of management, including matters that require the Board’s approval;
- b. The ARMC and the Board meet at least once every quarter to review and deliberate on financial reports, annual financial statements, internal audit reports etc. Discussions with Management will be held to deliberate on the actions that are required to be taken to address the internal control issues identified;
- c. The ARMC and the Board review findings of the internal and external audit on accounting and internal control issues, and hold discussions with Management on actions to be taken to resolve them; Internal policies and procedures had been established for the key business units within the Group to guide employees in their day-to-day activities. The policies and procedures are periodically reviewed and updated to cater to the changing business environment and operational requirements, and statutory reporting needs; and
- d. The Group has also documented policies and procedures to regulate relevant key processes in compliance with its ISO 9001:2015.

Statement on Risk Management and Internal Control

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

3. Internal Audit Function

The Group outsourced the internal audit function to GovernanceAdvisory.com Sdn. Bhd., which reports to the ARMC and assists the ARMC in reviewing the effectiveness of the internal control systems whilst ensuring that there is an appropriate balance of controls and risks throughout the Group in achieving its business objectives.

Internal audit provides an independent assessment of the effectiveness and efficiency of internal controls utilising a global audit methodology and tool to support the corporate governance framework and an efficient and effective risk management framework to provide assurance to the ARMC.

BOARD ASSURANCE AND LIMITATION

The Board had received assurance from the Managing Director and Chief Financial Officer that the Group would continuously improve and maintain a sound and effective system of risk management and internal control. In pursuing objectives, the role of Management is to implement the Board's policies, decisions and guidelines on risks and controls that include the identification, evaluation, and treatment of risks with appropriate countermeasures.

While recognising the imperative for ongoing improvement in risk management and internal control systems, the Board acknowledges that these systems cannot entirely eliminate the possibility of failure to achieve business objectives. Stakeholders should note that while these systems manage reasonable assurance, they cannot provide absolute protection against material misstatements, fraud, or losses.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

In accordance with Paragraph 15.23 of the Listing Requirements of Bursa Securities, the external auditors are mandated to review this Statement on Risk Management and Internal Control ("Statement"). This review adheres to the guidelines outlined in the Audit and Assurance Practice Guide 3 ("AAPG3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA").

Following the principles set out in AAPG3, the external auditors have reviewed this Statement and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the Annual Report is not prepared, in all material respects in accordance with the disclosures required by paragraphs 41 and 42 of the Guide, nor in the Statement factually inaccurate.

CONCLUSION

The Board is satisfied that the existing system of internal controls and risk management is sound and adequate to safeguard the Group's assets at the existing level of operations of the Group for the financial year under review, and up to the date of approval of this Statement. Acknowledging that the evolution of the internal control system is continual, the Board remains committed to pursuing enhancements. Consequently, the Board will persist in implementing appropriate action plans to enhance the Group's internal control system further.

This Statement is issued in accordance with a resolution passed by the Board on 14 April 2026.

Statement of Directors' Responsibility

The Companies Act 2016 ("Act") requires the Board of Directors ("the Board") to be responsible for the preparation of the financial statements which have been made out in accordance with applicable laws and regulations and approved accounting standards to give a true and fair view of the financial position together with the financial performance and cash flows of the Company and its subsidiaries ("the Group") for each financial year.

In preparing the financial statements of the Company and the Group for the financial year ended 31 December 2025 as set out in this Annual Report, the Board considers that the Company and the Group have adopted appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates.

The Board also acknowledges that the Company and the Group have prepared the financial statements on a going concern basis as the Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The Board has the responsibility for ensuring that the Company and the Group maintain accounting records that disclose the financial position of the Company and the Group with reasonable accuracy which enables them to ensure that the financial statements are prepared in compliance with the Act.

The Board is also responsible for taking reasonable steps to ensure that appropriate systems are in place to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Additional Compliance Information

1. UTILISATION OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING (“IPO”)

In conjunction with and as an integral part of the listing of HE Group Berhad (“the Company”) on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Company undertook a public issuance of 86,889,700 new ordinary shares at an issued price of RM0.28 per ordinary share, raising a total gross proceed of approximately RM24.33 million (“IPO Proceeds”).

The status of the utilisation of the IPO Proceeds as at 31 December 2025 was as follows:-

Purposes	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000	Estimated Timeframe for Utilisation (from the Listing date)
Business expansion	3,650	2,311	1,339	Within 30 months
Capital expenditure	1,750	609	1,141	Within 24 months
Working capital	15,129	12,928	2,201	Within 36 months
Estimated listing expenses	3,800	3,800	-	Within 1 month
Total	24,329	19,648	4,681	

The utilisation of the IPO Proceeds as disclosed above should be read in conjunction with the Prospectus for the Company dated 12 January 2024.

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid and payable to the External Auditors, TGS TW PLT for services rendered by them to the Company and its subsidiary (“the Group”) for the financial year ended 31 December 2025 are as follows:

Details of fees	Company RM'000	Group RM'000
Audit		
- Statutory audit	23	78
Non-Audit		
- Review of other information	10	10

3. MATERIAL CONTRACTS

There were no material contracts entered by the Group which involved Directors' or major shareholders' interests during the financial year under review.

Additional Compliance Information

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND TRADING NATURE ("RRPTs")

At the 2nd Annual General Meeting ("AGM") of the Company held on 17 June 2025, the Company obtained shareholders' mandate pursuant to Listing Requirements of Bursa Securities to allow the Group to enter into recurrent related party transactions ("RRPTs") of a revenue or trading nature which are necessary for the day to day operations of the Group and in the ordinary course of business with the related parties ("Mandate"). This Mandate will lapse at the conclusion of the forthcoming 3rd AGM of the Company.

Details of the RRPTs entered into by the Group during the financial year under the Mandate are as follows:

Transacting company (Recipient)	Related party (Provider)	Nature of transaction	Interested related party	Actual value transacted for the financial year ended 31 December 2025 (RM'000)
HE Group	Simosynergy Sdn. Bhd. ("Simosynergy")	Supply of electrical products and retrofitting services to Simosynergy	i. Hexatech Energy Consolidated Sdn. Bhd.	53
		Purchase of switchgear from Simosynergy	ii. Datuk Wira Yong Chong Cheang	131
		Rooftop rental charged by Simosynergy		24

5. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the Main Market Listing Requirements of Bursa Securities / Paragraph 9.41(b) of the Main Market Listing Requirements of Bursa Securities, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

Total Income	Group	
	2025 (RM '000)	2024 (RM '000)
Revenue	123,281	206,910
Other income	2,120	1,861
Total	125,401	208,771
Total Assets	114,136	111,187

Additional Compliance Information

5. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)

b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 (RM '000)	2024 (RM '000)
Interest income - conventional account		158	319
Dividend income - conventional instruments		510	131
Total		668	450

c) Component of Financial Position

(i) Cash Component

Islamic Account/Instruments	Group	
	2025 (RM '000)	2024 (RM '000)
Cash at bank	310	1,317
Deposits with licensed bank	2,058	9,099
Money market instruments	27,232	22,031
Total Cash	29,600	32,447

Conventional Account/Instruments	Group	
	2025 (RM '000)	2024 (RM '000)
Cash at bank	2,149	1,502
Deposits with licensed bank	7,215	4,613
Money market instruments	23,257	19,140
Total Cash	32,621	25,255

(ii) Debt Component

Islamic Financing	Group	
	2025 (RM '000)	2024 (RM '000)
Current	-	-
Non-Current	-	-
Total Debt	-	-

Conventional Borrowing	Group	
	2025 (RM '000)	2024 (RM '000)
Current	752	524
Non-Current	859	1,238
Total Debt	1,611	1,762

FINANCIAL STATEMENTS

103	Directors' Report
107	Statement by Directors
107	Statutory Declaration
108	Independent Auditors' Report
113	Statements of Financial Position
114	Statements of Profit or Loss and Other Comprehensive Income
115	Statements of Changes in Equity
117	Statements of Cash Flows
121	Notes to the Financial Statements



Directors' Report

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The principal activity of its subsidiary is disclosed in Note 5 to the financial statements.

FINANCIAL RESULTS

	Group RM	Company RM
Profit for the financial year	11,034,852	4,394,839

RESERVES AND PROVISIONS

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

DIVIDENDS

Since the end of the last financial year, the Company paid:

	RM
A final single-tier dividend of RM0.0045 per ordinary share in respect of the financial year ended 31 December 2024 on 22 July 2025	1,980,000

On 13 March 2026, the Company had declared an interim single tier dividend of RM0.01 per ordinary share amounting to RM4,400,000 and payable on 14 April 2026. This dividend is not reflected in the financial statements for the current financial year and will be accounted for as an appropriation of retained earnings in the financial year ending 31 December 2026.

ISSUE OF SHARES AND DEBENTURES

There was no issuance of shares or debentures during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

Directors' Report

DIRECTORS

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

Haw Chee Seng*
 Eng Choon Leong*
 Datuk Christopher Wan Soo Kee
 Andrea Huang Jia Mei
 Ir. Dr. Ng Kok Chiang
 Christine Toh Hung Mei
 Tang Kok Wai

* *Director of the Company and its subsidiary*

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

DIRECTORS' INTEREST IN SHARES

The interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiary) of those who were Directors at financial year end according to the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2025	Bought	Sold	At 31.12.2025
Interest in the Company				
Direct interest				
Haw Chee Seng	90,094,511	6,431,200	(2,287,100)	94,238,611
Eng Choon Leong	65,122,360	5,060,000	(2,287,100)	67,895,260
Tang Kok Wai	13,011,365	50,000	-	13,061,365
Datuk Christopher Wan Soo Kee	50,000	355,000	(305,000)	100,000
Ir. Dr. Ng Kok Chiang	100,000	-	-	100,000
Christine Toh Hung Mei	150,000	-	-	150,000

By virtue of his interests in the shares of the Company, Haw Chee Seng is also deemed interested in the shares of the subsidiary during the financial year to the extent that the Company has an interest under Section 8 of the Companies Act 2016 in Malaysia.

Other than as disclosed above, none of the other Directors in office at the end of the financial year have any interest in shares in the Company or its related corporations during the financial year.

Directors' Report

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than Director who have significant interests in companies which traded with certain company in the Group in the ordinary course of business as disclosed in Note 24 to the financial statements.

The Directors' fee and remuneration for the Group and the Company as set out in Note 24 to the financial statements are RM1,655,619 and RM196,000 respectively.

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

INDEMNITY AND INSURANCE COSTS

There was no indemnity given to or insurance effected for any Directors, officers and auditors of the Company in accordance with Section 289 of the Companies Act 2016 in Malaysia.

OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that adequate allowance had been made for doubtful debts and there were no bad debts to be written off; and
 - (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
 - (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
 - (iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
 - (iv) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

Directors' Report

OTHER STATUTORY INFORMATION (CONT'D)

- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.
- (d) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
 - (ii) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
 - (iii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

SUBSIDIARY

The details of the subsidiary are disclosed in Note 5 to the financial statements.

EVENTS AFTER THE REPORTING PERIOD

The events after the reporting period are disclosed in Note 30 to the financial statements.

AUDITORS

The Auditors, Messrs. TGS TW PLT (202106000004 (LLP0026851-LCA) & AF002345), have expressed their willingness to continue in office.

Auditors' remuneration for the Group and for the Company as set out in Note 19 to the financial statements are RM88,000 and RM33,000 respectively.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 14 April 2026.

HAW CHEE SENG

ENG CHOON LEONG

KUALA LUMPUR

Statement by Directors

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

We, the undersigned, being two of the Directors of the Company, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 113 to 152 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 14 April 2026.

HAW CHEE SENG

ENG CHOON LEONG

KUALA LUMPUR

Statutory Declaration

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

I, Lim Soo Cheng (MIA membership number: 39547), being the Officer primarily responsible for the financial management of HE Group Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 113 to 152 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
the Federal Territory on 14 April 2026)

LIM SOO CHENG

Before me,

Shi' Aratul Akmar Binti Sahari
(W788)
Commissioner for Oaths

Independent Auditors' Report

To the Members of HE Group Berhad
[Registration No.: 202301016404 (1510326-M)]
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of HE Group Berhad, which comprise the statements of financial position as at 31 December 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 for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 113 to 152.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

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

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), 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 matter 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 HE Group Berhad
[Registration No.: 202301016404 (1510326-M)]
(Incorporated in Malaysia)

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

Key audit matters (Cont'd)

Key audit matter	How we addressed the key audit matter
Recognition of revenue and cost for construction activities Referring to Note 17 to the financial statements. The Group has recorded revenue from construction contracts of RM112.80 million for the financial year ended 31 December 2025. The Group is involved in construction activities which span more than one reporting period. The revenue and cost of construction activities are recognised over the period using the input method to measure the progress towards complete satisfaction of the performance obligation, based on the proportion of total costs incurred for works performed up to the end of the reporting period as a percentage of the estimated total costs of the construction contracts. We identified recognition of construction revenue and cost as key audit matter as significant management judgement and estimates are involved in estimating the total construction costs. Key management judgements applied in: • Estimating the budgeted costs to complete each project; • Evaluating the appropriateness of the budgeted costs; • Determining the future profitability of each project; and • Evaluating the percentage of completion and accuracy of the estimated costs to complete at the end of the reporting period. Changes in these key judgements could lead to a material change in the value of revenue to be recognised in the profit or loss.	We evaluated whether the accounting policy adopted by the management is consistent with the requirements of MFRS 15 <i>Revenue from Contracts with Customers</i>. We performed a range of audit procedures which included reviewing contract documents, variation orders and inquiring key personnel regarding status of on-going contracts, adjustments in project budgets and potential impairment losses. In relation to construction revenue and cost, we, amongst others and where applicable, agreed to the original signed contracts, letter of awards and approved variation orders. We evaluated the project progress and recovery of cost to supporting evidences include but not limited to verifying third party surveyors' certificates, progress report and interviewing the project team. In assessing management's assumptions in estimating the costs to completion for contracts, we verified the approved budgeted cost to subcontractors' contracts. We verified the construction costs incurred to date to sub-contracts' progress claims and suppliers' invoices and recalculating the percentage of completion at the reporting date. We have considered the adequacy of the Group's disclosures regarding this revenue stream and whether they are in accordance with MFRS 15 <i>Revenue from Contracts with Customers</i>.

Independent Auditors' Report

To the Members of HE Group Berhad

[Registration No.: 202301016404 (1510326-M)]

(Incorporated in Malaysia)

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

Key audit matters (Cont'd)

Key audit matter	How we addressed the key audit matter
Recoverability of trade receivables and contract assets Referring to Notes 6 and 8 to the financial statements. The Group has significant trade receivables and contract assets of RM29.50 million and RM12.38 million respectively as at 31 December 2025. The assessment of recoverability of trade receivables and contract assets involved significant judgements and estimation uncertainty in analysing historical bad debts, customer creditworthiness and customer payment terms.	We obtained the understanding of the Group's credit risk policy, and tested the processes used by management to assess credit exposures. We assessed the reasonableness of the methods and assumptions used by management in estimating the recoverable amount and expected credit loss, which include consideration of the current economic. We tested the accuracy and completeness of the data used by the management. We reviewed the adequacy of the amount of expected credit loss and inquired the management regarding the recoverability of trade receivables that are past due but not impaired accounts and review of customers' correspondence. We evaluated the appropriateness and adequacy of the disclosures of expected credit loss in accordance with MFRS 9 <i>Financial Instruments</i>.

There is no key audit matter to be communicated in respect of the audit of the financial statements of the Company.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Independent Auditors' Report

To the Members of HE Group Berhad
[Registration No.: 202301016404 (1510326-M)]
(Incorporated in Malaysia)

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 and 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 and the Company to cease to continue as a going concern.

Independent Auditors' Report

To the Members of HE Group Berhad

[Registration No.: 202301016404 (1510326-M)]

(Incorporated in Malaysia)

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

Auditors' responsibilities for the audit of the financial statements (Cont'd)

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matter. 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.

TGS TW PLT

202106000004 (LLP0026851-LCA) & AF002345

Chartered Accountants

KUALA LUMPUR

14 April 2026

QUEK KENG YEE

03852/10/2026 J

Chartered Accountant

Statements of Financial Position

As At 31 December 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	3	3,494,295	3,617,486	-	-
Investment properties	4	1,180,000	1,180,000	-	-
Investment in a subsidiary	5	-	-	15,889,919	15,889,919
Receivables	6	862,717	823,378	-	-
		5,537,012	5,620,864	15,889,919	15,889,919
Current assets					
Inventories	7	3,121,431	2,605,039	-	-
Receivables	6	30,806,695	41,174,481	5,038,367	5,040,033
Contract assets	8	12,381,392	4,049,455	-	-
Amount due from a subsidiary	9	-	-	6,800,000	-
Cash and cash equivalents	10	62,289,089	57,737,509	16,246,093	20,647,161
		108,598,607	105,566,484	28,084,460	25,687,194
Total assets		114,135,619	111,187,348	43,974,379	41,577,113
EQUITY					
Share capital	11	38,997,457	38,997,457	38,997,457	38,997,457
Merger reserves	12	(14,889,919)	(14,889,919)	-	-
Retained earnings		46,826,430	37,771,578	4,912,706	2,497,867
Total equity		70,933,968	61,879,116	43,910,163	41,495,324
LIABILITIES					
Non-current liabilities					
Loans and borrowings	13	438,458	815,800	-	-
Hire purchase and lease liabilities	14	1,109,297	1,327,018	-	-
Deferred tax liabilities	15	160,000	134,000	-	-
		1,707,755	2,276,818	-	-
Current liabilities					
Payables	16	38,122,562	28,226,081	37,373	37,362
Contract liabilities	8	1,377,429	15,583,202	-	-
Loans and borrowings	13	558,999	361,567	-	-
Hire purchase and lease liabilities	14	603,159	573,021	-	-
Tax payable		831,747	2,287,543	26,843	44,427
		41,493,896	47,031,414	64,216	81,789
Total liabilities		43,201,651	49,308,232	64,216	81,789
Total equity and liabilities		114,135,619	111,187,348	43,974,379	41,577,113

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

Statements of Profit or Loss and Other Comprehensive Income

For The Financial Year Ended 31 December 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	17	123,280,684	206,909,946	5,000,000	5,000,000
Cost of sales		(97,309,808)	(175,459,983)	-	-
Gross profit		25,970,876	31,449,963	5,000,000	5,000,000
Other income		2,120,242	1,860,981	862,923	805,593
Administrative expenses		(12,379,082)	(13,874,519)	(1,424,732)	(3,438,353)
Net reversal on impairment of financial assets		87,871	134,985	-	-
Other expense		(59,584)	-	-	-
Profit from operation		15,740,323	19,571,410	4,438,191	2,367,240
Finance costs	18	(858,807)	(602,552)	-	-
Profit before tax	19	14,881,516	18,968,858	4,438,191	2,367,240
Taxation	20	(3,846,664)	(5,286,990)	(43,352)	(44,427)
Profit for the financial year, representing total comprehensive income for the financial year		11,034,852	13,681,868	4,394,839	2,322,813
Earnings per share:					
Basic (sen)	21	2.51	3.13		
Diluted (sen)	21	2.51	3.13		

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

Statements of Changes in Equity

For The Financial Year Ended 31 December 2025

		Attributable to Owners of the Company			
		Non- distributable	Distributable		
	Note	Share capital RM	Merger reserves RM	Retained earnings RM	Total equity RM
Group					
At 1 January 2024		15,889,964	(14,889,919)	25,849,710	26,849,755
Total comprehensive income for the financial year		-	-	13,681,868	13,681,868
Transactions with owners:					
Issuance of shares	11	24,329,116	-	-	24,329,116
Share issuance expenses	11	(1,221,623)	-	-	(1,221,623)
Dividends	22	-	-	(1,760,000)	(1,760,000)
At 31 December 2024		38,997,457	(14,889,919)	37,771,578	61,879,116
At 1 January 2025		38,997,457	(14,889,919)	37,771,578	61,879,116
Total comprehensive income for the financial year		-	-	11,034,852	11,034,852
Transaction with owners:					
Dividends	22	-	-	(1,980,000)	(1,980,000)
At 31 December 2025		38,997,457	(14,889,919)	46,826,430	70,933,968

Statements of Changes in Equity

For The Financial Year Ended 31 December 2025

	Note	Share capital RM	Retained earnings RM	Total equity RM
Company				
At 1 January 2024		15,889,964	1,935,054	17,825,018
Total comprehensive income for the financial year		-	2,322,813	2,322,813
Transactions with owners:				
Issuance of shares	11	24,329,116	-	24,329,116
Share issuance expenses	11	(1,221,623)	-	(1,221,623)
Dividends	22	-	(1,760,000)	(1,760,000)
At 31 December 2024		38,997,457	2,497,867	41,495,324
At 1 January 2025		38,997,457	2,497,867	41,495,324
Total comprehensive income for the financial year		-	4,394,839	4,394,839
Transaction with owners:				
Dividends	22	-	(1,980,000)	(1,980,000)
At 31 December 2025		38,997,457	4,912,706	43,910,163

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

Statements of Cash Flows

For The Financial Year Ended 31 December 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Cash flows from operating activities					
Profit before tax		14,881,516	18,968,858	4,438,191	2,367,240
Adjustments for:					
Depreciation of property, plant and equipment		834,602	744,631	-	-
Dividend income		-	-	(5,000,000)	(5,000,000)
Fair value gain on short-term investments		(22,979)	(38,996)	-	-
Gain on disposal of property, plant and equipment		-	(43,300)	-	-
Gain on early termination of lease contracts		(3,685)	(4,878)	-	-
Gain on modification of lease contracts		(201)	-	-	-
Reversal on expected credit loss of trade receivables		(87,871)	(134,985)	-	-
Interest expenses		858,807	602,552	-	-
Interest income		(1,891,060)	(1,412,667)	(862,923)	(694,593)
Unwinding of discount on non-current financial assets		(39,339)	(39,339)	-	-
Operating profit/(loss) before working capital changes		14,529,790	18,641,876	(1,424,732)	(3,327,353)
Changes in working capital:					
Inventories		(516,392)	(666,685)	-	-
Receivables		10,455,657	20,439,049	1,666	135,342
Payables		9,896,481	(3,681,723)	11	7,362
Contract assets and liabilities		(22,537,710)	(16,278,481)	-	-
Cash generated from/(used in) operations		11,827,826	18,454,036	(1,423,055)	(3,184,649)
Tax paid		(5,276,460)	(4,632,248)	(60,936)	-
Net cash from/(used in) operating activities		6,551,366	13,821,788	(1,483,991)	(3,184,649)
Cash flows from investing activities					
Dividend received		-	-	5,000,000	2,000,000
Interest received		1,891,060	1,412,667	862,923	694,593
Advance to a subsidiary		-	-	(6,800,000)	-
Placement of fixed deposits pledged with licensed banks		(2,659,767)	(987,835)	-	-
Net changes in short-term investments		22,979	38,996	-	-
Purchases of property, plant and equipment	A	(304,396)	(371,625)	-	-
Proceeds from disposal of property, plant and equipment		-	82,600	-	-
Withdrawal of cash collateral pledged with licensed banks		67,003	1,372,147	-	-
Net cash (used in)/from investing activities		(983,121)	1,546,950	(937,077)	2,694,593

Statements of Cash Flows

For The Financial Year Ended 31 December 2025

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividend paid		(1,980,000)	(1,760,000)	(1,980,000)	(1,760,000)
Interest paid		(858,807)	(602,552)	-	-
Repayment to a subsidiary	C	-	-	-	(210,321)
Proceeds from issuance of shares		-	24,329,116	-	24,329,116
Payment of share issuance expenses		-	(1,221,623)	-	(1,221,623)
Repayment of hire purchase and lease liabilities	B/C	(590,712)	(567,993)	-	-
Repayment of term loans	C	(359,530)	(342,078)	-	-
Net cash (used in)/from financing activities		(3,789,049)	19,834,870	(1,980,000)	21,137,172
Net increase/(decrease) in cash and cash equivalents		1,779,196	35,203,608	(4,401,068)	20,647,116
Cash and cash equivalents at the beginning of the financial year		51,057,508	15,853,900	20,647,161	45
Cash and cash equivalents at the end of the financial year		52,836,704	51,057,508	16,246,093	20,647,161
Cash and cash equivalents at the end of the financial year comprises:					
Cash and bank balances	10	2,527,320	2,853,971	181,270	443,992
Fixed deposits with licensed banks	10	9,272,765	13,711,903	-	7,098,905
Short-term investments	10	50,489,004	41,171,635	16,064,823	13,104,264
Less: Bank overdraft	13	(179,620)	-	-	-
		62,109,469	57,737,509	16,246,093	20,647,161
Less: Cash collateral pledged with licensed banks	10	-	(67,003)	-	-
Less: Fixed deposits pledged with licensed banks	10	(9,272,765)	(6,612,998)	-	-
		52,836,704	51,057,508	16,246,093	20,647,161

Statements of Cash Flows

For The Financial Year Ended 31 December 2025

NOTES TO STATEMENTS OF CASH FLOWS

A. Purchase of property, plant, and equipment

	Group	
	2025 RM	2024 RM
Total purchase of property, plant and equipment	831,543	1,410,187
Less: Acquisition by means of hire purchase and lease liabilities	(527,147)	(1,038,562)
Total cash paid	304,396	371,625

B. Cash outflows for leases as a lessee

		Group	
	Note	2025 RM	2024 RM
<u>Included in net cash from/(used in) operating activities:</u>			
Payment relating to short-term leases	19	122,666	119,838
Payment relating to lease of low value assets	19	9,886	4,868
		132,552	124,706
<u>Included in net cash (used in)/from financing activities:</u>			
Payment of hire purchase and lease liabilities		590,712	567,993
Payment on interest of hire purchase and lease liabilities	18	100,892	99,693
		691,604	667,686
		824,156	792,392

Statements of Cash Flows

For The Financial Year Ended 31 December 2025

NOTES TO STATEMENTS OF CASH FLOWS (CONT'D)

C. Reconciliation of liabilities arising from financing activities

	Hire purchase and lease liabilities RM	Term loans RM	Total RM
Group			
Balance at 1 January 2024	1,553,195	1,519,445	3,072,640
New leases	1,038,562	-	1,038,562
Financing cash flows	(567,993)	(342,078)	(910,071)
Other changes (i)	(123,725)	-	(123,725)
Balance at 31 December 2024	1,900,039	1,177,367	3,077,406
New leases	527,147	-	527,147
Financing cash flows	(590,712)	(359,530)	(950,242)
Other changes (i)	(124,018)	-	(124,018)
Balance at 31 December 2025	1,712,456	817,837	2,530,293

	Amount due to a subsidiary RM	Total RM
Company		
Balance at 1 January 2024	210,321	210,321
Financing cash flows	(210,321)	(210,321)
Balance at 31 December 2024/31 December 2025	-	-

(i) Other changes include early termination and modification of lease contracts.

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

Notes to the Financial Statements

1. CORPORATE INFORMATION

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

The registered office of the Company is located at Third Floor, No. 77, 79 & 81, Jalan SS21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan.

The principal place of business of the Company is located at No. 42, Jalan OP 1/5, Pusat Perdagangan One Puchong, 47160 Puchong, Selangor Darul Ehsan.

The principal activity of the Company is engaged in investment holding. The principal activities of its subsidiary are disclosed in Note 5 to the financial statements.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policy information in the respective notes.

The Group and the Company have consistently applied the accounting policies throughout all periods presented in the financial statements unless otherwise stated.

(i) Adoption of new and amended standards

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

Amendments to MFRS 121	Lack of Exchangeability
------------------------	-------------------------

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

Notes to the Financial Statements

2. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

- (ii) Standard issued but not yet effective

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

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

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

The initial applications of the above-mentioned new and amendments to MFRSs are not expected to have any significant impacts on the financial statements of the Group and of the Company.

(b) Functional and presentation currency

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

(c) Significant accounting judgements, estimates and assumptions

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

Notes to the Financial Statements

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Judgements

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

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

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if they are reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if they are reasonably certain not to be exercised.

The Group applies judgement in evaluating whether they are reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, they consider all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group includes the renewal period as part of the lease term for leases of office buildings and hostel with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Satisfaction of performance obligations in relation to contracts with customers

The Group is required to assess each of their contracts with customers to determine whether performance obligations are satisfied over time or at a point in time in order to determine the appropriate method for recognising revenue. This assessment was made based on the terms and conditions of the contracts and provisions of relevant laws and regulations.

The Group recognises revenue over time in the following circumstances:

- (a) the customer simultaneously receives and consumes benefits provided by the Group's performance as the Group performs;
- (b) the Group does not create an asset with an alternative use to the Group and has an enforceable right to payment for performance completed to date; and
- (c) the Group's performance creates or enhances an assets that the customer controls as the asset is created or enhanced.

Where the above criteria are not met, revenue is recognised at a point in time. Where revenue is recognised at a point in time, the Group assesses each contract with customers to determine when the performance obligation of the Group under the contract is satisfied.

Notes to the Financial Statements

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty

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

Useful lives of property, plant and equipment

The Group regularly reviews the estimated useful lives of property, plant and equipment based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment would increase the recorded depreciation and decrease the value of property, plant and equipment. The carrying amount at the reporting date for property, plant and equipment is disclosed in Note 3 to the financial statements.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected selling prices. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 7 to the financial statements.

Revenue from construction contracts

Construction revenue and costs are recognised over the period of the contract in the profit or loss by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of performance obligation is measured based on actual costs incurred to-date over the estimated total construction costs. Significant judgement is required in determining the progress based on the certified work-to-date corroborated by the level of completion of the construction based on actual costs incurred to-date over the estimated total construction costs. The total estimated construction costs are based on approved budgets, which require assessments and judgments to be made on changes in, for example, work scope, changes in costs and costs to completion. In making the judgement, the Group evaluates based on past experience, the work of specialists and a continuous monitoring mechanism.

Provision for expected credit loss of financial assets at amortised cost and contract assets

The Group reviews the recoverability of its receivables and contract assets at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables and contract assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history and existing market conditions at the end of each reporting period.

The Group uses a provision matrix to calculate expected credit loss for receivables. The provision rates are based on number of days past due.

Notes to the Financial Statements

2. BASIS OF PREPARATION (CONT'D)

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)

Provision for expected credit loss of financial assets at amortised cost and contract assets (Cont'd)

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The carrying amounts at the reporting date for receivables and contract assets are disclosed in Notes 6 and 8 to the financial statements respectively.

Discount rate used in leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the reporting period in which such determination is made.

Notes to the Financial Statements

3. PROPERTY, PLANT AND EQUIPMENT

	Buildings RM	Solar photovoltaic system		Tools and equipment RM	Computers RM	Motor vehicles RM	Office equipment RM	Furniture and fittings RM		Renovation RM	Electrical installation RM	Total RM
		RM	RM					RM	RM			
Group Cost												
At 1 January 2024	1,579,118	1,181,480	78,007	132,438	608,334	404,718	462,946	484,963	15,056	4,947,060		
Additions	662,558	-	65,500	64,139	497,465	6,877	103,848	9,800	-	1,410,187		
Disposal	-	-	-	-	(206,000)	-	-	-	-	(206,000)		
Early termination of lease contracts	(321,743)	-	-	-	-	-	-	-	-	(321,743)		
Expiration of lease contracts	(113,136)	-	-	-	-	-	-	-	-	(113,136)		
At 31 December 2024	1,806,797	1,181,480	143,507	196,577	899,799	411,595	566,794	494,763	15,056	5,716,368		
Additions	327,156	-	229,901	5,811	216,692	20,318	28,865	2,800	-	831,543		
Early termination of lease contracts	(269,246)	-	-	-	-	-	-	-	-	(269,246)		
Expiration of lease contracts	(136,871)	-	-	-	-	-	-	-	-	(136,871)		
Modification of lease contracts	(18,592)	-	-	-	-	-	-	-	-	(18,592)		
At 31 December 2025	1,709,244	1,181,480	373,408	202,388	1,116,491	431,913	595,659	497,563	15,056	6,123,202		

Notes to the Financial Statements

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

	Buildings RM	Solar photovoltaic system RM	Tools and equipment RM	Computers RM	Motor vehicles RM	Office equipment RM	Furniture and fittings RM	Renovation RM	Electrical installation RM	Total RM
Accumulated depreciation										
At 1 January 2024	428,623	476,529	65,384	69,735	232,418	262,805	166,238	133,997	1,254	1,836,983
Charge for the financial year	428,255	47,260	5,140	27,267	139,890	20,118	35,661	39,534	1,506	744,631
Disposal	-	-	-	-	(166,700)	-	-	-	-	(166,700)
Early termination of lease contracts	(202,896)	-	-	-	-	-	-	-	-	(202,896)
Expiration of lease contracts	(113,136)	-	-	-	-	-	-	-	-	(113,136)
At 31 December 2024	540,846	523,789	70,524	97,002	205,608	282,923	201,899	173,531	2,760	2,098,882
Charge for the financial year	437,727	47,259	20,871	30,286	190,890	21,051	44,892	40,120	1,506	834,602
Early termination of lease contracts	(167,905)	-	-	-	-	-	-	-	-	(167,905)
Expiration of lease contracts	(136,871)	-	-	-	-	-	-	-	-	(136,871)
Modification of lease contracts	199	-	-	-	-	-	-	-	-	199
At 31 December 2025	673,996	571,048	91,395	127,288	396,498	303,974	246,791	213,651	4,266	2,628,907
Carrying amount										
At 31 December 2025	1,035,248	610,432	282,013	75,100	719,993	127,939	348,868	283,912	10,790	3,494,295
At 31 December 2024	1,265,951	657,691	72,983	99,575	694,191	128,672	364,895	321,232	12,296	3,617,486

Notes to the Financial Statements

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

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised in the profit or loss on straight-line method to write off the cost of each asset to its residual value over its estimated useful life. Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Buildings	Lease terms over 24 to 144 months
Solar photovoltaic system	25 years
Tools and equipment	10 years
Computers	5 years
Motor vehicles	5 years
Office equipment	10 years
Furniture and fittings	10 years
Renovation	10 years
Electrical installation	10 years

(i) Including in the net carrying amount of property, plant and equipment are right-of-use assets as follows:

	Group	
	2025 RM	2024 RM
Buildings	1,035,248	1,265,951
Motor vehicles	656,618	613,915
	1,691,866	1,879,866

(ii) Depreciation charge of right-of-use assets are as follows:

	Group	
	2025 RM	2024 RM
Buildings	437,727	428,255
Motor vehicles	173,990	135,665
	611,717	563,920

(iii) Additions of right-of-use assets are as follows:

	Group	
	2025 RM	2024 RM
Buildings	327,156	662,558
Motor vehicles	216,692	497,465
	543,848	1,160,023

Notes to the Financial Statements

4. INVESTMENT PROPERTIES

	Freehold buildings RM
Group	
At fair value	
At 1 January 2024/31 December 2024/31 December 2025	1,180,000

Investment properties are subsequently measured at fair value which reflects market conditions at the reporting date.

The fair value of the investment properties is determined by external independent professional valuers with recent experience in the location and category of property being valued and are determined once a year based on the comparison approach. Details of the fair value are disclosed in Note 28 to the financial statements.

The following is recognised in profit or loss in respect of the investment properties:

	Group	
	2025 RM	2024 RM
Direct operating expenses	2,566	1,562

5. INVESTMENT IN A SUBSIDIARY

	Company	
	2025 RM	2024 RM
At cost		
Unquoted shares in Malaysia	15,889,919	15,889,919

In the Company's separate financial statements, investment in a subsidiary is stated at cost less accumulated impairment losses.

Details of the subsidiary are as follows:

Name of company	Place of business/ Country of incorporation	Effective interest (%)		Principal activity
		2025	2024	
Hexatech Engineering Sdn. Bhd. ("Hexatech Engineering")	Malaysia	100	100	Engagement in provision of power distribution system, other building systems and works, hook up and retrofitting of electrical equipment and trading.

Notes to the Financial Statements

6. RECEIVABLES

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
<u>Non-current</u>					
Non-trade receivables	(a)	862,717	823,378	-	-
<u>Current</u>					
Trade receivables, gross		22,572,325	32,129,554	-	-
Retention sum		7,203,353	8,513,832	-	-
		29,775,678	40,643,386	-	-
Less: Expected credit losses (“ECL”)		(276,957)	(364,828)	-	-
Trade receivables, net	(b)	29,498,721	40,278,558	-	-
Non-trade receivables		71,969	53,988	37,367	39,033
Advances to suppliers		532,421	344,000	-	-
Deposits		382,056	176,406	1,000	1,000
Dividend receivable		-	-	5,000,000	5,000,000
Prepayments		321,528	321,529	-	-
		30,806,695	41,174,481	5,038,367	5,040,033
		31,669,412	41,997,859	5,038,367	5,040,033

(a) Non-trade receivables - non-current

Non-current non-trade receivables represent insurance premium paid for keyman life insurance which shall be refundable when the Group surrender the insurance policy upon its maturity dates in 5 years' time. These amounts have been discounted to their respective present value.

(b) Trade receivables

Trade receivables are non-interest bearing and are generally on 0 to 120 days (2024: 0 to 120 days) term. They are recognised at engineer certificates amounts which represent their fair values on initial recognition.

Movements in the impairment loss on ECLs are as follows:

	Group	
	2025 RM	2024 RM
At beginning of the financial year	364,828	499,813
Reversal for the financial year	(87,871)	(134,985)
At end of the financial year	276,957	364,828

The impairment loss account in respect of trade receivables and contract assets is used to record impairment loss. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

Notes to the Financial Statements

6. RECEIVABLES (CONT'D)

(b) Trade receivables (Cont'd)

The following table provide information about the exposure to credit risk and ECLs for trade receivables and contract assets which are grouped together as they are expected to have similar risk nature:

	Gross amount RM	ECL RM	Net amount RM
2025			
Not past due	33,942,366	(168,140)	33,774,226
Past due:			
Less than 30 days	5,981,656	(63,406)	5,918,250
31 to 60 days	487,058	(7,793)	479,265
61 to 90 days	1,699,049	(36,360)	1,662,689
More than 90 days	46,941	(1,258)	45,683
	42,157,070	(276,957)	41,880,113
Trade receivables	29,775,678	(276,957)	29,498,721
Contract assets (Note 8)	12,381,392	-	12,381,392
	42,157,070	(276,957)	41,880,113
2024			
Not past due	43,256,671	(345,024)	42,911,647
Past due:			
Less than 30 days	1,257,455	(14,712)	1,242,743
31 to 60 days	117	(2)	115
More than 90 days	178,598	(5,090)	173,508
	44,692,841	(364,828)	44,328,013
Trade receivables	40,643,386	(364,828)	40,278,558
Contract assets (Note 8)	4,049,455	-	4,049,455
	44,692,841	(364,828)	44,328,013

Notes to the Financial Statements

7. INVENTORIES

	Group	
	2025 RM	2024 RM
At cost		
Consumables	3,121,431	2,605,039
Recognised in profit or loss		
Inventories recognised as cost of sales	14,249,970	12,509,065

Inventories are stated at the lower of cost and net realisable value. The cost of inventories is determined on the weighted average basis.

8. CONTRACT ASSETS/(LIABILITIES)

		Group	
	Note	2025 RM	2024 RM
<u>Contract assets</u>			
Construction contracts	(a)	12,381,392	4,049,455
<u>Contract liabilities</u>			
Construction contracts	(a)	(1,377,429)	(15,583,202)

The contract assets primarily relate to the Group's rights to consideration for work completed but not yet billed at the reporting date for its construction activities. The contract assets will be transferred to trade receivables when the rights become unconditional.

The contract liabilities primarily relate to the advance consideration received from customer for construction contract, which revenue is recognised over time during the construction's activities.

Notes to the Financial Statements

8. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(a) Construction contracts

	Group	
	2025 RM	2024 RM
At beginning of the financial year	(11,533,747)	(27,812,228)
Recognised as revenue	112,800,397	186,931,022
Less: Progress billings issued	(90,262,687)	(170,652,541)
At end of the financial year	11,003,963	(11,533,747)
Presented as:		
Contract assets	12,381,392	4,049,455
Contract liabilities	(1,377,429)	(15,583,202)
	11,003,963	(11,533,747)

Contract value yet to be recognised as revenue

As at the reporting date, revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) are as follow:

	Group	
	2025 RM	2024 RM
Within 1 year	68,388,150	68,921,724

9. AMOUNT DUE FROM A SUBSIDIARY

Amount due from a subsidiary is unsecured, non-trade in nature, bear interest at 3.50% per annum and repayable on demand.

Notes to the Financial Statements

10. CASH AND CASH EQUIVALENTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	2,527,320	2,853,971	181,270	443,992
Fixed deposits with licensed banks	9,272,765	13,711,903	-	7,098,905
Short-term investments	50,489,004	41,171,635	16,064,823	13,104,264
	62,289,089	57,737,509	16,246,093	20,647,161

Included in bank balances of the Group is an amount of RMNil (2024: RM67,003) pledged as cash collateral for performance bond granted to the Group and hence not available for general use.

Included in fixed deposits with licensed banks of the Group is an amount of RM9,272,765 (2024: RM6,612,998) pledged as security for bank borrowings and bank guarantees granted to the Group and hence not available for general use.

The interest rates of the fixed deposits with licensed banks are ranging from 1.85% to 2.65% (2024: 2.40% to 2.90%) per annum.

Short-term investments represent investment in money market fund that is readily convertible to known amount of cash and which is subject to an insignificant risk of changes in value.

11. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2025 Unit	2024 Unit	2025 RM	2024 RM
Issued and fully paid up				
At 1 January	440,000,000	353,110,300	38,997,457	15,889,964
Issuance of shares	-	86,889,700	-	24,329,116
Share issuance expenses	-	-	-	(1,221,623)
At 31 December	440,000,000	440,000,000	38,997,457	38,997,457

On 29 January 2024, the Company increased its issued and paid up share capital from RM15,889,964 to RM38,997,457 by way of issuance of 89,889,700 new ordinary shares in conjunction with the Initial Public Offering of the Company at RM0.28 each for a total cash consideration of RM24,329,116.

The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

Notes to the Financial Statements

12. MERGER RESERVE

The merger reserve is the difference between the carrying value of the investment in a subsidiary and the share capital of the Company's subsidiary upon consolidation under the merger acquisition principle.

13. LOANS AND BORROWINGS

	Group	
	2025 RM	2024 RM
Secured:		
Term loans	817,837	1,177,367
Bank overdraft	179,620	-
	997,457	1,177,367
Non-current		
Term loans		
- Between 2 to 5 years	429,749	794,388
- More than 5 years	8,709	21,412
	438,458	815,800
Current		
Bank overdraft	179,620	-
Term loans	379,379	361,567
	558,999	361,567
	997,457	1,177,367

(a) The repayment terms of the loans and borrowings are as follows:

- (i) Term loans are repayable by 54 to 120 months (2024: 54 to 120 months).
- (ii) Bank overdraft is repayable on demand.

(b) The loans and borrowings are secured by the following:

- (i) Corporate guarantee by a corporate shareholder;
- (ii) Fixed deposit with a licensed bank of the Group, as disclosed in Note 10 to the financial statements; and
- (iii) A guarantee coverage of up to RM16,000,000 under PEMULIH Government Guarantee Scheme ("PGGS") by Syarikat Jaminan Pembiayaan Perniagaan Berhad.

Notes to the Financial Statements

13. LOANS AND BORROWINGS (CONT'D)

(c) The interest rates are as follows:

	Group	
	2025 %	2024 %
Term loans	3.50 - 7.85	3.50 - 7.85
Bank overdraft	5.17	-

14. HIRE PURCHASE AND LEASE LIABILITIES

	Group	
	2025 RM	2024 RM
Non-current		
Hire purchase liabilities	420,477	422,224
Lease liabilities	688,820	904,794
	1,109,297	1,327,018
Current		
Hire purchase liabilities	193,497	162,201
Lease liabilities	409,662	410,820
	603,159	573,021
	1,712,456	1,900,039

The maturity analysis of hire purchase and lease liabilities at the end of the reporting period is as follows:

	Group	
	2025 RM	2024 RM
Within 1 year	684,170	667,536
Between 2 - 5 years	1,105,151	1,347,846
More than 5 years	106,500	129,304
	1,895,821	2,144,686
Less: Future finance charges	(183,365)	(244,647)
Present value of hire purchase and lease liabilities	1,712,456	1,900,039

The Group leases buildings and motor vehicles. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The interest rate of the hire purchase liabilities of the Group ranged from 1.33% to 2.46% (2024: 1.33% to 2.46%). Lease payments relating to other lease liabilities are discounted using the Group's annual increment borrowing rates ranged from 5.72% to 6.82% (2024: 5.72% to 6.82%).

Notes to the Financial Statements

15. DEFERRED TAX LIABILITIES

	Group	
	2025 RM	2024 RM
At beginning of the financial year	134,000	86,000
Recognised in profit or loss	26,000	48,000
At end of the financial year	160,000	134,000

The balances of deferred tax liabilities are made up of tax effect on temporary differences arising from:

	Group	
	2025 RM	2024 RM
Property, plant and equipment	226,000	222,000
Provision	(66,000)	(88,000)
	160,000	134,000

16. PAYABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Trade payables	31,798,035	22,560,913	-	-
Retention sum	3,744,994	4,279,534	-	-
	35,543,029	26,840,447	-	-
Non-trade payables	181,084	62,234	-	-
Accruals	1,848,814	1,323,400	37,373	37,362
Deposit received	4,500	-	-	-
Sales and Service Tax payable	545,135	-	-	-
	38,122,562	28,226,081	37,373	37,362

Trade payables

The normal trade credit terms granted to the Group ranged from 0 to 90 days (2024: 0 to 90 days) depending on the terms of the contracts.

Included in trade payables is an amount of RMNil (2024: RM395,000) due to a company in which Directors have interest.

Notes to the Financial Statements

17. REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Revenue from contract with customers				
Construction contracts	112,800,397	186,931,022	-	-
Rendering of services	10,095,004	18,894,805	-	-
Sales of goods	385,283	1,084,119	-	-
	123,280,684	206,909,946	-	-
Revenue from other sources				
Dividend income	-	-	5,000,000	5,000,000
Timing of revenue recognition:				
At a point in time	10,480,287	19,978,924	-	-
Over time	112,800,397	186,931,022	-	-
	123,280,684	206,909,946	-	-

Revenue from construction contracts

The Group recognises revenue from construction contracts over time when control over the asset has been transferred to the customers. The assets have no alternative use to the Group due to contractual restriction and the Group has an enforceable right to payment for performance completed to date. Revenue from construction contracts is measured at the transaction price agreed under the construction contracts.

Revenue is recognised over the period of the contract using the input method to measure the progress towards complete satisfaction of the performance obligations under the construction contract i.e., based on the proportion of cost incurred to date over the estimated total costs.

The Group becomes entitled to invoice customers for construction of promised asset based on achieving a series of performance-related milestones (i.e. progress billing). The Group previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the progress billing exceeds the revenue recognised to date, the Group recognises a contract liability for the difference. There is not considered to be a significant financing component in contracts with customers as the period between the recognition of revenue and the progress billing is always less than one year.

Revenue from rendering of services

Revenue from services is recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

Notes to the Financial Statements

17. REVENUE (CONT'D)

Revenue from sales of goods

Revenue from sale of goods is recognised at a point in time when control of the products has been transferred, being when the customer accepts the delivery of goods. Revenue is recognised based on the price specified in the contract, net of any discounts.

Dividend income

Dividend income is recognised when the Company's right to received payment is established.

18. FINANCE COSTS

	Group	
	2025 RM	2024 RM
Interest expenses on:		
- Bank commitment fee	15,992	16,026
- Bank guarantee	684,963	319,900
- Bank overdraft	59	11
- Hedging charges	-	12,976
- Hire purchase and lease liabilities	100,892	99,693
- Letter of credit	6,217	84,927
- Term loans	50,249	69,019
- Trust receipts	435	-
	858,807	602,552

Notes to the Financial Statements

19. PROFIT BEFORE TAX

Profit before tax is determined after charging/(crediting), amongst others, the following items:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Auditors' remuneration				
- Audit fee	78,000	78,000	23,000	23,000
- Non-audit fee	10,000	10,000	10,000	10,000
Depreciation of property, plant and equipment	834,602	744,631	-	-
Fair value gain on short-term investments	(22,979)	(38,996)	-	-
Gain on early termination of lease contracts	(3,685)	(4,878)	-	-
Gain on modification of lease contracts	(201)	-	-	-
Gain on disposal of property, plant and equipment	-	(43,300)	-	-
Interest income	(1,891,060)	(1,412,667)	(862,923)	(694,593)
Reversal on expected credit losses on trade receivables	(87,871)	(134,985)	-	-
Lease of low-value assets (a)	9,886	4,868	-	-
Realised loss/(gain) on foreign currency exchange	59,584	(30,423)	-	-
Sales of solar energy	(162,978)	(180,121)	-	-
Short-term leases (a)	122,666	119,838	-	-
Unwinding of discount on non-current financial assets	(39,339)	(39,339)	-	-

- (a) The Group leases a number of properties and equipment with contract terms of not more than one year or the value of the asset is not more than RM20,000 when it is new. These leases are short-term leases and/or leases of low value assets. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Notes to the Financial Statements

20. TAXATION

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Tax expenses recognised in profit or loss				
Current tax				
Current financial year provision	3,634,799	5,208,025	43,343	44,427
Under provision in prior financial year	185,865	30,965	9	-
	3,820,664	5,238,990	43,352	44,427
Deferred tax				
Origination and reversal of temporary differences	19,000	30,000	-	-
Under provision in prior financial year	7,000	18,000	-	-
	26,000	48,000	-	-
	3,846,664	5,286,990	43,352	44,427

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax	14,881,516	18,968,858	4,438,191	2,367,240
At Malaysian statutory tax rate of 24% (2024: 24%)	3,571,564	4,552,526	1,065,166	568,138
Income not subject to tax	(401,073)	(287,026)	(1,361,633)	(1,326,223)
Expenses not deductible for tax purposes	483,308	972,525	339,810	802,512
Under provision of current tax in prior financial year	185,865	30,965	9	-
Under provision of deferred tax in prior financial year	7,000	18,000	-	-
	3,846,664	5,286,990	43,352	44,427

Notes to the Financial Statements

21. EARNINGS PER SHARE

(a) Basic earnings per share

The basic earnings per share is calculated based on the consolidated profit for the financial year attributable to owners of the Company and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2025 RM	2024 RM
Profit attributable to owners of the Company	11,034,852	13,681,868
Weighted average number of ordinary shares (unit)	440,000,000	437,619,460
Basic earnings per ordinary shares (sen)	2.51	3.13

(b) Diluted earnings per share

There is no dilution in earnings per share as the Company does not have any convertible financial instruments as at the reporting date.

22. DIVIDENDS

	Group and Company	
	2025 RM	2024 RM
<u>In respect of the financial year ended 31 December 2023</u>		
A final single-tier dividend of RM0.004 per ordinary share, declared on 21 June 2024 and paid on 22 July 2024	-	1,760,000
<u>In respect of the financial year ended 31 December 2024</u>		
A final dividend of RM0.0045 per ordinary share, declared on 17 June 2025 and paid on 22 July 2025	1,980,000	-
	1,980,000	1,760,000

The Board of Directors does not recommend any final dividend in respect of the current financial year.

Notes to the Financial Statements

23. STAFF COSTS

	Group	
	2025 RM	2024 RM
Salaries, wages and other emoluments	9,596,419	8,306,641
Defined contribution plan	934,355	900,767
Social security contributions	104,827	88,082
	10,635,601	9,295,490

24. RELATED PARTY DISCLOSURES

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the Group or the Company have the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group and of the Company, having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company directly or indirectly.

(b) Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Transactions with a company in which Directors have interest				
- Sales to	52,992	18,931	-	-
- Purchases from	-	849,038	-	-
- Lease rental charged by	8,000	24,000	-	-
Transactions with a subsidiary				
- Dividend income	-	-	5,000,000	5,000,000
- Interest income	-	-	41,543	-

Notes to the Financial Statements

24. RELATED PARTY DISCLOSURES (CONT'D)

(c) Compensation of key management personnel

Compensation of Directors and other key management personnel are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Executive Directors				
Salary and other emoluments	1,299,500	1,222,800	-	-
Defined contribution plans	155,940	146,736	-	-
Social security contributions	4,179	3,652	-	-
	1,459,619	1,373,188	-	-
Non-executive Directors				
Fees	168,000	168,000	168,000	168,000
Other emoluments	28,000	23,000	28,000	23,000
	196,000	191,000	196,000	191,000
Other key management personnel				
Salary and other emoluments	565,877	688,744	-	-
Defined contribution plans	87,059	82,964	-	-
Social security contributions	4,178	4,805	-	-
	657,114	776,513	-	-
Total key management personnel compensation	2,312,733	2,340,701	196,000	191,000

The estimated monetary value of benefits-in-kind received by the Directors of the Group were RM26,900 (2024: RM12,050).

25. CONTINGENT LIABILITY

	Group	
	2025 RM	2024 RM
Secured:		
Performance guarantee extended to third parties in respect of subcontractors' performance	32,395,874	26,528,795

Notes to the Financial Statements

26. OPERATING SEGMENTS

Information about operating segments has not been reported separately as the Group's revenue, profit or loss, assets and liabilities are mainly confined to a single operating segment, namely the provision of power distribution system, other building systems and works, hook up and retrofitting of electrical equipment and trading sectors in Malaysia.

MAJOR CUSTOMERS

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

	Group	
	2025 RM	2024 RM
Customer A	51,290,572	134,504,193
Customer B	7,770,459	32,226,385
Customer C	24,471,476	3,273,901

27. FINANCIAL INSTRUMENTS

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Financial assets				
<u>At amortised cost</u>				
Receivables	30,815,463	41,332,330	5,038,367	5,040,033
Amount due from a subsidiary	-	-	6,800,000	-
Cash and cash equivalents	62,289,089	57,737,509	16,246,093	20,647,161
	93,104,552	99,069,839	28,084,460	25,687,194
Financial liabilities				
<u>At amortised cost</u>				
Payables	37,577,427	28,226,081	37,373	37,362
Loans and borrowings	997,457	1,177,367	-	-
	38,574,884	29,403,448	37,373	37,362

Notes to the Financial Statements

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies

The Group's and the Company's financial risk management policy are to ensure that adequate financial resources are available for the development of the Group's and of the Company's operation whilst managing their credit, liquidity and market risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy are not to engage in speculative transactions.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies, and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's and the Company's exposure to credit risk arises principally from the receivables and cash and cash equivalents. There are no significant changes as compared to previous financial year.

The Group and the Company have adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk by dealing with creditworthy counterparties and deposit with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

At each reporting date, the Group and the Company assess whether any of the receivables are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the reporting period represent the Group's and the Company's maximum exposure to credit risk except for financial guarantees provided to banks and non-financial institutions for supply of goods.

The Group maximum exposure in this respect is RM32,395,874 (2024: RM26,528,795), representing the outstanding banking facilities to the third party subcontractors as at the end of the reporting period. There was no indication that any third party subcontractors would default on repayment as at the end of the reporting period.

There are no significant changes as compared to previous financial year.

As at the end of the financial year, the Group has 2 (2024: 2) customers that owed the Group more than 10% each and accounted for approximately 52% (2024: 81%) of all the receivables outstanding.

Notes to the Financial Statements

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group and the Company will encounter difficulty in meeting their financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Group's and the Company's funding requirement and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company finance their liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	2 to 5 years RM	More than 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group					
2025					
<u>Non-derivative financial liabilities</u>					
Payables	37,577,427	-	-	37,577,427	37,577,427
Loans and borrowings	590,716	445,764	10,026	1,046,506	997,457
Hire purchase and lease liabilities	684,170	1,105,151	106,500	1,895,821	1,712,456
	38,852,313	1,550,915	116,526	40,519,754	40,287,340
Financial guarantee*	32,395,874	-	-	32,395,874	

Notes to the Financial Statements

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM	2 to 5 years RM	More than 5 years RM	Total contractual cash flows RM	Total carrying amount RM
Group (Cont'd)					
2024					
<u>Non-derivative financial liabilities</u>					
Payables	28,226,081	-	-	28,226,081	28,226,081
Loans and borrowings	411,096	842,170	22,267	1,275,533	1,177,367
Hire purchase and lease liabilities	667,536	1,347,846	129,304	2,144,686	1,900,039
	29,304,713	2,190,016	151,571	31,646,300	31,303,487
Financial guarantee*	26,528,795	-	-	26,528,795	
Company					
2025					
<u>Non-derivative financial liabilities</u>					
Other payables	37,373	-	-	37,373	37,373
2024					
<u>Non-derivative financial liabilities</u>					
Other payables	37,362	-	-	37,362	37,362

* Based on the maximum amount that can be called for under the financial guarantee contract.

The Group provides financial guarantee to customers in respect of subcontractors' performance.

Financial guarantee has not been recognised since the fair value on initial recognition was deemed not material and the probability of the subcontractors' performance would not be satisfied is remote.

Notes to the Financial Statements

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk

(a) Interest rate risk

The Group's fixed rate deposits and borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group manages the interest rate risk of their deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group manages its interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group does not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2025 RM	2024 RM
Group		
Fixed rate instruments		
<u>Financial asset</u>		
Fixed deposits with licensed banks	9,272,765	13,711,903
<u>Financial liability</u>		
Hire purchase and lease liabilities	(1,712,456)	(1,900,039)
	7,560,309	11,811,864
Floating rate instruments		
<u>Financial liabilities</u>		
Term loans	(817,837)	(1,177,367)
Bank overdraft	(179,620)	-
	(997,457)	(1,177,367)
Company		
Fixed rate instruments		
<u>Financial assets</u>		
Fixed deposits with licensed banks	-	7,098,905
Amount due from a subsidiary	6,800,000	-
	6,800,000	7,098,905

Notes to the Financial Statements

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(a) Interest rate risk (Cont'd)

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change in 1% interest rate at the end of the reporting period would have increased/(decreased) the Group's profit before tax by RM9,975 (2024: RM11,774), arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings. This analysis assumes that all other variables remain constant. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(b) Foreign currency risk

The Group is exposed to foreign currency risk on transactions that are denominated in currency other than the functional currency of the Group. The currency giving rise to this risk is primarily USD.

The Group has not entered into any derivative instruments for hedging or trading purposes as the net exposure to foreign currency risk is not significant. However, the exposure to foreign currency risk is monitored from time to time by management.

The carrying amount of the Group's foreign currency denominated financial assets at the end of the reporting period is as follows:

	USD	
	2025 RM	2024 RM
Group		
Financial asset		
Bank balance	324,996	501,844

Notes to the Financial Statements

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risk (Cont'd)

(b) Foreign currency risk (Cont'd)

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's profit before tax for the financial year to a reasonably possible change in USD, exchange rates against RM, with all other variables held constant.

Change in currency rate	Effect on profit before tax	
	2025 RM	2024 RM
USD		
Strengthened 1% (2024:1%)	3,250	5,018
Weakened 1% (2024:1%)	(3,250)	(5,018)

(c) Fair value of financial instruments

The carrying amounts of short-term receivables, payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

28. FAIR VALUE MEASUREMENT

The following table summarises the methods used in determining the fair value of non-financial assets of the Group on a recurring basis as at 31 December 2025 and 31 December 2024.

Non-financial asset	Fair value as at		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable input to fair value
	2025 RM	2024 RM				
Group						
Investment properties	1,180,000	1,180,000	Level 2	<u>Land and buildings</u> Comparison approach which reflects recent market translations for similar properties.	<u>Land and buildings</u> Adjustment for factors such as plot size, location, encumbrances and current use.	<u>Land and buildings</u> The extent and direction of this adjustment depends on the number and characteristics of the observable market transactions in similar properties that are used as starting point for valuation.

Notes to the Financial Statements

29. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions including the interest rate movements. To maintain and adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders, issue new shares or adjust bank borrowings level. No changes were made in the objectives, policies or processes during the financial year.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratio at end of the reporting period are as follows:

	Group	
	2025 RM	2024 RM
Loans and borrowings	997,457	1,177,367
Hire purchase liabilities	613,974	584,425
Total interest-bearing debts	1,611,431	1,761,792
Total equity	70,933,968	61,879,116
Gearing ratio	0.02	0.03

There were no changes in the Group's approach to capital management during the financial year.

30. EVENTS AFTER THE REPORTING PERIOD

On 13 March 2026, the Company had declared an interim single tier dividend of RM0.01 per ordinary share amounting to RM4,400,000 and payable on 14 April 2026. This dividend is not reflected in the financial statements for the current financial year and will be accounted for as an appropriation of retained earnings in the financial year ending 31 December 2026.

On 26 March 2026, Hexatech Engineering incorporated a wholly-owned subsidiary, Digitalflux Technologies Sdn. Bhd., by subscribing 1,000 ordinary shares at RM1 each for a total cash consideration of RM1,000.

31. DATE OF AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 14 April 2026.

List of Properties

as at 31 December 2025

Title Details/ Property No. Address		Description and Existing Use	Date of Acquisition/ Revaluation	Tenure	Approximate Age of Building	Approximate Area	Net Book Value as at 31 December 2025 RM'000
1.	Geran 334179, Lot 179014, M1-C-20- 560, Mukim Klang, Daerah Klang, Negeri Selangor	Description: Apartment unit Existing use: Vacant	31 December 2025	Freehold	4 Years	883 square feet	480
2.	Geran 334179, Lot 179014, M1-C-19- 548, Mukim Klang, Daerah Klang, Negeri Selangor	Description: Apartment unit Existing use: Vacant	31 December 2025	Freehold	4 Years	1,421 square feet	700

Analysis of Shareholdings

as at 1 April 2026

Total Number of Issued Shares : 440,000,000 ordinary shares
 Class of Equity Securities : Ordinary shares
 Voting Rights : One (1) vote for every ordinary share

DISTRIBUTION SCHEDULE OF SHAREHOLDING

SIZE OF HOLDINGS	NO. OF HOLDERS	%	NO. OF SHARES	%
1 – 99	8	0.301	100	0.000
100 – 1,000	338	12.725	157,100	0.035
1,001 – 10,000	1,100	41.415	6,588,700	1.497
10,001 – 100,000	969	36.483	34,496,900	7.840
100,001 – 21,999,999 (*)	239	8.998	234,905,329	53.387
22,000,000 AND ABOVE (**)	2	0.075	163,851,871	37.239
Total	2,656	100.00	440,000,000	100.00

REMARK : * - LESS THAN 5% OF ISSUED SHARES

** - 5% AND ABOVE OF ISSUED SHARES

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(As per the Register of Substantial Shareholders)

NO.	NAME OF SHAREHOLDERS	NO. OF SHARES HELD			
		DIRECT INTEREST	%	INDIRECT INTEREST	%
1.	HAW CHEE SENG	104,996,311	23.863	-	-
2.	ENG CHOON LEONG	68,895,260	15.658	-	-
3.	HEXATECH ENERGY CONSOLIDATED SDN. BHD.	22,531,020	5.121	-	-
4.	DATUK WIRA YONG CHONG CHEANG	-	-	22,531,020 ⁽¹⁾	5.121

⁽¹⁾ Deemed interested by virtue of his interest in Hexatech Energy Consolidated Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

Analysis of Shareholdings

as at 1 April 2026

DIRECTORS' SHAREHOLDINGS

(As per the Register of Directors' Shareholdings)

NO.	NAME OF DIRECTORS	NO. OF SHARES HELD			
		DIRECT INTEREST	%	INDIRECT INTEREST	%
1.	HAW CHEE SENG	104,996,311	23.863	-	-
2.	ENG CHOON LEONG	68,895,260	15.658	-	-
3.	TANG KOK WAI	13,272,965	3.016	-	-
4.	CHRISTOPHER WAN SOO KEE	150,000	0.034	-	-
5.	ANDREA HUONG JIA MEI	-	-	-	-
6.	IR. DR. NG KOK CHIANG	100,000	0.022	-	-
7.	CHRISTINE TOH HUNG MEI	150,000	0.034	-	-

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 1 APRIL 2026

(without aggregating securities from different securities accounts belonging to the same registered holder)

NO.	NAME	HOLDINGS	%
1.	HAW CHEE SENG	94,956,611	21.581
2.	ENG CHOON LEONG	68,895,260	15.658
3.	TUNG ENG HAI	18,900,000	4.295
4.	UNIVERSAL TRUSTEE (MALAYSIA) BERHAD KAF CORE INCOME FUND	18,183,500	4.132
5.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HEXATECH ENERGY CONSOLIDATED SDN. BHD.	17,458,400	3.967
6.	TANG KOK WAI	13,272,965	3.016
7.	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR HAW CHEE SENG (PB)	10,000,000	2.272
8.	MAYBANK NOMINEES (TEMPATAN) SDN BHD NATIONAL TRUST FUND (IFM KAF) (446190)	9,521,500	2.163
9.	YONG CHONG LIM	8,822,126	2.005
10.	LIM SOO CHENG	7,277,186	1.653
11.	SENG KENG THENG	6,385,986	1.451
12.	HEXATECH ENERGY CONSOLIDATED SDN. BHD.	5,072,620	1.152
13.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB ISLAMIC TRUSTEE BERHAD FOR PMB SHARIAH EQUITY FUND	4,850,000	1.102
14.	ONG LAY CHEONG	4,567,600	1.038

Analysis of Shareholdings

as at 1 April 2026

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS AS AT 1 APRIL 2026 (CONT'D)

(without aggregating securities from different securities accounts belonging to the same registered holder)

NO.	NAME	HOLDINGS	%
15.	TIEW SOON AIK	4,335,100	0.985
16.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN JIAN CHERN (E-TSA/KTI)	4,150,000	0.943
17.	CHUA GEOK PING	3,788,446	0.861
18.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TOH ENG KEAT (7012760)	3,760,500	0.854
19.	CHUA VIN TECK	3,000,000	0.681
20.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG CHONG LIM (7006038)	2,670,000	0.606
21.	AMANAHRAYA TRUSTEES BERHAD PMB DANA AL-AIMAN	2,500,000	0.568
22.	TEO KIM LAP	2,455,800	0.558
23.	NG KWEE WAH	2,293,800	0.521
24.	UOBM NOMINEES (ASING) SDN BHD UOB ASSET MANAGEMENT (MALAYSIA) BERHAD FOR FWD AGGRESSIVE FUND	2,133,400	0.484
25.	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG HENG LOONG (CCTS)	2,000,000	0.454
26.	TEOH CHEE YEE	1,990,050	0.452
27.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHAN TENG CHUN (E-KLC/JSB)	1,715,300	0.389
28.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD URUSHARTA JAMAAH SB. (SC KAF)	1,700,000	0.386
29.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIEW HUI YEE (E-SPG)	1,527,800	0.347
30.	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR UNITED-I MALAYSIA DISCOVERY FUND	1,480,000	0.336

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Third Annual General Meeting (“3rd AGM” or “Meeting”) of HE GROUP BERHAD (“HE Group” or “the Company”) will be held at Greens III Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 19 June 2026 at 10.00 a.m. or at any adjournment thereof, to transact the following businesses, with or without modifications:-

AGENDA

AS ORDINARY BUSINESS:-

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors’ fees and/or benefits of up to RM300,000.00 for the period commencing from the date immediately after the 3rd AGM until the next Annual General Meeting (“AGM”) of the Company.
3. To re-elect the following Directors who retire by rotation pursuant to Clause 88 of the Company’s Constitution:-
 - (i) Datuk Christopher Wan Soo Kee
 - (ii) Mr. Haw Chee Seng
4. To re-appoint TGS TW PLT as Auditors of the Company until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration.

Please refer to Explanatory Note 1

Ordinary Resolution 1

***Ordinary Resolution 2
Ordinary Resolution 3***

Ordinary Resolution 4

AS SPECIAL BUSINESS:

To consider and if thought fit, pass with or without any modifications, the following resolutions:-

5. **GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 (“ACT”)**

Ordinary Resolution 5

“THAT subject always to the Constitution of the Company, the Act, the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant governmental/regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot new ordinary shares in the Company (“New Shares”) to such persons, at any time, and upon such terms and conditions and for such purposes and to such person(s) as the Directors may, in their absolute discretion, deem fit and expedient in the interest of the Company, provided that 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 (excluding treasury shares) at any point in time (“Mandate”) AND the Directors be and also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares to be issued AND the Mandate shall continue in force until the conclusion of the next AGM of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier.

Notice of Annual General Meeting

AND THAT the New Shares to be issued pursuant to the Mandate, shall, upon issuance and allotment, rank *pari passu* in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared, made or paid before the date of allotment of such New Shares.”

6. PROPOSED RENEWAL OF THE EXISTING SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE (“PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE”)

Ordinary Resolution 6

“THAT authority be and is hereby given in line with Paragraph 10.09 of the Listing Requirements of Bursa Securities, for the Company and/or its subsidiaries (“Group”) to enter into any of the recurrent related party transactions with the related parties as set out in Section 2.7 of the Circular to Shareholders dated 30 April 2026 in relation to the Proposed Renewal of Existing Shareholders’ Mandate which are necessary for the day-to-day operations of the Group within the ordinary course of business of the Group, made on an arm’s length basis and on normal commercial terms which are those generally available to the public and are not detrimental to the minority shareholders of the Company.

AND THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until:-

- (i) the conclusion of the next AGM of the Company following the general meeting at which the ordinary resolution for the Proposed Renewal of Existing Shareholders’ Mandate was passed, at which time it shall lapse, unless by a resolution passed at the next AGM, the authority is renewed;
- (ii) the expiration of the period within which the next AGM after that date it is required by law to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may be deemed fit, necessary, expedient and/or appropriate in order to implement the Proposed Renewal of Existing Shareholders’ Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed Renewal of Existing Shareholders’ Mandate in the best interest of the Company.”

Notice of Annual General Meeting

7. **PROPOSED SHARE BUY-BACK OF UP TO TEN PERCENT (10%) OF THE TOTAL NUMBER OF ISSUED SHARES OF THE COMPANY ("PROPOSED SHARE BUY-BACK AUTHORITY")**

Ordinary Resolution 7

"THAT subject to the provisions of the Act, the provisions of the Constitution of the Company, the Listing Requirements of Bursa Securities and all prevailing laws, rules, regulations, orders, guidelines and requirements for the time being in force, approval and authority be and are hereby given to the Directors of the Company, to the extent permitted by law, to purchase such number of ordinary shares of the Company ("HE Group Shares") as may be determined by the Directors from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the best interest of the Company, provided that:-

- (i) the maximum aggregate number of HE Group Shares, which may be purchased by the Company, shall not exceed 10% of the total number of issued shares in the Company at any point in time subject to compliance with the provisions of the Act, the Listing Requirements of Bursa Securities and/or any other relevant authorities;
- (ii) the maximum amount of funds to be allocated for the Proposed Share Buy-Back Authority shall not exceed the aggregate of the retained profits of the Company; and
- (iii) the authority conferred by this resolution shall be effective immediately after the passing of this resolution and shall continue to be in force until:-
 - (a) the conclusion of the next AGM of HE Group following the general meeting at which the ordinary resolution for the Proposed Share Buy-Back Authority is passed, at which time shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
 - (b) the expiration of the period within the next AGM is required by law to be held; or
 - (c) revoked or varied by ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company of the HE Group Shares before the aforesaid expiry date and made in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any other relevant government and/or regulatory authorities.

Notice of Annual General Meeting

THAT the Directors be and are hereby authorised to deal with the HE Group Shares purchased under the Proposed Share Buy-Back Authority, at their discretion, in the following manner:-

- (i) cancel the purchased HE Group Shares; or
- (ii) retain the purchased HE Group Shares as treasury shares for distribution as share dividends to the shareholders of the Company and/or resell in accordance with the relevant rules of Bursa Securities and/or transfer under an employees' share scheme and/or transfer as purchase consideration; or
- (iii) retain part of the purchased HE Group Shares as treasury shares and cancel the remainder.

AND THAT the Directors be and are hereby authorised and empowered to do all acts and things and to take all such steps as necessary or expedient (including opening and maintaining a Central Depository System account) and to enter into and execute, on behalf of the Company, any instruments, agreements and/or arrangements with any person, and with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed by Bursa Securities or any relevant regulatory authority, and/or as may be required in the best interest of the Company and to take all such steps as the Directors may deem fit, necessary and expedient in the best interest of the Company in order to implement, finalise and give full effect to the Proposed Share Buy-Back Authority."

8. To transact any other business of which due notice shall have been given.

By order of the Board

TEA SOR HUA (MACS 01324) (SSM PC No.: 201908001272)
LEE SIEW FUN (MAICSA 7063623) (SSM PC No.: 202008000735)
Company Secretaries

Petaling Jaya, Selangor Darul Ehsan
30 April 2026

NOTES:

- a. A member who is entitled to present, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- b. A proxy may, but need not, be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend, speak and vote at the Meeting shall have the same rights as the member to speak and vote at the Meeting.

Notice of Annual General Meeting

NOTES: (CONT'D)

- c. The instrument appointing a proxy shall be in writing signed by the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under the seal or signed by an officer or attorney duly authorised.
- d. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- e. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- f. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 64(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 10 June 2026. Only members whose names appear in the General Meeting Record of Depositors as at 10 June 2026 shall be entitled to present, participate, speak and vote at the Meeting.
- g. To be valid, the instrument appointing a proxy may be made in a hard copy form or by an electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting: -
 - i. In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or the designated drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
 - ii. By electronic form
The proxy form can be electronically lodged via Vistra Share Registry and IPO (MY) portal ("The Portal") at <https://srmy.vistra.com>. Please refer to the Administrative Notes on the procedure for electronic lodgement of proxy form.
- h. All the resolutions set out in this Notice of Meeting will be put to vote by poll.
- i. The members are advised to refer to the Administrative Notes on the registration process for the Meeting.
- j. Kindly check Bursa Securities' and the Company's website at www.hexatech.com.my for the latest updates on the status of the Meeting.

Notice of Annual General Meeting

EXPLANATORY NOTES:-

1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 December 2025

The Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of the members for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

2. Item 2 of the Agenda – Directors' Fees and/or Benefits

Pursuant to Section 230(1) of the Act, the Directors' fees and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting. This resolution is to facilitate payment of Directors' fees and benefits for the period commencing from the date immediately after the 3rd AGM until the next AGM of the Company. In the event the proposed amount is insufficient due to more meetings or an enlarged Board size, approval will be sought at the next AGM for the shortfall.

3. Items 3 of the Agenda – Re-election of Directors

Clause 88 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election PROVIDED ALWAYS that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. Hence, two (2) out of seven (7) Directors of the Company are to retire in accordance with Clause 85 of the Company's Constitution.

Following thereto, Datuk Christopher Wan Soo Kee and Mr. Haw Chee Seng will retire by rotation pursuant to Clause 88 of the Company's Constitution (collectively referred to as "the Retiring Directors"). The Retiring Directors being eligible, have offered themselves for re-election at the 3rd AGM.

The Board has endorsed the Nomination Committee's recommendation to seek shareholders' approval to re-elect the Retiring Directors as they possess the required skill sets to facilitate and contribute to the Board's effectiveness and value.

The Retiring Directors had abstained from all deliberations and decisions on their own eligibility to stand for re-election at the Board meeting.

The details and profiles of the Retiring Directors are provided in the Board of Directors' Profile contained in the Company's Annual Report 2025.

4. Item 4 of the Agenda – Re-appointment of Auditors

The Audit and Risk Management Committee ("ARMC") has undertaken an annual assessment of the suitability, effectiveness, and independence of TGS TW PLT as Auditors. Based on the outcome of the assessment, the ARMC is satisfied that TGS TW PLT has maintained its independence and has performed its duties effectively. Accordingly, the ARMC recommended to the Board that TGS TW PLT be re-appointed as the Auditors of the Company.

The Board has endorsed the ARMC's recommendation and will seek shareholders' approval for the re-appointment of TGS TW PLT as Auditors for the financial year ending 31 December 2026, and to hold office until the conclusion of the next AGM.

Notice of Annual General Meeting

EXPLANATORY NOTES:- (CONT'D)

5. Item 5 of the Agenda – General Authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Act

The Ordinary Resolution 5 proposed under item 5 of the Agenda is to seek a general mandate for issuance and allotment of shares by the Company pursuant to Sections 75 and 76 of the Act ("Mandate"). This Ordinary Resolution, if passed, will empower the Directors to issue and allot new Shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for such purposes and to such persons as the Directors consider would be in the interest of the Company.

This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

The purpose of seeking the Mandate is to enable the Directors of the Company to have the flexibility to issue and allot new shares at any time for such purposes and to such persons in their absolute discretion without convening a general meeting for shareholders' approval, thereby saving time and avoiding additional costs. This Mandate may be utilised for any possible fundraising activities, including but not limited to further placing of shares for the purpose of funding current and/or future project(s), working capital, acquisitions, investments and/or for issuance of shares as a form of settlement of purchase consideration or repayment of borrowings or debt settlement/repayment or such other applications as the Directors may deem fit and expedient in the best interest of the Company.

The Company had at its Second AGM ("2nd AGM") held on 17 June 2025, obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to issue and allot shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes, as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time.

As at the date of this Notice, no new shares in the Company were issued and allotted pursuant to the mandate granted to the Directors at the 2nd AGM which will lapse at the conclusion of the Meeting.

6. Item 6 of the Agenda – Proposed Renewal of Existing Shareholders' Mandate

The Ordinary Resolution 6 proposed under item 6 of the Agenda, if passed, will give the mandate for the Group to enter into recurrent related party transactions of a revenue and/or trading nature pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Securities.

Please refer to the Circular to Shareholders dated 30 April 2026 for further details.

7. Item 7 of the Agenda – Proposed Share Buy-Back Authority

The Ordinary Resolution 7 proposed under item 7 of the Agenda is to seek mandate on the authority to purchase its own shares of up to 10% of the total number of issued shares of the Company. This Ordinary Resolution, if passed, will empower the Directors of the Company to purchase its own ordinary shares of up to 10% of the total number of issued shares of the Company through Bursa Securities at any time within the time stipulated.

Please refer to Share Buy-Back Statement dated 30 April 2026 for further details of the Proposed Share Buy-Back Authority.

Administrative Notes for the Third Annual General Meeting of

HE GROUP BERHAD ("The Company") ("3rd AGM" or "Meeting")

- Day and Date** : Friday, 19 June 2026
- Time** : 10.00 a.m. or at any adjournment thereof
- Venue** : Greens III Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan

REGISTRATION ON THE DAY OF THE 3rd AGM

- Registration will commence at 9.00 a.m. on Friday, 19 June 2026 and will remain open until the conclusion of the 3rd AGM or such time as may be determined by the Chairman of the meeting.
- Please present your original MyKAD or Passport (for non-Malaysians) to the registration staff for verification purposes. Please ensure the original MyKAD or Passport is returned to you thereafter. Please take note that no person will be allowed to register on behalf of another person, even with the original MyKAD or Passport of that person.
- Upon verification, shareholders (or "members") or proxies are required to write their names and sign on the Attendance List placed on the registration table. Shareholders or proxies will also be given the wristband for voting purposes.

ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY

Only a member whose name appears on the Company's Record of Depositors as at **10 June 2026** shall be entitled to attend, speak and vote (collectively "participate") at the 3rd AGM or appoint proxy(ies) to participate on his/her/its behalf.

The appointment of proxy(ies) may be made in hard copy form or by electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 3rd AGM or adjourned general meeting at which the person named in the appointment proposes to vote, otherwise the Proxy Form shall not be treated as valid:-

a. In hard copy form

By hand or post to the Share Registrar of our Company, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or alternatively, the designated drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59000 Kuala Lumpur.

Administrative Notes for the Third Annual General Meeting of

HE GROUP BERHAD ("The Company") ("3rd AGM" or "Meeting")

ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY

b. By electronic form

The procedures to submit your proxy form electronically via Vistra Share Registry and IPO (MY) portal ("The Portal") are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User at The Portal	1. Visit the website at https://srmy.vistra.com. 2. Click "Register" and select "Individual Holder" and complete the New User Registration Form. 3. For guidance, you may refer to the tutorial guide available on the homepage. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by creating your password. <i>If you are an existing user with The Portal or our TIH Online portal previously, you are not required to register again.</i>
Proceed with submission of proxy form	1. After the release of the Notice of Meeting by the Company, login with your email address and password. 2. Select the corporate event: "HE GROUP BERHAD 3RD AGM". 3. Navigate to the 3 dots at the end of the corporate event and choose "SUBMISSION OF PROXY FORM". 4. Read and agree to the Terms and Conditions and confirm the Declaration. 5. Indicate the total number of shares assigned to your proxy(s) to vote on your behalf. 6. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint the Chairman as your proxy. 7. Indicate your voting instructions – FOR or AGAINST or ABSTAIN. 8. Print the proxy form for your record.

Administrative Notes for the Third Annual General Meeting of

HE GROUP BERHAD ("The Company") ("3rd AGM" or "Meeting")

Procedure	Action
ii. Steps for Corporation or Institutional Shareholders	
Register as a User at The Portal	1. Visit the website at https://srmy.vistra.com. 2. Click "Register" and select "Representative of Corporate Holder" and complete the New User Registration Form. 3. Complete the registration form with your personal details. 4. Once registration is completed, you will receive an email notification to verify your registered email address. 5. After verification, your registration will be reviewed and approval within two (2) working days. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by creating your password. <i>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact Tricor if you need clarifications on the user registration.</i>
Proceed with submission of proxy form	1. Login to https://srmy.vistra.com with your email address and password. 2. Select the corporate event: "HE GROUP BERHAD 3RD AGM". 3. Navigate to the icon ">" at the end of the corporate event. 4. Read and agree to the Terms and Conditions and confirm the Declaration. 5. Select the corporate holder's name. 6. Proceed to download the submission file. 7. Prepare the file for the appointment of proxy(ies) by inserting the required data. 8. Proceed to upload the duly completed proxy appointment file. 9. Select "Confirm" to complete your submission. 10. Print the confirmation report of your submission for your record.

NO RECORDING OR PHOTOGRAPHY

By participating at the 3rd AGM, you agree that no part of the 3rd AGM proceedings may be recorded, photographed, stored in any retrieval systems, reproduced, transmitted or uploaded in any form, platform or social media or by any means whether it is mechanical, electronic, photocopying, recording or otherwise without the prior written consent of the Company. The Company reserves the right to take appropriate legal actions against anyone who violates this rule.

ENQUIRY

If you have any enquiries on the above, please contact the Share Registrar during office hours on Mondays to Fridays from 8.30 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn. Bhd.

General Line : +603-2783 9299

Email : is.enquiry@vistra.com



HE GROUP BERHAD
202301016404 (1510326-M)
(Incorporated in Malaysia)

PROXY FORM

(Before completing this form please refer to the notes below)

No. of shares held :

CDS Account No. :

I/We * _____ NRIC/Passport/Registration No.* _____
(Full name in block)

of _____
(Address)

with email address _____ mobile phone no. _____

being a member/members* of **HE GROUP BERHAD** ("the Company") hereby appoint(s):-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

and

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Third Annual General Meeting ("3rd AGM") of the Company to be held at Greens III Sports Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan on Friday, 19 June 2026 at 10.00 a.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her* discretion.

No.	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fees and/or benefits of up to RM300,000.00 for the period commencing from the date immediately after the 3 rd AGM until the next Annual General Meeting of the Company.		
2.	To re-elect Datuk Christopher Wan Soo Kee as a Director of the Company.		
3.	To re-elect Mr. Haw Chee Seng as a Director of the Company.		
4.	To re-appoint TGS TW PLT as Auditors of the Company.		
5.	To approve the general authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
6.	To approve the Proposed Renewal of Existing Shareholders' Mandate.		
7.	To approve the Proposed Share Buy-Back Authority.		

**delete whichever is not applicable*

Dated this _____ day of _____ 2026

Signature of Member(s) / Common Seal

Notes:

- a. A member who is entitled to present, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote at the Meeting in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- b. A proxy may, but need not, be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend, speak and vote at the Meeting shall have the same rights as the member to speak and vote at the Meeting.
- c. The instrument appointing a proxy shall be in writing signed by the appointor or his attorney duly authorised in writing, or if the appointor is a corporation, either under the seal or signed by an officer or attorney duly authorised.
- d. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- e. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.

- f. For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 64(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 10 June 2026. Only members whose names appear in the General Meeting Record of Depositors as at 10 June 2026 shall be entitled to present, participate, speak and vote at the Meeting.
- g. To be valid, the instrument appointing a proxy may be made in a hard copy form or by an electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting: -
 - i. In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, or the designated drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.
 - ii. By electronic form
The proxy form can be electronically lodged via Vistra Share Registry and IPO (MY) portal ("The Portal") at <https://srmy.vistra.com>. Please refer to the Administrative Notes on the procedure for electronic lodgement of proxy form.
- h. All the resolutions set out in this Notice of Meeting will be put to vote by poll.
 - i. The members are advised to refer to the Administrative Notes on the registration process for the Meeting.
 - j. Kindly check Bursa Securities' and the Company's website at www.hexatech.com.my for the latest updates on the status of the Meeting.

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AFFIX
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The Share Registrar
HE GROUP BERHAD
[Registration No. 202301016404 (1510326-M)]
c/o Tricor Investor & Issuing House Services Sdn. Bhd.
[Registration No. 197101000970 (11324-H)]
Unit 32-01, Level 32
Tower A, Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

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www.hexatech.com.my

HE GROUP BERHAD

Registration No. 202301016404 (1510326-M)

No. 42, Jalan OP 1/5, Pusat Perdagangan One Puchong,
47160 Puchong, Selangor Darul Ehsan, Malaysia

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