NI HSIN

Your Global Partner

SINCE 1989

Annual Report 2026



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CONTENTS

Corporate Information	02
Corporate Structure	03
Five-Year Group Financial Highlights	04
Chairman's Statement	06
Management Discussion and Analysis	08
Sustainability Statement	14
Statement of Assurance	42
Board of Directors' Profile	43
Key Senior Management Profile	47
Corporate Governance Overview Statement	49
Additional Compliance Information	58
Disclosure of Financial Data for Shariah Screening	59
Audit and Risk Management Committee Report	61
Statement on Risk Management and Internal Control	64
Directors' Responsibility Statement	68
Financial Statements	69
Statement of Shareholdings	135
List of Properties	138
Notice of Annual General Meeting	139
Proxy Form	

CORPORATE INFORMATION

Board of Directors

Sofiyan Bin Yahya
Independent Non-Executive Chairman

Rizvi Bin Abdul Halim
Executive Director

Ng Shwu Ching
Executive Director

Khoo Wuan Ru
Executive Director

Poo Chii Miin @ Chermaine Poo
Independent Non-Executive Director

Tung Fook Heng
Independent Non-Executive Director

Beh Ee Nah
Independent Non-Executive Director



COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)
Tan Ai Ning (MAICSA 7015852)

REGISTERED OFFICE

12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : 03 – 7890 4800
Fax : 03 – 7890 4650
Email : boardroom-kl@boardroomlimited.com

BUSINESS ADDRESS

45, Jalan Taming Dua
Taman Taming Jaya
43300 Seri Kembangan
Selangor Darul Ehsan, Malaysia
Tel : 03 – 8961 6815
Fax : 03 – 8961 3941
Email : info@ni-hsin.com
Website : www.ni-hsin.com

SHARE REGISTRAR

Bina Management (M) Sdn. Bhd.
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : 03 – 7784 3922
Fax : 03 – 7784 1988
Email : binawin@binamg168.com

AUDITORS

KPMG PLT
Level 10, KPMG Tower
8, First Avenue
Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan, Malaysia

PRINCIPAL BANKERS

CIMB Bank Berhad
2468, Jalan Mutiara Timur Satu
Taman Mutiara Cheras
56100 Kuala Lumpur, Malaysia

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Name : NIHSIN
Stock Code : 7215



CORPORATE STRUCTURE

NI HSIN
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Ni Hsin Group Berhad ("NHG")
(Registration No. 200401014850
(653353-W))
Incorporated in Malaysia

Investment Holding Company

100%
Ni Hsin Corporation Sdn. Bhd. ("NHC")
(Registration No. 198901008276 (185578-V))
Incorporated in Malaysia

Cookware Division
Design, manufacture and sale of kitchenware and cookware.

100%
Ever-Grow Advanced Materials Sdn. Bhd. ("EGAM")
(Registration No. 200101009808 (545564-A))
Incorporated in Malaysia

Stainless Steel Products Division
Research, development and manufacture of clads metals and stainless steel convex mirrors.

100%
Steel Crafts Europa S.R.L. ("SCE")
(Registration No. BS-513499)
Incorporated in Italy

Trading and assembly of kitchenware, cookware, clad metals and stainless steel convex mirrors.

100%
Pentoli Sdn. Bhd. ("Pentoli")
(Registration No. 201501035662 (1160982-V))
Incorporated in Malaysia

Distribution and marketing of cookware, kitchenware, water filters, convex mirrors and related products and accessories.

100%
Ni Hsin Marketing Sdn. Bhd. ("NHM")
(Registration No. 201501044196 (1169517-K))
Incorporated in Malaysia

Distribution and marketing of cookware, kitchenware, food related products, personal protective equipment and related products and accessories.

100%
Ni Hsin Food & Beverages Sdn. Bhd. ("NHFB")
(Registration No. 202001019734 (1376054-U))
Incorporated in Malaysia

Food and Beverage Division
Manufacture of food related products.

100%
Blackbixon2Go Sdn. Bhd. ("BB2GO")
(Registration No. 202101010309 (1410608-V))
Incorporated in Malaysia

Transporters and carriers of all kinds of foods and beverages and operating cafe and restaurants.

100%
Ni Hsin EV Tech Sdn. Bhd. ("NHEVT")
(Registration No. 202101027650 (1427950-M))
Incorporated in Malaysia

Electric Vehicles Division
Assembling, promoting and marketing of all kinds of Electric Vehicles (EV).

100%
EVSend Sdn. Bhd. ("EVS")
(Registration No. 202101028493 (1428793-T))
Incorporated in Malaysia

Trading, leasing and retailing all kinds of Electric Vehicles (EV), express logistics and courier services.

71%
Ni Hsin Ecologistics Sdn. Bhd. ("NHECO")
(Registration No. 202101027651 (1427951-H))
Incorporated in Malaysia

Eco-friendly logistics, transport, general carriers forwarding agents, courier and cargo handlers and contractor.

100%
Pride Logistics Alliance Sdn. Bhd. ("PLA")
(Registration No. 201401044109 (1120296-X))
Incorporated in Malaysia

Logistics Services Division
Logistics, transport, general carriers forwarding agents, courier and cargo handlers and contractor.

15%
Digital Dagang Sdn. Bhd. ("DDSB")
(Registration No. 202001015531 (1371851-H))
Incorporated in Malaysia

Digital business platform for online trading for consumer and industrial products and services.

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

Group Income Statements

The table below sets out a summary of consolidated results of the Ni Hsin Group Berhad ("NHG") Group for the financial year ended 31 December 2021 to financial year ended 30 June 2026:-

	31.12.2021 RM'000	31.12.2022 RM'000	31.12.2023 RM'000	30.06.2025 RM'000	30.06.2026 RM'000
Key Operating Results					
Revenue	30,617	34,730	28,839	51,465	**54,240**
Earnings/(Loss) before interest, taxation, depreciation and amortisation ("EBITDA")	(4,607)	(671)	(3,838)	(4,306)	**(3,400)**
Depreciation	(2,286)	(3,209)	(3,302)	(6,550)	**(4,879)**
Interest expense	(278)	(388)	(322)	(836)	**(636)**
Interest income	4	6	8	28	**6**
Share of loss of equity-accounted associate, net of tax	(108)	(189)	(153)	-	**-**
	(7,275)	(4,451)	(7,607)	(11,664)	**(8,909)**
Taxation	828	(556)	158	506	**809**
Profit/(Loss) After Taxation ("PAT/(LAT)")	(6,447)	(5,007)	(7,449)	(11,158)	**(8,100)**
Non-controlling interests ("NCI")	(53)	(23)	(196)	37	**55**
Profit/(Loss) for the financial year attributable to owners of the Company	(6,394)	(4,984)	(7,253)	(11,195)	**(8,155)**
Total assets	117,031	116,016	107,468	123,347	**108,372**
Total borrowings	1,419	2,433	595	3,570	**3,098**
Shareholders' equity	101,082	98,195	90,359	91,154	**90,175**
Other Key Data					
PBT/(LBT) margin (%)	(23.76)	(12.82)	(26.38)	(22.66)	**(16.43)**
PAT/(LAT) after NCI margin (%)	(20.88)	(14.35)	(25.15)	(21.75)	**(15.04)**
Weighted average ordinary shares ('000)	430,491	513,592	523,764	523,676	**542,852**
Share price as at the financial year end (RM)	0.120	0.140	0.115	0.115	**0.070**
Gross Earnings/(Loss) Per Share ("EPS/(LPS)") (sen)[1]	(1.69)	(0.87)	(1.45)	(2.23)	**(1.64)**
Net (LPS)/EPS (sen)[1]	(1.49)	(0.97)	(1.38)	(2.14)	**(1.50)**
Tax-exempt Dividends Per Share (sen)	-	-	-	-	**-**
Return on total assets (%)	(5.89)	(3.34)	(6.64)	(8.76)	**(7.64)**
Return on equity (%)	(6.82)	(3.95)	(7.90)	(11.86)	**(9.18)**

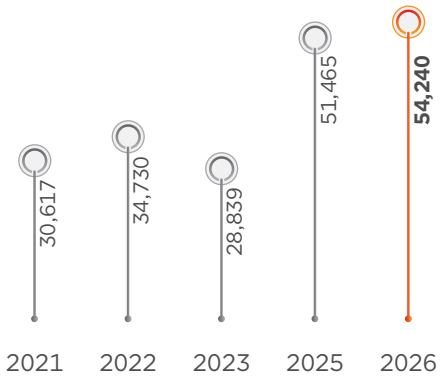
1 The gross and net LPS/EPS have been calculated by dividing LBT/PBT and LAT/PAT attributable to the owners of the Company respectively for the financial years by the number of weighted average ordinary shares assumed in issue for the financial year.

2 There were no extraordinary or exceptional items for the financial years under review.

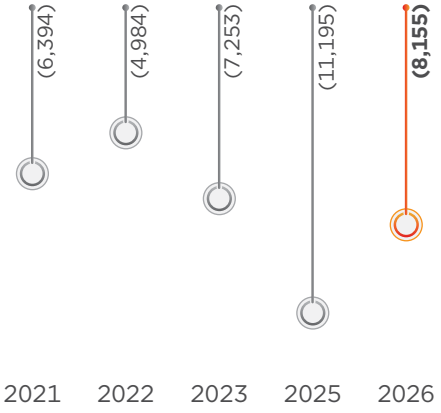
FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

(Cont'd)

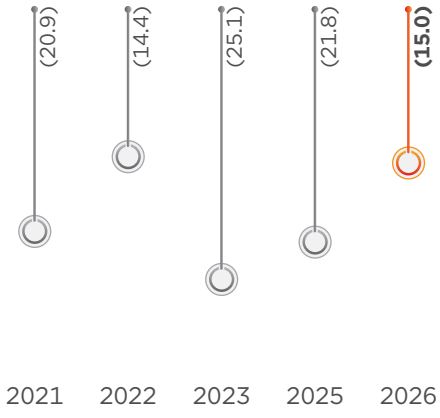
Revenue
(RM'000)



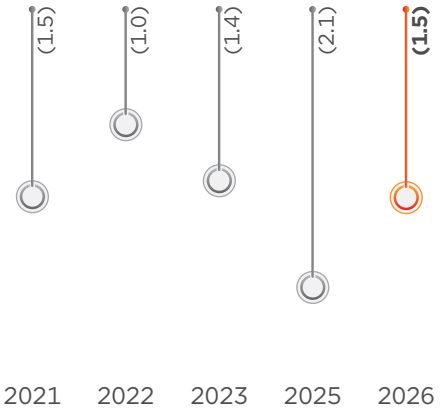
Profit/(Loss) Attributable to Owners of the Company
(RM'000)



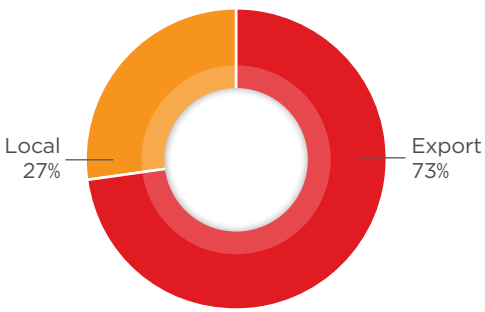
Profit/(Loss) Attributable to Owner of the Company Margin
(%)



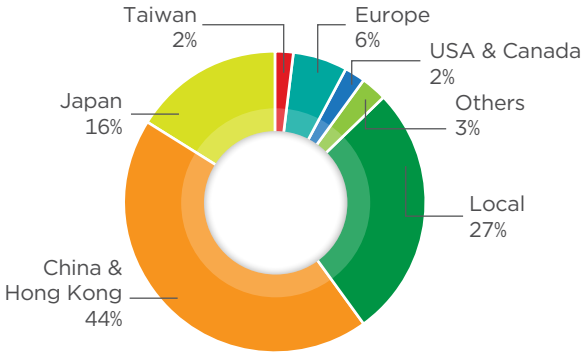
Net Earnings/(Loss) Per Share
(sen)



Local vs Export Sales 2026



Group Revenue by Country 2026



CHAIRMAN'S STATEMENT



> ***Dear Valued Shareholders,***
>
> *On behalf of the Board of Directors of NI HSIN, I am pleased to present to you the Annual Report and Audited Financial Statements of NI HSIN and its subsidiaries ("the Group") for the financial year ended 30 June 2026 ("FY2026").*

SOFIYAN BIN YAHYA
Independent Non-Executive Chairman

FY2026 was a challenging year for the Group with the lingering geopolitical uncertainty causing disruption to the global supply chain and adding cost pressures to the value chain. The Group briefly benefited from trade war between the United States of America ("USA") and China where the USA imposed higher tariff on goods imported from China as compared the tariff imposed on the goods imported from Malaysia. As a result, exporters in China turned to Malaysia to take advantage of the price differential. Nevertheless, this scenario did not last long as USA reduced its tariff imposed on the goods imported from China, thereby diminishing the price advantage that NI HSIN supposed to benefit from. Despite that, NI HSIN is working with several suppliers in China to source semi-finished cookware components such as pot bodies, handles and lids for local assembly, inspection and packaging activities to develop new product designs for the Japanese market. The Group continuously carries out R&D to develop new products to cater to the demands and requirements of the market.

Our EV Division has established a strong foothold in the B2B and B2G segment of the market focusing on B2B commercial fleets, government agencies, Government-Linked Companies (GLCs), public universities, and last-mile logistics operators. In addition, the EV Division also carries out Original Equipment Manufacturing (OEM) for two China principal suppliers under the brand SURRON and BENLG. We are also negotiating with an importer in Turkey for the supply of EV motorcycles to Turkey and the Middle East.

The Group recorded a total revenue of RM54 million and a Loss Before Taxation ("LBT") of RM9 million respectively for FY2026. The LBT registered was mainly attributable to the operational losses incurred in the F&B and EV Divisions which are still in the growth and development stages and require substantial promotional and marketing expenses to achieve market recognition. A more detailed review of the Group's financial performance is covered under the section on Management Discussion and Analysis in this Annual Report.

SUSTAINABLE GROWTH

As we continue to progress on our growth journey, the Group remains firmly committed to our ESG initiatives and delivering sustainable value to our shareholders.

Integrating ESG considerations into our operations helps us identify risks and opportunities that lead the Group to long-term value creation for our communities, customers, employees and shareholders alike. Sustainability strategies, priorities and targets have been integrated into the mission and strategic plan of the Group and communicated to the employees. The employees are made aware that sustainability will be the key driver of the value creation for the Group and forms part of the Group's business model going forward.

CHAIRMAN'S STATEMENT
(Cont'd)





PROSPECTS AND OUTLOOK

Moving forward, NI HSIN continues to leverage its credentials as an established, reputable and trustworthy player in the cookware industry, excellent product quality and a Complete Vertical Integration System of manufacturing – from materials production to product manufacturing to sales, to drive the business. We will continue to seek strategic partners to improve cost competitiveness, expand our product offerings and broaden our market outreach for products. We strongly believe our efforts will bring positive results in the near future.

The Board remains steadfast in its commitment to strengthening corporate governance, accountability and oversight across the Group and will continue to conduct our business in the best interests of all shareholders and stakeholders.



ACKNOWLEDGEMENT AND APPRECIATION

I wish to extend my heartfelt gratitude to the Board of Directors, the Management and Staff of our Group for their invaluable contribution, dedication and commitment. I would like to take this opportunity to express my heartiest gratitude to our former Executive Director, Mr Lai Kian Huat, for his significant contribution to the Group.

Our gratitude and sincere thanks are also extended to our valued customers, bankers, business associates, suppliers and regulatory bodies for their invaluable support, assistance and confidence in the Group. We are also grateful to our valued shareholders for their continued support and commitment to NI HSIN.

SOFIYAN BIN YAHYA
Independent Non-Executive Chairman

MANAGEMENT DISCUSSION AND ANALYSIS









OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

NI HSIN Group Berhad ("NI HSIN" or "the Company") and its subsidiaries ("the Group") had its humble beginning in 1989 specialising in stainless steel products, namely multi-ply stainless steel premium cookware, multi-ply clad metals and stainless steel convex mirror. The Company was listed on Bursa Malaysia on 28 July 2005.

Currently, the Group's business is categorised into five divisions:

- Cookware
- Stainless Steel Products
- Food & Beverage ("F&B")
- Logistics & Warehousing
- Electrical Vehicle ("EV")

Our manufacturing and production facilities covering an area of approximately 4.5 acres are located in Seri Kembangan, Selangor.

Cookware Division

Ni Hsin Corporation Sdn. Bhd. ("NHC"), a wholly owned subsidiary of NI HSIN, is a leading manufacturer of Premium Stainless Steel Multi-ply Cookware in Asia. Our origin dates back to 1957 as a leader in the manufacturing of Premium Stainless Steel Cookware in Taiwan. NHC manufactures a complete range of Premium Stainless Steel Multi-ply Cookware ranging from pressure cookers, woks, pots, fry pans and sauce pans for household and commercial use on an OEM or ODM basis.

To ensure the high standards of quality expected of our products, we also manufacture Buffalo Clad, which is our own proprietary multi-ply stainless steel clad metals used in our stainless steel cookware sets. NHC has been awarded numerous quality recognition certifications from various bodies including the SG Standard from Japan and the ISO 9001 award by SGS in 1999. In early 2002, the Company was given the honour to be one of the few factories outside Japan to receive the SG (CH-IH) certification. This certifies the Company is qualified to produce induction-compatible stainless steel cookware. In mid-2006, NHC was awarded the Certificate in Quality Assurance System for its Pressure Equipment from TÜV Industrie Service GmbH, Germany.

We believe in mutual partnership, growth and profit. As such, we always carefully incorporate customers' requirements and market needs in our product development. It is our pride and privilege to consistently produce high quality products, provide timely delivery, value-added after-sales service and support to our customers.

Our sales team comprises members who possess multi-language skills and are well exposed to international trade. We serve our customers in various international markets such as Japan, Taiwan, Hong Kong, China, Singapore, Thailand, South Korea, Australia, Europe and the United States of America. Besides the OEM/ODM cookware products, the Group also distributes cookware under the Wonderchef brand from Japan and Pentoli which is our in-house brand respectively.

Our stainless steel cookware products have the following unique qualities and features:

- Energy saving due to faster heat conduction;
- Even heat conduction so food is cooked evenly at every spot; and
- Efficient heat retention that allows food to be cooked faster and healthier without loss of nutrients.

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

Stainless Steel Products Division

Ever-Grow Advanced Materials Sdn. Bhd. ("EGAM") houses our Stainless Steel Products Division which manufactures our own proprietary multi-ply clad metals, Buffalo Clad, and stainless steel convex mirrors. The multi-ply clad metals are used internally in the manufacture of our stainless steel cookware as well as sold to cookware manufacturers worldwide. The stainless steel convex mirrors are produced using our proprietary polishing process to achieve a highly reflective mirror-like finish. It is virtually unbreakable, with long lasting shine, can withstand extreme weather conditions and are thus virtually maintenance free. Our stainless steel convex mirrors are superior to the conventional glass, polycarbonate and acrylic types which are vulnerable to cracks, are not weather resistant and are not durable. We manufacture various product types to cater to different market requirements and climate conditions worldwide.

Food & Beverage ("F&B") Division

The F&B business entails the manufacturing and distribution of health and bioenergy beverages in capsules and operation of café and restaurant and is operated under Ni Hsin Food & Beverages Sdn. Bhd. ("NHFB") and its wholly owned subsidiary Blackbixon2Go Sdn. Bhd. ("BB2GO"). Customers are provided with BLACKBIXON Coffee machines to brew the beverages under our cafe@home@office@anywhere concept. Currently, the Division is focused on supplying the coffee capsules to the hospitality industry. The business model entails placing coffee machines in every room in the hotels at no charge to the hotels and the hotels will purchase the coffee capsules for use by their customers.

The Division has opened four BLACKBIXON CAFÉ & RESTAURANT outlets in Kuala Lumpur and Petaling Jaya - Imbi KL, PJ33, Paradigm Mall Petaling Jaya and NU Empire Subang - offering freshly prepared breads and pastries, a wide selection of hearty and delicious breakfast, lunch and dinner favourites accompanied by specialty coffees and must try Blackbixon signature drinks. The Cafés are tastefully furnished with exquisite art pieces and Blackbixon themed wall graffities.






Logistics and Warehousing Division

Pride Logistics Alliance Sdn. Bhd. ("PLA") operates the logistics and warehousing business covering freight, forwarding, haulage & transportation, international agency services and warehousing. The current market is mainly domestic with approximately 5% of its business derived from other regional markets.

The Group's warehousing facility is equipped with an Automated Storage and Retrieval System ("ASRS"). The ASRS is designed to buffer, store, and retrieve products and inventory on demand, making it well suited for the Fifth-Party Logistics (5PL) and fulfilment services.

Electric Vehicle ("EV") Division

Ni Hsin EV Tech Sdn. Bhd. ("NHEVT") operates a manufacturing and assembling facility in Seri Kembangan for the assembly of 2-wheelers and 3-wheelers EV. The products are imported from our principal suppliers, TAILG and VMOTO in China on a Completely Knocked Down (CKD) basis for local assembly. In addition, NHEVT undertakes Original Equipment Manufacturer (OEM) production for two other principal suppliers from China under the SURRON and BENLG brands. NHEVT is currently in negotiations with an importer in Turkey for the supply of EV motorcycles to the Turkey and the Middle East market.

Our EV products are marketed under the EBIXON brand. Our EBIXON EV motorcycles have been certified in accordance with UN Regulation 136 (UNR136) and have obtained Vehicle Type Approval (VTA) from Road Transport Department Malaysia (JPJ) in compliance with Malaysian road transport regulation.

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

Future Functional Concepts for our EV Products

We have developed several innovative concepts for our EV products as follows:

- EV two-wheelers with side cart for multipurpose applications.
- EV two-wheeler patrol motorcycles equipped with blue beacons, sirens, panniers, radio communication systems and other accessories for security and auxiliary police operations. Current customers include TRX, TNB, and other security service providers.
- EV three-wheelers equipped with hydraulic dump bucket for use in farming and plantation activities.



In addition to outright sales, NHEVT's business model includes rent-to-own and rental schemes. The Division collaborates with business partners and contractors to offer EBIXON motorcycles on rental to the public.

FINANCIAL PERFORMANCE REVIEW

For the financial year ended 30 June 2026 ("FY2026"), the Group recorded a total revenue of RM54.24 million and a Loss Before Taxation ("LBT") of RM8.91 million respectively. The LBT registered was mainly attributable to the depreciation of Japanese Yen against Malaysian Ringgit and operational losses incurred in the F&B and EV Divisions which are still in the development stages of growth requiring substantial promotional and marketing expenses to achieve market recognition and acceptance. Gross Profit ("GP") margin achieved during the period under review was 7.36% and the Group recorded a Loss Before Taxation ("LBT") of RM8.91 million. Consequently, the Group incurred a Loss After Taxation ("LAT") of RM8.10 million for FY2026.

The Group's net assets per share as at 30 June 2026 stood at RM0.16. The Group's non-current assets as at 30 June 2026 has decreased to RM78.52 million as compared with 30 June 2025 of RM82.92 million mainly attributable to the depreciation and amortisation. The Group's inventories has decreased to RM19.15 million as at 30 June 2026 attributable to lower inventories in Cookware, F&B and EV Divisions. Receivables, deposits and prepayments has decreased by RM0.57 million to RM5.23 million as compared the same as at 30 June 2025 mainly due to receivables from EV customers and deposits paid to suppliers for purchasing inventory items for the current financial year. Short term borrowings have decreased to RM3.10 million mainly due to repayments during the year. The Group's net current assets was RM19.45 million as at 30 June 2026. The Group is in a positive net cash position as at 30 June 2026 with cash and cash equivalent of RM1.46 million after deducting all borrowings of the Group.

The Group's net operating cash outflow for 12 months ended 30 June 2026 ("12M2026") was RM0.84 million. The net cash outflow from investing activities was RM0.45 million, resulting from purchase of plant and equipment during the financial year. Net cash outflow from financing activities was RM1.07 million, mainly attributable to the repayment of lease liabilities and hire purchases which were mitigated by the proceeds from bankers' acceptances. The net resultant impact to the Group's cash flow was a decrease in cash of RM2.36 million during 12M2026. Net cash and cash equivalents amounted to RM3.49 million as at 30 June 2026.

SALES PERFORMANCE BY DIVISION

The Group's performance by each Division for the FY2026 is as follows:

Cookware Division

The Cookware Division recorded a revenue of RM27.94 million for FY2026 mainly attributable to encouraging sales in China, Hong Kong and Thailand. The Division experienced a significant surge in sales during the first half of FY2026 due to higher tariff imposed by the USA on China, registering a 73.6% increase over sales achieved in financial period ended 30 June 2025 ("FP2025"). The Group secured significant orders from a customer in Hong Kong for export to the USA. However, this trend diminished when the USA reduced the tariff imposed on China thus reducing the competitive advantage of our products.

NHC entered into a collaboration with a supplier from China for semi-finished cookware components such as pot bodies, handles and lids for local assembly, inspection and packaging targeting the Japanese market. NHC has also appointed a corporate agent with a well-established market network in the Asia-Pacific region and the Middle East to promote, market and distribute NI HSIN's products in Turkey and the Middle East.

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

The cookware revenue by geographical market for FY2026 is as follows:

	FY2026 RM'000	FP2025 RM'000	Increase/ (Decrease) RM'000	%
Japan	1,447	4,345	(2,898)	-66.7%
Asia Pacific (excluding Japan)	25,880	1,718	24,162	1406.4%
USA & Canada	493	9,899	(9,406)	-95.0%
Europe	121	135	(14)	-10.4%
Total	**27,941**	**16,097**	**11,844**	**73.6%**

Stainless Steel Products Division

The Stainless Steel Products Division's revenue for FY2026 was RM14.05 million mainly contributed by sales to Japanese, European and Asia Pacific customers.

During the year, the Division successfully developed a new convex mirror model featuring LED lightings for the European market and other markets with similar climatic conditions.

F&B Division

The Food and Beverages Division recorded a revenue of RM7.29 million for FY2026.

The coffee capsule machine business under the Blackbixon brand secured several key partnerships with major international hotel brands that have since deployed multiple coffee machine units across their properties in 2026.

This helped offset broader softness in the hotel sector sales across much of the year, which management attributes to the impact of the ongoing global conflict on international travel and tourism. Engagement with hotel management contacts across the industry indicated that visitor and traveller volumes were notably lower in the first half of the financial year, though industry sentiment pointed to a pickup as the sector entered its peak travel months in the second half.

During the year, the division also progressed research and development on new product SKUs, while engaging in discussions with coffee manufacturing partners to broaden the range of products and services offered to existing hotel clients and support entry into new markets.

Logistics Division

The Logistics Division's revenue for FY2026 was recorded at RM3.50 million. The Division, comprising its freight forwarding and warehousing operations, operated against a challenging backdrop in FY2026, shaped by a global economic slowdown and the continued impact of ongoing geopolitical conflict on international trade activity.

Warehousing sales softened in the earlier part of the financial year, largely due to weaker demand from clients as end consumers increasingly shifted toward lower cost online shopping alternatives. Sales have since stabilised in the later months, and the division has continued to pursue new client relationships to diversify and strengthen its customer base.

The freight forwarding segment benefited from elevated global freight rates driven by higher oil prices during the year. Internally, the division also placed emphasis on tightening operational processes and refining its business presentation to support stronger client acquisition and retention going forward.

Electric Vehicle Division

For FY2026, NHEVT remained in an early growth and development phase. While the business generated growing commercial interest, it operated at a net loss as it continued to scale up its infrastructure.

The EV segment's financial contribution for FY2026 reflects a business where early expenditures exactly matched top-line growth:

Metric	Amount (RM)	Status/Context
Revenue	RM1.43 million	Contributed to the group's total revenue of RM54.2 million.
Loss After Tax	RM1.43 million	Driven by ongoing development costs and initial marketing phases.
Trend Shift	Quarterly Narrowing	Total group net losses narrowed to RM1.7 million in Q4 FY26, down from RM3.6 million in Q3.

KEY PERFORMANCE DRIVERS & OPERATIONAL HEADWINDS

The division faced structural challenges in consumer adoption but gained strong operational traction through corporate and strategic pivots.

- **Macroeconomic & Policy Headwinds:** Retail adoption of its EBIXON electric motorcycles was slow due to the cessation of the RM2,400 federal EV rebate for individual buyers. This was compounded by prolonged local demand pressure from the RM1.99 per litre on subsidised RON95 petrol price.
- **Strategic Shift to B2B/B2G:** To counteract sluggish retail uptake, NHEVT aggressively shifted its focus toward corporate, institutional, and government fleet management.
- **Pipeline Commercial Success:** In September 2026, NHEVT secured a milestone RM2.76 million commercial order from waste management operator Alam Flora Sdn. Bhd.. The contract dictates the delivery of 105 EV motorcycles and 56 EV tricycles by 31 December 2026, anchoring its transition into tangible commercial delivery.

MANAGEMENT DISCUSSION AND ANALYSIS

(Cont'd)

The Division adopted the following strategies to expand its operations and market share:

Strategy	Details & Partnerships	Target Market
Product Expansion	Secured exclusive rights with China's Chongqing Qiulong Technology to assemble SURRON brand electric dirt bikes.	Off-road and leisure EV motorcycle space.
Contract Manufacturing	Signed an OEM agreement with MARS Greentech Sdn. Bhd. to assemble specific BENLG brand two-wheeler models.	Third-party manufacturing scaling.
Export Footprint	Signed a Memorandum of Understanding (MOU) with Apex Ventures (Labuan) Ltd.	International expansion into Turkey and the Middle East.

PROSPECTS AND STRATEGIES

World Economy Outlook

The International Monetary Fund (IMF) projects global economic growth at 3.4 percent in 2027, slightly higher than 2026's 3.1 percent, reflecting a steady but uneven recovery across countries IMF+1. Growth is being supported by AI-driven investment and technology adoption, particularly in countries integrated into the global technology value chain, while energy importers and vulnerable economies face headwinds due to ongoing geopolitical conflicts.

Global inflation is expected to moderate to around 3.4 percent in 2027, following a gradual decline from 4.1 percent in 2025 and 4.7 percent in 2026.

Regional and Country-Level Outlook

- **Advanced Economies**: Growth is expected to remain moderate, with technology investment and fiscal support offsetting trade policy shifts.
- **Emerging Markets and Developing Economies**: Performance varies widely; countries benefiting from AI and technology integration are likely to see stronger growth, while those affected by war shocks or energy price volatility may experience slower expansion IMF.

Key Risks and Opportunities

- **Downside Risks**: Renewed geopolitical conflicts, financial market corrections, trade tensions, and slower-than-expected AI productivity gains could weigh on growth.
- **Upside Potential**: Accelerated AI adoption, easing trade tensions, and structural reforms could enhance productivity and medium-term growth prospects.

(Source: International Monetary Fund)

Malaysia Economic Outlook and Growth Prospects

Malaysia's economy is forecasted to moderate to between 4.2% and 5.2% in 2027 amid softer domestic demand and easing of growth in most sectors, according to the Ministry of Finance's Economic Outlook 2027 report. This compares with an estimated growth of 4.8% to 5.3% in 2026. For the first half of 2026 (1H2026), gross domestic product (GDP) growth stood at 5.7%. Moving forward, the nation's economic growth will be supported by steady trade flows, especially from exports of electrical and electronics (E&E) products, a boost in tourism activities, and a healthy job market.

Key policies and events such as Visit Malaysia 2026-2027, the Langkawi International Maritime and Aerospace Exhibition 2027, and the 34th SEA Games are expected to further boost the growth. Private consumption, Malaysia's main engine of growth, is expected to expand at 4.8%, a slower pace compared with the estimated 5.0% in 2026 and 5.3% in 2025. Private investment is expected to expand at 7.1% in 2027, easing from an estimated 7.8% in 2026, supported by continued capital expenditure on technology-intensive services and manufacturing sectors.

Key areas of investment include hyperscale data centres, artificial intelligence infrastructure, and advanced manufacturing facilities, as well as semiconductors, chemical and petrochemical activities.
(Source: The Edge)

PROSPECTS OF THE GROUP

Cookware Division

The Group will continue leveraging China-based research and development and supply chain resources to enhance its product offerings, improve cost competitiveness and shorten production lead times. This includes sourcing semi-finished cookware components such as pot bodies, handles and lids, from China for local assembly, inspection and packaging activities.

To expand into new markets, on 18 September 2026, Ni Hsin Corporation Sdn Bhd ("NHC"), a wholly-owned subsidiary of the Company, entered into a corporate agent agreement ("CAA") with Apex Ventures (Labuan) Limited ("APEX"), appointing APEX as its exclusive corporate agent for the promotion, marketing, sale and distribution of its stainless steel kitchenware and cookware products in Turkey and the Middle East. This allows the Group to leverage APEX's vast experience and engagements and a well-established market network in Asia-Pacific and the Middle East supported by the preferential market access under the Malaysia-Turkey Free Trade Agreement and the Malaysia-United Arab Emirates Comprehensive Economic Partnership Agreement.

Moving forward, the Group will continue focusing on the mid-range cookware market segment by balancing pricing competitiveness, product quality and delivery reliability, while expanding into new markets and supporting its existing customers.

MANAGEMENT DISCUSSION AND ANALYSIS
(Cont'd)

Stainless Steel Products Division

Clad metal

The prospects of the clad metal segment are expected to remain favourable, supported by increasing demand for higher-performance, more durable multi-layer materials, particularly from customers in the European market.

The Group remains mindful of operational and market risks associated with this business segment, including maintaining consistent product quality, managing production yield rates and addressing pricing pressure from regional competitors. Accordingly, the Group intends to continue focusing on operational efficiency, quality control, and cost management.

Stainless steel convex mirror

The stainless steel convex mirror segment is expected to remain stable, supported by recurring demand from its existing customers. The Group intends to expand its customer base and strengthen its presence in the China market. The Group is actively engaging with several customers in China, comprising both existing customers with prior purchase records and new prospective customers.

Nevertheless, the Group is mindful that the China market remains highly competitive, particularly due to pricing pressures from regional competitors such as Korea and Taiwan. As such, the Group intends to focus on product quality consistency, supply reliability, and customer support as part of its market positioning strategy, rather than competing solely on pricing.

In addition, the Group intends to continue exploring opportunities to improve operational efficiency and cost competitiveness through potential integration with China-based processing facilities or semi-finished supply sources.

On 18 September 2026, Ever-Grow Advanced Materials Sdn Bhd ("EGAM"), a wholly-owned subsidiary of the Company, entered into a CCA with APEX, appointing APEX as its exclusive corporate agent for the promotion, marketing, sale and distribution of EGAM's clad metal and stainless steel convex mirror products in Turkey and the Middle East ("EGAM CAA"). The EGAM CAA is expected to support the Group's efforts to develop new export markets for both Turkey and the Middle East.

Food & Beverage ("F&B") Division

The Board expects demand from the hospitality sector to continue recovering into the financial year 2027. The Division is developing new SKUs to grow recurring revenue from its hotel partners.

Logistics and Warehousing Division

Notwithstanding the uncertainties in global economic conditions, management will continue to focus on expanding the client base, improving internal operational efficiency, and enhancing the division's overall business presentation. Barring unforeseen circumstances, the Board expects these initiatives to support improved performance in FY2027.

Electric Vehicle Division

NHEVT intends to develop its EV business by expanding its contract manufacturing activities, product portfolio, and overseas distribution channels. Backed by Ni HSIN's formal pursuit of corporate diversification into the EV industry, NHEVT is capitalising on the rapid growth of the domestic EV sector.

NHEVT plans to expand its contract manufacturing and original equipment manufacturing ("OEM") activities by opening its assembly facility in Seri Kembangan, Selangor, to 3rd-parties seeking local assembly services for electric two-wheelers. Building on its existing contract manufacturing arrangements with MARS Greentech Sdn. Bhd. and Chongqing Qiulong Technology Co Ltd, NHEVT aims to secure additional assembly orders in 2027 to increase facility utilisation and improve production efficiency. Higher volumes are expected to reduce per-unit assembly overhead costs and help ensure the timely launch of locally assembled models in Malaysia and other ASEAN markets.

Alongside expanding its assembly activities, NHEVT is broadening its product portfolio beyond city-commuting electric motorcycles, including the EBIXON CPX PRO, TC MAX and KRUZ, to include electric off-road motorcycles. Under the Complete Knocked Down ("CKD") Assembly Cooperation Agreement with Chongqing Qiulong Technology Co Ltd, NHEVT has exclusive rights to assemble and distribute the SURRON Ultra Bee and Light Bee electric off-road models in Malaysia. In September 2026, NHEVT secured purchase orders from Alam Flora Sdn. Bhd. for its eco-friendly EV fleet expansion.

On 18 September 2026, NHEVT also entered into a CCA with APEX, appointing APEX as its exclusive corporate agent for the promotion, marketing, sale and distribution of NHEVT's electric vehicles and related accessories in Turkey and the Middle East ("NHEVT CCA").

In 2027, NHEVT plans to develop this segment by targeting demand from agricultural and recreational users, as well as enforcement agencies. To complement these initiatives, NHEVT plans to expand its international distribution activities under the NHEVT CAA in 2027. It will initially focus on Turkey and the Middle East, aiming to develop overseas distribution channels and diversify its customer base and revenue sources. The expansion will be subject to applicable regulatory requirements and market conditions in each jurisdiction.

Premised on the above and the outlook for the cookware, stainless steel, F&B, logistics services, and EV industries, as set out above, the Board remains cautiously optimistic that the Group is well-positioned to leverage its established capabilities across its existing businesses while continuing to develop its EV business and expand the distribution of its products into overseas markets.

Moving forward, the Group will continue to emphasise disciplined execution, prudent financial management and strategic positioning to pursue opportunities arising from its plans to enhance its product offerings, improve operational efficiency, expand its customer base and markets, and develop its contract manufacturing and overseas distribution activities.

SUSTAINABILITY STATEMENT



About This Statement

Ni Hsin Group Berhad ("**Ni Hsin**", "**the Group**", "**we**", or "**our**") presents our Annual Sustainability Statement for the financial year ended 30 June 2026 ("**FY2026**" or "**this Statement**"). This Statement outlines our strategies, priorities, targets, and performance in managing material Economic, Environmental, Social, and Governance ("**EESG**") matters.

REPORTING FRAMEWORKS AND STANDARDS

This Statement is prepared in compliance with the disclosure requirements of Bursa Malaysia's Main Market Listing Requirements ("MMLR"), referencing Bursa Malaysia's Sustainability Reporting Guide (3rd Edition) and Global Reporting Initiative ("GRI") Universal Standards 2021.

REPORTING SCOPE AND BOUNDARIES

Our reporting scope encompasses the Group's six key subsidiaries. While our core business is the manufacturing of premium stainless-steel products (including multi-cookware, clad metals, convex mirrors, and water filtration systems), our operations also extend to the food and beverage, logistics, and electric vehicle sectors.

Subsidiary	Abbreviation
Ni Hsin Corporation Sdn. Bhd.	NHC
Ever-Grow Advanced Materials Sdn. Bhd.	EGAM
Blackbixon2go Sdn. Bhd.	BB2GO
Pride Logistics Alliance Sdn. Bhd.	PLA
Ni Hsin EV Tech Sdn. Bhd.	NHEVT
Ni Hsin Food & Beverages Sdn. Bhd.	NHFB

The scope of this Statement covers only the six (6) key subsidiaries listed above and does not include any other subsidiaries. We have attempted to disclose all sustainability-related indicators under Ni Hsin Group, except when stated otherwise. This Statement includes both quantitative and qualitative results for relevant indicators.

ASSURANCE

To ensure data integrity, selected information in this Statement underwent an internal review by our internal auditors and was approved by the Audit and Risk Management Committee ("ARMC"). This internal review provides a limited assurance to support the integrity of the selected EESG performance disclosures.

FEEDBACK

This Statement is available on our official website at www.ni-hsin.com. We prioritise stakeholder engagement and welcome feedback or enquiries to support our continuous improvement.

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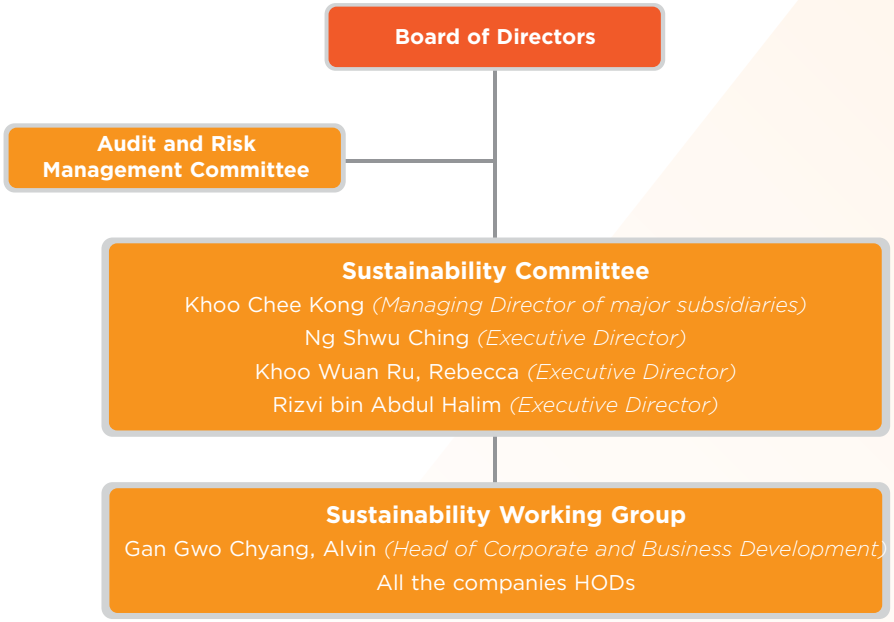
SUSTAINABILITY STATEMENT
(Cont'd)

OUR APPROACH TO SUSTAINABILITY

Sustainability Governance

We recognise that building a sustainable business requires active, organisation-wide participation, driven by shared responsibility from senior management to frontline employees.

The Board of Directors holds ultimate responsibility for the Group's sustainability strategy, encompassing our long-term direction, priorities, and targets. This oversight is supported by the ARMC, which ensures our sustainability initiatives integrate seamlessly with established governance and risk management frameworks. Operational leadership rests with our Sustainability Committee ("SC"), comprising key executive directors and the managing directors of major subsidiaries, who translate strategic objectives into actionable plans. At the implementation level, the Sustainability Working Group ("SWG"), led by the Head of Corporate and Business Development and including all Heads of Departments ("HODs"), executes these initiatives, monitors progress and ensures cross-functional alignment.



Stakeholder Engagement

We engage with stakeholders through multiple channels to address their material concerns and remain agile in response to emerging sustainability trends. The table below details our engagement frequency and the key priorities for each stakeholder group.

Stakeholders	Areas of Interest	Types of Engagement	Frequency
Investors/ Shareholders	• Business performance • Operations in compliance with applicable laws and regulations • Group business development	• Quarterly results • Annual Report and Annual/ Extraordinary General Meetings • Corporate website and investor relations channel	• Quarterly • Annually/ Ongoing
Customers	• Changing needs of customers • Innovation • Product design, quality and performance • Competitive pricing • Sustaining long-term relationships	• Website and social media • Customer service • Face-to-face interaction • Customer satisfaction survey • Business review • Business ethics	• Annually/ Ongoing

SUSTAINABILITY STATEMENT
(Cont'd)

Stakeholders	Areas of Interest	Types of Engagement	Frequency
Employees 	• Job security and compensation • Conducive workplace • Career development • Health and safety	• Competitive remuneration package • Corporate culture • Training and development programmes • Employee performance appraisal • Healthy and safe working environment	• Annually/ Ongoing
Suppliers 	• Sustaining long-term relationships • On-time payment • Business ethics	• Regular meetings and correspondence • Transparent procurement process • Vendor evaluation procedures	• Annually/ Ongoing
Government & Regulators 	• Regulatory compliance • Product certification	• Site visits, audits and meetings • Participation in programmes and workshops	• As required
Media 	• Timely and correct information	• Press releases • Announcements on Bursa website	• As required
Community 	• Environmental protection • Corporate Social Responsibility (CSR) • Job opportunities • Waste management • Energy conservation • Minimising air and noise pollution	• Participation in CSR programmes • Donations and sponsorships • Creation of employment	• Ongoing

MATERIALITY

Materiality in Ni Hsin

Following the comprehensive materiality assessment conducted in Financial Year 2023 ("FY2023") and a strategic consolidation exercise during the previous reporting period to streamline our focus, the Group reviewed its material sustainability matters for the current year. After this comprehensive review, it was determined that our 11 identified material matters remain unchanged. This continuity reflects the stability of our business conditions and the enduring relevance of these topics to our operations and stakeholders. Going forward, we remain committed to mitigating critical risks and maximising business opportunities to enhance long-term corporate value and deliver positive outcomes for the environment, our workforce, and corporate governance.

Materiality Assessment Process

To ensure our sustainability strategy remains aligned with evolving stakeholder expectations and business realities, the Group conducted a review of our materiality assessment. This process involved:

Step	Description
1. Identification of Material Matters	The Group reviewed its FY2023 Material Sustainability Matters against Bursa Malaysia's mandatory common indicators and consolidated the identified material matters to create a more comprehensive and streamlined approach.
2. Assessment and Prioritisation	Management conducted an internal evaluation based on emerging industry trends, regulatory developments, and insights gathered from ongoing routine stakeholder engagements.
3. Review and Validation	Based on this internal assessment, the Sustainability Committee validated the ongoing relevance of the Materiality Matrix. The matrix was subsequently tabled to the Board for final approval to ensure strategic alignment.

SUSTAINABILITY STATEMENT
(Cont'd)

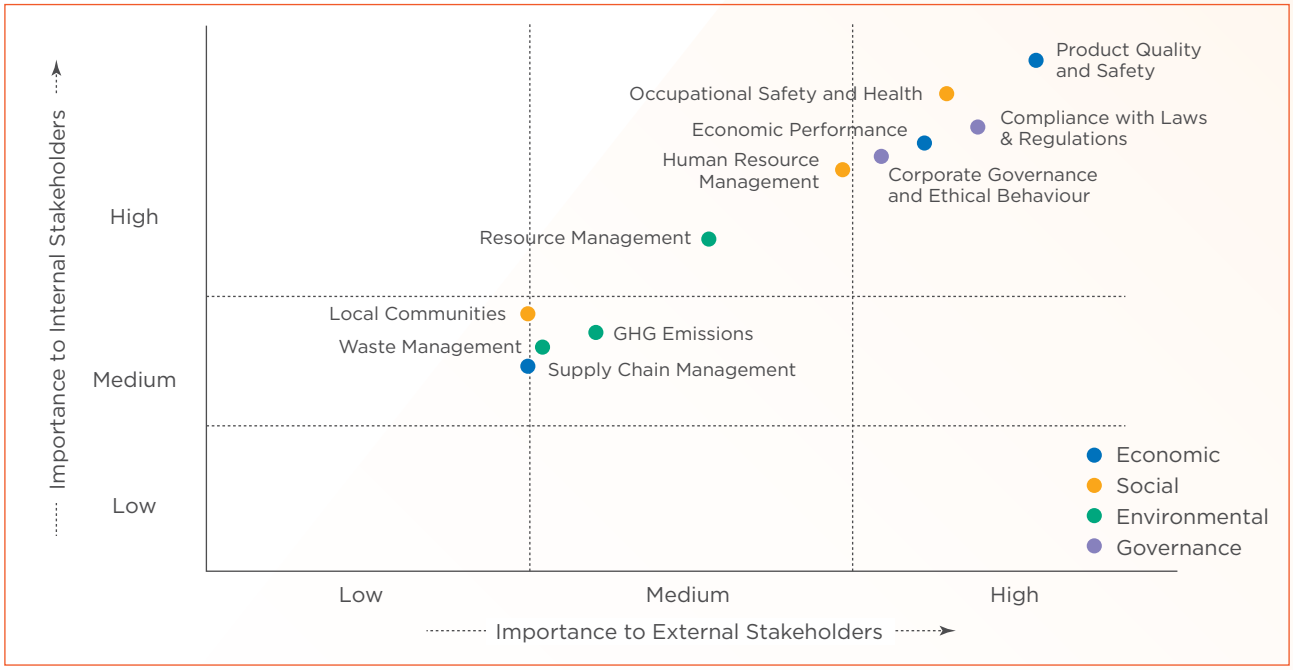
Our Focus Areas

The Group's streamlined set of 11 sustainability-related material matters for FY2026 is set out below.

Pillar	Material Matters
Economic	Economic Performance
	Product Quality and Safety
	Supply Chain Management
Environmental	Resource Management
	GHG Emissions
	Waste Management
Social	Occupational Safety & Health
	Human Resource Management
	Local Communities
Governance	Corporate Governance and Ethical Behaviour
	Compliance with Laws & Regulations

Materiality Matrix

The internal evaluation informed our updated Materiality Matrix, ensuring Ni Hsin's sustainability strategy responds effectively to stakeholder priorities, industry developments, and business imperatives.



Notes:

1. Scores are based on survey responses from 21 stakeholders using a 1–10 scale.

SUSTAINABILITY STATEMENT
(Cont'd)

Ranking	Sustainability Matter	Importance Level
1	Product Quality	High Importance
2	Occupational Safety & Health	High Importance
3	Compliance with Laws & Regulations	High Importance
4	Economic Performance	High Importance
5	Corporate Governance & Ethics	High Importance
6	Human Resource Management	Medium Importance
7	Resource Management	Medium Importance
8	Local Communities	Medium Importance
9	GHG Emissions Management	Medium Importance
10	Waste Management	Medium Importance
11	Supply Chain Management	Medium Importance

The FY2026 materiality reassessment demonstrates strong consistency with prior results, reinforcing the stability of core stakeholder priorities while highlighting key focus areas. Five material matters emerged as high-priority concerns for both internal and external stakeholders: Product Quality, Occupational Safety & Health, Compliance with Laws & Regulations, Economic Performance, and Corporate Governance & Ethics. Notably, Occupational Safety & Health and Economic Performance continue to hold elevated importance, reflecting evolving business priorities and a heightened awareness of workplace safety and financial resilience.

Through this robust materiality framework, Ni Hsin reaffirms its commitment to transparent, stakeholder-responsive practices that create long-term value and contribute meaningfully to sustainable development.

NON-FINANCIAL PERFORMANCE HIGHLIGHTS

Pillar	Indicator	FY2026	Commentary
Economic	Product Quality & Safety	87%	Exceeded the customer satisfaction target of at least 80% in FY2026; +2.0 percentage points from 85% in FP2025
Economic	Green Technology Revenue	RM 1.4M	EV Division revenue from EBIXON electric motorcycles Supporting Malaysia's low-carbon transition
Environmental	GHG Emissions Intensity	0.0305 tCO_2e/ RM'000	Scope 1 and 2 emissions intensity; 37.2% reduction from 0.0486 in FP2025 on an annualised basis
Environmental	Scope 3 Reporting	First year	Scope 3 emissions measured for the first time, covering business travel and employee commuting (79.7 tCO_2e)
Social	Safety and Health Training	137	Employees trained on health and safety standards; 14% increase from 120 employees over the 18-month FP2025 period
Social	Lost Time Incident Rate	0.97	Per 200,000 hours worked; improved from 1.63 in FP2025, with lost-time incidents down to two from six
Governance	Women on Board of Directors	57%	Women hold 57% of Board seats and 50% of senior management positions, exceeding the Group's 40% target for women in leadership roles
Governance	Confirmed Corruption Incidents	0	Zero confirmed incidents of corruption across the Group's operations.

SUSTAINABILITY STATEMENT
(Cont'd)

MATERIAL TOPICS: ECONOMIC

Economic Performance

Creating economic value continues to sit at the heart of the Group's sustainability agenda in FY2026. This focus underpins our Vision of becoming Asia's leading producer of exquisite stainless-steel products and our Mission of delivering goods that reliably satisfy and surpass our customers' expectations.

By treating environmental care, social responsibility and sound governance as inseparable from how we operate, we work to generate long-term value for every stakeholder while keeping our strategic goals on course.

Economic Value Generated

Economic Value Generated came in at RM56.3 million for FY2026. Measured on a comparable 12-month basis, that marks a 64.1% rise over the RM34.3 million annualised for FP2025, a gain that points to stronger trading performance and wider market reach.

Economic Value Distributed

Total Economic Value Distributed totalled RM63.6 million in FY2026, a 48.9% rise over the RM42.7 million recorded for FP2025 on an annualised basis. The increase mirrors the Group's larger operating footprint and its ongoing commitment to channelling value back to the groups it depends on.

Economic Value Retained

FY2026 closed with a negative Economic Value Retained of RM7.2 million, an improvement on the negative RM8.4 million annualised for FP2025. The shortfall narrowed by RM1.1 million as Economic Value Generated grew faster than Economic Value Distributed over the year, at 64.1% against 48.9%.

Indicator	Unit	FY2022	FY2023	FP2025 Actual (18M)	FP2025 Annualised^ (12M)[2]	FY2026
Economic Value Generated (revenue and other income)[1]	RM '000	34,762	29,244	51,500	34,333	**56,339**
Loss After Tax[1]	RM '000	5,007	7,449	11,158	7,439	**8,100**
Economic Value Distributed[1]	**RM '000**	**40,285**	**37,354**	**64,044**	**42,696**	**63,582**
Operating Costs[1]	RM '000	28,351	23,050	41,368	27,579	**47,890**
Employee Wages and Benefits[1]	RM '000	11,546	13,982	21,840	14,560	**15,056**
Payments to providers of capital[1]	RM '000	388	322	836	557	**636**
Payments to the government by country[1]	RM '000	0	0	0	0	**0**
Community investments[1]	RM '000	0	0	0	0	**0**
Economic Value Retained[1]	**RM '000**	**(5,523)**	**(8,110)**	**(12,544)**	**(8,363)**	**(7,243)**

Notes:

1. *All figures, unless otherwise stated, are presented in Malaysian Ringgit ("RM"). The financial results presented in the table are derived from the audited financial statements, available for reference in our Annual Report for the financial year 2026 (FY2026).*
2. *^FP2025 Annualised figures used to ensure year-on-year comparability.*

SUSTAINABILITY STATEMENT
(Cont'd)

Product Quality & Safety

Our Quality Commitment

Product quality and safety are central to Ni Hsin's value creation strategy. Driven by our commitment to deliver reliable, innovative and user-friendly products, we ensure every item we manufacture meets stringent quality standards and safety requirements. Our quality management system is certified under ISO 9001:2015, reflecting our systematic approach to quality assurance and continuous improvement.

Customer-Centric Quality Management

Customer engagement is a key part of how we improve quality. Each year we carry out detailed surveys to gather feedback on product performance, service quality, delivery efficiency and customer support. This structured approach helps us capture insights directly from our end-users and pinpoint areas to improve.

To support continuous improvement, we use a Scorecard Review system that tracks and analyses customer feedback trends. The findings are reviewed at annual management meetings, where we address specific concerns and roll out targeted improvements to our operations and products.

Performance Metrics and Achievements

Our commitment to excellence is reflected in our key performance indicators for FY2026:

Indicator	Unit	FY2022	FY2023	FP2025 Actual (18M)	FY2026
Customer satisfaction	Percentage (%)	82	82	85	**87**
Product performance[1]	Percentage (%)	79	81	84	**80**
Staff performance[1]	Percentage (%)	87	86	93	**88**

Notes:

1. *Product Quality and Safety metrics are assessed on an annual basis at the end of each calendar year. The data presented covers January to December 2024 and represents the most recent available information for these indicators during the 18-month reporting period (January 2024 – June 2025).*

In FY2026, customer satisfaction improved to 87%, while product performance and staff performance stood at 80% and 88% respectively. For FY2027 our target is to maintain customer satisfaction at 80%. These results reflect the Group's ongoing commitment to meeting customer expectations and maintaining operational excellence.

Our systematic approach to quality enhancement, built on annual customer feedback reviews and management assessments, enables us to:

- Refine quality control procedures based on real customer experiences
- Strengthen our value proposition through products that meet evolving market expectations
- Maintain our competitive position through consistent quality delivery
- Foster long-term customer relationships built on trust and reliability

Supply Chain Management

Our Supply Chain Commitment

Responsible, ethical sourcing is a standard we hold ourselves to as one of Asia's foremost stainless-steel manufacturers. Fairness, transparency, and accountability guide how we procure at every tier of our supply chain, an approach that lets our supplier relationships advance sustainable economic growth without compromising on quality or reliability.

Supplier Assessment and Performance Management

We evaluate all suppliers twice a year, applying the same rigorous review to established partners and recent additions alike. Each assessment weighs the factors that matter most: dependable delivery, consistent product quality and regulatory compliance, and draws on both site visits and structured performance checks to verify that our operational and ethical benchmarks are being met.

The outcomes are reviewed regularly in management meetings, where we address any concerns, act on opportunities to improve, and introduce targeted measures that strengthen the resilience and performance of our supply chain.

SUSTAINABILITY STATEMENT
(Cont'd)

Local Supplier Engagement

Backing suppliers in our own region remains an important expression of our commitment to local economic development. In FY2026, the proportion of our procurement spend directed to local suppliers was 31.4%, a decline from 65.0% in the FP2025 period.

Indicator	Unit	FY2022	FY2023	FP2025 Actual (18M)	FY2026
Proportion of spending on local suppliers	Percentage (%)	62.0	61.5	65.0	**31.4**

In FY2026, local suppliers accounted for RM10.96 million of the Group's RM34.88 million total procurement spend, or 31.4%. This is down from 65.0% in FP2025, when RM20.43 million of the Group's procurement was sourced locally.

The Group is reviewing the drivers of the lower share of local procurement during the year. Notwithstanding this movement, we remain committed to supporting local businesses where feasible, strengthening supply chain resilience, and contributing to the communities in which we operate. We continue to seek opportunities to grow local procurement without compromising on quality, cost or reliability.

That focus feeds directly into several broader aims:

- Building lasting supplier partnerships that grow local capability over time
- Cutting both the risk and the freight costs that come with distant sourcing
- Creating jobs and helping local economies expand
- Keeping the supply chain nimble enough to respond quickly when conditions shift

The advantages of sourcing locally extend across the business:

- Economic: spending that flows straight into local livelihoods and growth
- Operational: quicker turnaround and more flexibility when plans change
- Resilience: less exposure to international supply chain disruptions
- Cost: leaner spending on logistics and freight
- Environmental: fewer transport miles, and a lighter carbon footprint to match



MATERIAL TOPICS: ENVIRONMENTAL

Resource Management

As a manufacturer, we recognise that our operations draw on natural resources and give rise to emissions, leaving an inevitable mark on the environment. Consistent with our sustainability commitment, we take an active role in tracking and managing how resources are used across our day-to-day activities. Keeping a close watch on what goes into and comes out of our operations allows us to reduce our ecological footprint by running more efficiently.

Energy Management

Energy management is a cornerstone of our sustainability strategy, reflecting the considerable energy our varied manufacturing operations require, from electricity powering our factories to diesel fuelling forklifts, machinery and equipment. We approach it on several fronts at once: improving operational efficiency, upgrading technology, and pursuing strategic growth in green technology.

Operational Energy Efficiency Initiatives

We continue to extend our earlier LED lighting replacement programme, rolling out energy-efficient Light Emitting Diode (LED) systems progressively across our manufacturing sites. Fitting energy-saving LED lighting throughout our offices and factories remains a work in progress as our operational footprint widens across multiple business divisions.

Longstanding conservation practices including switching off all lighting and air-conditioning outside operating hours remain in place. Simple as they are, these habits play a direct part in lowering the Scope 2 emissions tied to the electricity we purchase.

Our diversified operations delivered strong growth in FY2026, with revenue spanning our expanded portfolio of cookware, stainless steel products, food and beverages, logistics services and electric vehicles. As we scale, embedding sound energy management into our manufacturing processes stays a priority.

SUSTAINABILITY STATEMENT

(Cont'd)

Product-Centric Environmental Impact Management

Our cookware division, which generated RM 27.9 million in revenue during FY2026, remains centred on stainless steel product manufacturing. Our cookware is engineered with features such as even heat distribution and varied thickness configurations that help improve cooking efficiency for end-users.

Strategic Progress in Green Mobility: Advancing Malaysia's EV Transition

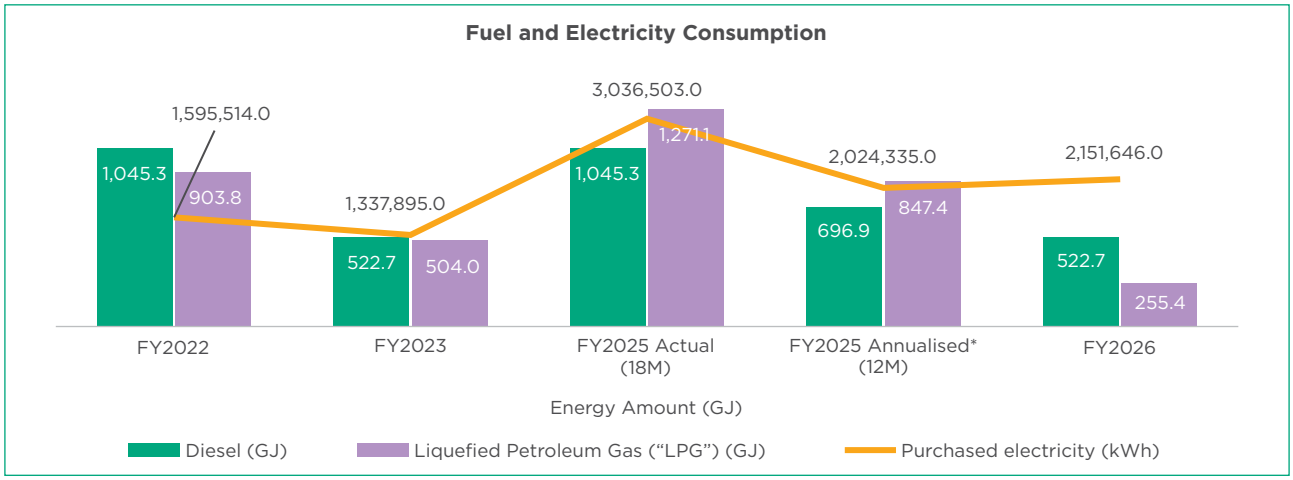
The Group's move into Electric Vehicle ("EV") manufacturing and distribution marks a meaningful contribution to Malaysia's low-carbon transition. In FY2026, our EV Division generated RM 1.4 million in revenue, a sign of the growing market acceptance of our EBIXON electric motorcycles.

The division's market development has gained considerable momentum through partnerships with major corporations, delivery service providers and cooperative societies. We also continue to work alongside universities and research institutions to advance electric mobility technologies and sustainable manufacturing.

The Token Crowd Funding project, currently under Securities Commission review, represents an innovative financing route for scaling our green technology initiatives and broadening market access for sustainable transport solutions.

Our integrated approach to energy management and GHG emissions reduction supports more sustainable manufacturing, while contributing meaningfully to Malaysia's national climate goals and the wider shift to a low-carbon economy.

Total energy consumption for FY2026 was 8,524 GJ, a 3.5% reduction against the FP2025 annualised figure of 8,832.3 GJ. Energy intensity for FY2026 was 0.151 GJ per RM1,000 revenue, a 41.2% reduction from the FP2025 annualised figure of 0.257 GJ per RM1,000. This improvement is primarily driven by stronger revenue performance, which outpaced the modest decline in total energy consumption, reflecting greater operational efficiency as the business scales. The Group operates four outlets under its BlackBixon Café & Restaurant business in Imbi KL, PJ33, Paradigm Mall Petaling Jaya and NU Empire Subang Jaya which continue to contribute to overall energy and utilities consumption.



Indicator	Unit	FY2022[2]	FY2023[2]	FP2025 Actual (18M)[2]	FP2025 Annualised^ (12M)[1, 2]	FY2026[2]
Diesel[3]	GJ	1,045.3	522.7	1,045.3	696.9	**522.7**
Liquefied Petroleum Gas ("LPG")[4]	GJ	903.8	504.0	1,271.1	847.4	**255.4**
Purchased electricity[5]	GJ	5,743.8	4,816.4	10,931.0	7,288.0	**7,745.9**
Total energy consumption	GJ	7,692.9	5,843.1	13,247.4	8,832.3	**8,524**

Notes:

1. *^FP2025 Annualised figures used to ensure year-on-year comparability.*
2. *Data is rounded to the nearest 1 decimal place.*
3. *Energy conversion for diesel is calculated using the U.S. Energy Information Administration (EIA) energy conversion calculators.*
4. *Energy conversion for LPG is derived from the Net Calorific Value (NCV) of 47.3 MJ/kg (2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2 (Energy), Chapter 1, Table 1.2) and a generic LPG density of 0.54 kg/L.*
5. *The factor used to convert the amount of electricity consumed from kWh to GJ is 0.0036, per typical IPCC and IEA conversion factors.*

SUSTAINABILITY STATEMENT
(Cont'd)

Ni Hsin will continue to monitor energy consumption and work to embed energy-efficient practices across our production processes, in keeping with our capabilities and our commitment to a more sustainable future.

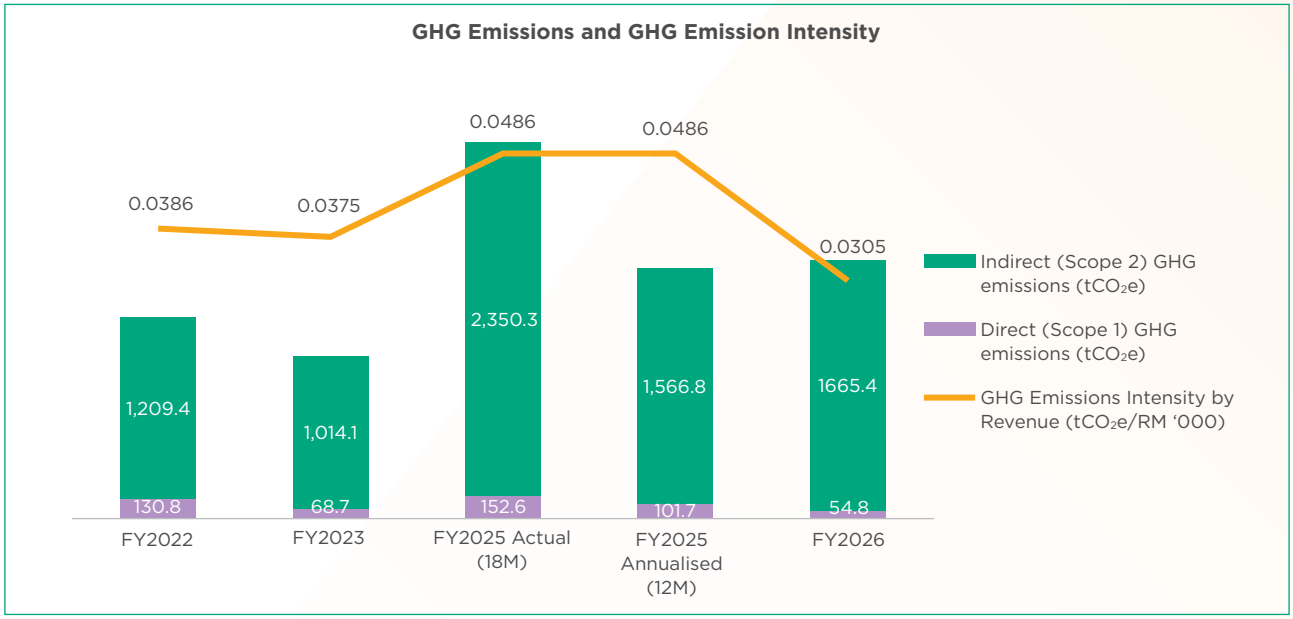
GHG Emissions

In support of Malaysia's national goal of net-zero greenhouse gas (GHG) emissions by 2050, the Group stays committed to confronting climate change and lowering its carbon footprint. Our emissions tracking covers Scope 1 (direct emissions) and Scope 2 (indirect emissions from purchased electricity), and for FY2026 we have extended our reporting boundary to include Scope 3 (other indirect emissions) for the first time.

For FY2026, Scope 1 emissions were 54.8 tCO_2e and Scope 2 emissions 1,665.4 tCO_2e, giving a combined Scope 1 and 2 total of 1,720.2 tCO_2e. On a like-for-like basis, this is a 3.1% increase over the FP2025 annualised total of 1,668.5 tCO_2e, as a sharp fall in direct emissions was outweighed by higher electricity-related emissions. Emissions intensity improved to 0.0305 tCO_2e per RM1,000 revenue, down 37.2% from the annualised FP2025 figure of 0.0486, reflecting stronger revenue performance relative to emissions.

In FY2026, we began measuring Scope 3 emissions, capturing business travel and employee commuting, which together accounted for 79.7 tCO_2e. As this is the first period for which Scope 3 data has been collected, no prior-year comparative is available. Including these emissions, total GHG emissions for FY2026 were 1,800.0 tCO_2e. We intend to broaden our Scope 3 coverage over time as our data collection matures.

The rise in Scope 2 emissions tracks higher purchased-electricity consumption across our expanding operations, including diversification into EV manufacturing and distribution and the food and beverage segment. We remain focused on improving energy efficiency and exploring renewable energy alternatives to manage our emissions going forward.



Indicator	Unit	FY2022	FY2023	FP2025 Actual (18M)	FP2025 Annualised^ (12M)[6]	FY2026
Direct (Scope 1) GHG emissions[1,2]	tCO_2e	130.8	68.7	152.6	101.7	**54.8**
Indirect (Scope 2) GHG emissions[1,3]	tCO_2e	1,209.4	1,014.1	2,350.3	1,566.8	**1,665.4**
Other indirect GHG emissions (Scope 3 - for categories of business travel and employee commuting)[4]	tCO_2e	NIL	NIL	NIL	NIL	**79.7**
GHG Emissions Scope 1 & 2 Intensity by Revenue[5]	**tCO_2e/ RM'000**	**0.0386**	**0.0375**	**0.0486**	**0.0486**	**0.0305**

SUSTAINABILITY STATEMENT
(Cont'd)

Notes:

1. *Direct (Scope 1) GHG emissions comprise emissions from diesel and liquefied petroleum gas (LPG) consumption, while indirect (Scope 2) GHG emissions represent emissions from purchased electricity.*
2. *Scope 1 GHG emission factors are sourced from the 2006 IPCC Guidelines for National Greenhouse Gas Inventories, Volume 2 (Energy), Chapter 1, Table 1.4 (Diesel: 74,100 $kgCO_2/TJ$; LPG: 63,100 $kgCO_2/TJ$).*
3. *Scope 2 GHG emissions are calculated using the Grid Emission Factor (GEF) for Peninsular Malaysia of 0.774 $kgCO_2e/kWh$ for the year 2022, as reported by MyEnergyStats and sourced from the Malaysia Energy Information Hub (MEIH), managed by the Energy Commission of Malaysia.*
4. *Scope 3 GHG emissions cover business travel and employee commuting (GHG protocol categories 6 and 7). Business travel emission factors for road and rail are sourced from the GHG Protocol Transport Tool (v2.7), while air travel is calculated using the ICAO Carbon Emission Calculator.*
5. *GHG emissions intensity refers to the combined intensity of Scope 1 and Scope 2 emissions only.*
6. *^FP2025 Annualised figures are presented to enable consistent year-on-year comparison. Data has been rounded to the nearest one decimal place.*

Water Management

Ni Hsin recognises water as a vital resource drawn on at multiple stages of our production process. Within our means and capabilities, we stay committed to advancing water conservation and improving water efficiency throughout our operations.

For FY2026, total water consumption was 20.6 megalitres, a 4.6% reduction against the FP2025 annualised figure of 21.6 megalitres. Water consumption intensity improved markedly to 364.8 litres per RM1,000 revenue, down 42.0% from the annualised FP2025 figure of 629.1 litres, as stronger revenue was achieved alongside lower water use.

This improvement reflects the benefit of more efficient production and continued attention to resource use across our operations. We remain committed to enhancing water efficiency and will keep exploring process optimisation initiatives to reduce consumption and limit our environmental impact.

Indicator	Unit	FY2022	FY2023	FP2025 Actual (18M)	FP2025 Annualised^ (12M)[1]	FY2026
Water consumption	Megalitres	15.1	15.2	32.4	21.6	**20.6**
Water consumption intensity	Litres per RM1,000 revenue	–	526.6	629.1	629.1	**364.8**

Notes:

1. *^FP2025 Annualised figures are presented to enable consistent year-on-year comparison. Data has been rounded to the nearest one decimal place.*

Waste Management

As a Group, we treat responsible waste management as a key pillar of our environmental stewardship. Our approach centres on reducing the waste we generate, encouraging reuse, and maximising recycling to lessen the environmental impact of disposal.

We handle two main categories of waste:

- Hazardous waste, classified as scheduled waste and managed in strict compliance with regulatory standards.
- Non-hazardous waste, comprising stainless steel scrap and general operational waste.

As a stainless-steel products manufacturer, stainless steel scrap is the largest waste stream arising from our operations. Given its high recyclability and inherent value, all of our stainless-steel scrap is recycled through licensed third-party contractors. This practice is consistent with global sustainability standards, as stainless-steel ranks among the most recycled materials worldwide, with roughly 95% of end-of-life stainless steel recovered and reused without any loss of quality.

Recycling conserves natural resources and can reduce carbon emissions through lower energy use than virgin production. It also advances the circular economy. Recycled stainless steel keeps its physical and chemical properties, allowing it to be repurposed indefinitely.

Proceeds from stainless steel recycling provide an additional income stream for Ni Hsin, which we reinvest in our workforce through performance bonuses and employee benefits, reflecting our commitment to creating shared value across the Group.

SUSTAINABILITY STATEMENT
(Cont'd)

We continue to pursue innovative waste management practices and to work with industry partners to improve recycling efficiency and reduce our environmental footprint.

Indicator	Unit	FY2022	FY2023	FP2025 Actual (18M)	FP2025 Annualised^ (12M)[1]	FY2026
Total amount of waste generated	**Tonnes**	**343.3**	**264.1**	**309.2**	**206.2**	**277.2**
Hazardous waste (scheduled waste)	Tonnes	5.7	3.2	3.1	2.1	**1.8**
Non-hazardous waste	Tonnes	337.6	260.9	306.1	204.1	**275.4**
– Stainless steel scrap	Tonnes	223.2	144.3	127.5	85.0	**121.4**
– General waste	Tonnes	114.4	116.6	178.6	119.1	**154.0**
Breakdown of total waste diverted from disposal and total waste directed to disposal						
Total waste diverted from disposal[2]	Tonnes	223.2	144.3	127.5	85.0	**121.4**
Total waste directed to disposal[3]	Tonnes	120.1	119.8	181.7	121.2	**155.8**

Notes:

1. *^FP2025 Annualised figures are presented to enable consistent year-on-year comparison. Data has been rounded to the nearest one decimal place.*
2. *Total waste diverted from disposal comprises stainless steel scrap.*
3. *Total waste directed to disposal comprises general waste and hazardous waste.*

In FY2026, total waste generated was 277.2 tonnes, of which 121.4 tonnes were diverted from disposal and 155.8 tonnes directed to disposal, a waste diversion rate of 43.7%. On a like-for-like basis, total waste generated rose 34.4% against the FP2025 annualised figure of 206.2 tonnes, reflecting higher production activity and expanded operations during the period.

Despite this increase in volume, the waste diversion rate improved to 43.7% from 41.2% on an annualised FP2025 basis, indicating that a greater proportion of our waste was recovered rather than sent for disposal. We recognise the importance of sustaining this trend and continue to review our processes to reduce waste generation, strengthen recycling, and raise our overall diversion rate going forward.



MATERIAL TOPICS: SOCIAL

Occupational Safety and Health

The safety, health and overall well-being of our employees are paramount to the Group. We remain steadfast in cultivating a safe and healthy working environment, underpinned by full compliance with all applicable statutory requirements, including the Occupational Safety and Health Act 1994, the Factories and Machinery Act 1967, the USECHH Regulations and the Environmental Quality Act 1974.

This commitment is guided by the Group's Safety and Health Principle, which forms the foundation of our approach to workplace safety. At its core is the implementation of the Hazard Identification, Risk Assessment and Risk Control ("HIRARC") framework. This structured methodology allows us to systematically identify workplace hazards, assess the associated risks, and deploy appropriate controls to mitigate potential harm.

Ni Hsin's Safety and Health Principle sets out the following objectives:

- Provide employees with safe work methods, work areas, premises and equipment to minimise the risk of injury, accidents and property damage.
- Ensure that all employees, including new hires, receive adequate training to understand their safety and health responsibilities.
- Enforce strict compliance with all safety and health instructions and procedures across the organisation.
- Maintain effective fire prevention systems and accessible first aid facilities to safeguard employee well-being.
- Promote active employee participation through joint consultation to achieve shared safety and health goals.

SUSTAINABILITY STATEMENT
(Cont'd)

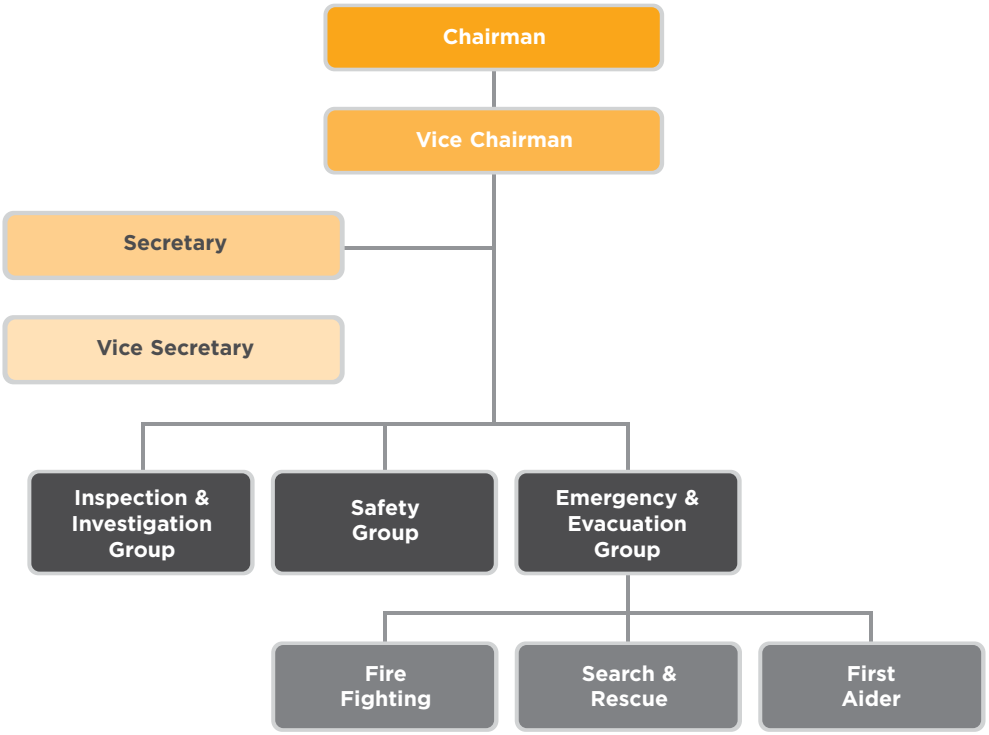
To support these objectives, the Safety and Health Committee ("SHC") has been established as a dedicated governance body. Chaired by the Factory Manager, the SHC brings together representatives from management, employees and appointed safety and health officers, providing a collaborative platform for dialogue and decision-making.

The Committee holds a broad scope of responsibilities, including:

- Development and oversight of safety and health programmes
- Periodic review and enhancement of the safety and health policy
- Execution of workplace safety inspections
- Investigation and resolution of reported unsafe practices
- Analysis of incident trends and statistics
- Maintenance of fire prevention systems and first aid facilities

The SHC meets quarterly to evaluate safety and health performance, deliberate on work plans and audit findings, and agree corrective actions arising from incidents to prevent recurrence.

This structured approach drives continuous improvement and reinforces a culture of safety throughout the organisation.



In keeping with our commitment to transparency and continuous improvement, the Group tracks and evaluates safety performance metrics, as set out below.

Indicator	Unit	FY2022		FY2023		FP2025 Actual (18M)[2]		FY2026	
		All Employees (Including Contractors)	Contractors Only	All Employees (Including Contractors)	Contractors Only	All Employees (Including Contractors)	Contractors Only	All Employees (Including Contractors)	Contractors Only
Number of work-related fatalities	Number	0	0	0	0	0	0	0	0
Fatalities rate	Percentage (%)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Number of high-consequence work-related injuries (excluding fatalities)	Number	0	0	0	0	6	0	1	0

SUSTAINABILITY STATEMENT
(Cont'd)

Indicator	Unit	FY2022		FY2023		FP2025 Actual (18M)[2]		FY2026	
		All Employees (Including Contractors)	Contractors Only	All Employees (Including Contractors)	Contractors Only	All Employees (Including Contractors)	Contractors Only	All Employees (Including Contractors)	Contractors Only
Rate of high-consequence work-related injuries[1] (excluding fatalities)	Percentage (%)	0.0	0.0	0.0	0.0	2.4	0.0	0.5	0.0
Number of work-related lost-time incidents	Number	1	0	2	0	6[2]	02	2	0
Lost Time Incident Rate ("LTIR") per 200,000 hours worked	Rate	0.41	0.0	0.94	0.0	1.63	0.0	0.97	0.0

Notes:

1. *The rate of high-consequence work-related injuries (excluding fatalities) is calculated by dividing the total number of high-consequence work-related injuries by the total number of employees in the reporting period.*
2. *FP2025 figures are actual counts and rates over the 18-month period; an annualised (12M) column is not presented for safety indicators.*

In FY2026, the Group recorded no work-related fatalities, maintaining our zero-fatality record. Work-related injuries fell to two lost-time incidents, down from six in the FP2025 18-month period, with the Lost Time Incident Rate ("LTIR") improving to 0.97 per 200,000 hours worked from 1.63. The rate of high-consequence work-related injuries similarly improved to 0.5% from 2.4%. Incidents are reported immediately to the relevant supervisor, and the SHC notifies the Department of Occupational Safety and Health ("DOSH") of any fatality or injury case involving more than four days of medical leave.

An investigation is carried out immediately by the Inspection and Investigation Group to determine the root cause of the incident. The findings are issued and shared with all employees to raise safety awareness, and the SHC follows up with corrective actions based on the outcome to prevent future recurrences.

We have set a target to achieve zero major incident cases in FY2027.

A major incident refers to a case in which a serious bodily injury sustained by an employee result in more than four calendar days of medical leave.

Safety and Health Training

Ni Hsin is committed to fostering a safe and health-conscious workplace through structured, ongoing employee training. Guided by the Group's Safety and Health Principle, all employees, including new recruits undergo comprehensive training to understand their roles and responsibilities in maintaining a safe working environment.

We also provide on-the-job health and safety training and refresher sessions for all employees and contractors. By equipping our people with the necessary knowledge and skills, Ni Hsin aims to build a proactive safety culture and enable its workforce to contribute meaningfully to the Group's health and safety objectives.

During FY2026, 137 employees were trained on health and safety standards over the 12-month reporting period, compared with 120 employees over the 18-month FP2025 period. This reflects our continued and strengthened focus on workplace safety and compliance.

Indicator	Unit	FY2022	FY2023	FP2025 Actual[1] (18M)	FY2026
Number of employees trained on health and safety standards	Number	119	93	120	**137**

Notes:

1. *FP2025 data are as at 30 June 2025.*

SUSTAINABILITY STATEMENT
(Cont'd)

Human Resource Management

We regard our employees as vital assets in driving sustainable business growth. We are committed to supporting their development and advancement by offering career opportunities and maintaining a work environment that meets their professional needs and aspirations.

As at 30 June 2026, the Group employed 209 people, compared with 242 as at 30 June 2025. Our workforce comprises approximately 65% permanent full-time employees and 35% temporary employees, reflecting the operational flexibility we maintain while preserving our core capabilities and adapting to business requirements.

Indicator	Unit	FY2022	FY2023	FP2025 Actual (18M)	FP2025 Annualised^ (12M)[1]	FY2026
Permanent employees	Number	153	130	132	140	**136**
Contract-based/temporary employees	Number	98	87	110	108	**73**
Total employees	**Number**	**251**	**217**	**242[2]**	**248[3]**	**209**
Percentage of employees that are contractors or temporary staff	**Percentage (%)**	**39.0**	**40.1**	**45.5**	**43.5**	**34.9**

Notes:

1. *^Annualised figures are presented to enable consistent year-on-year comparison. Percentages have been rounded to the nearest one decimal place.*
2. *FP2025 Headcount reporting: point-in-time employee data is used for reporting actual workforce size. This includes 253 employees as of 31 December 2024 and 242 employees as of 30 June 2025.*
3. *FP2025 Rate calculations: for metrics that require a headcount-based denominator (e.g. new hire rate, turnover rate), the average headcount of 248 employees, calculated as the midpoint between the two point-in-time figures, is applied to ensure consistency and representativeness over the 18-month reporting period.*

We recruit and retain talent through comprehensive strategies built around competitive compensation, performance development and employee well-being.

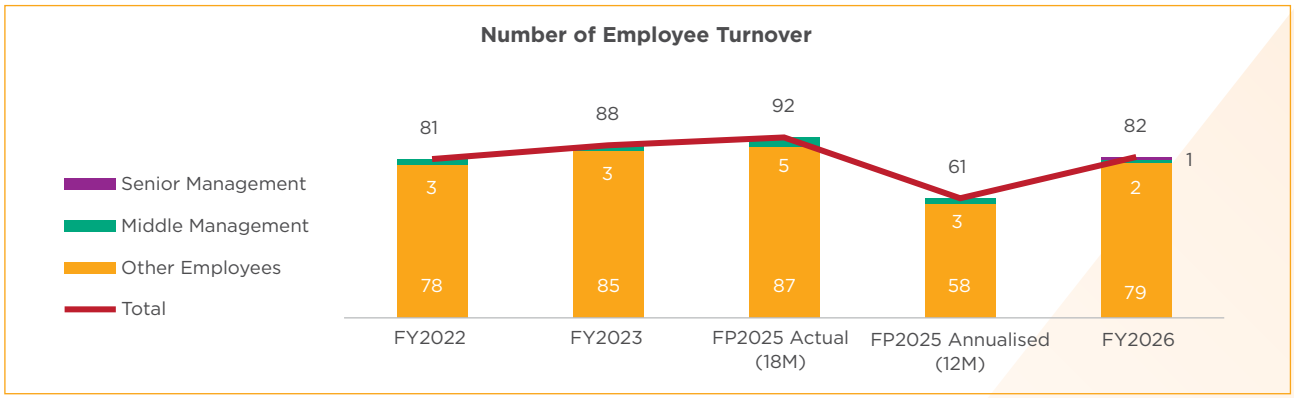
Our approach centres on competitive remuneration packages, benchmarked regularly against the market to keep our offering attractive. We conduct periodic performance evaluations for all employees, creating opportunities for self-assessment, support and constructive feedback. To recognise dedication and encourage loyalty, we honour long-serving employees with Service Recognition Awards.

We are committed to supporting our workforce through a comprehensive benefits package that varies by job grade. This includes Group personal accident insurance and medical subsidies of up to RM2,000 annually for general illnesses, alongside comprehensive leave entitlements covering annual, marriage, compassionate, sick, and medical and hospitalisation leave. To keep communication open, employees can raise concerns or feedback through our Appeal Form process.

In FY2026, the Group recorded a new hire rate of 23% and an employee turnover rate of 39.2%. Compared with the FP2025 annualised basis, turnover increased over the period, which we attribute in part to a competitive labour market and workforce transitions accompanying our operational changes. We recognise the importance of retention and continue to strengthen our talent development and engagement initiatives to support a stable and motivated workforce.

Indicator	Unit	FY2022	FY2023	FP2025 Actual (18M)	FP2025 Annualised^ (12M)[4]	FY2026
Number of new hires	Number	148	84	122	81	**48**
New hire rate	**Percentage (%)**	**59.0**	**38.7**	**49.2**	**32.8**	**23.0**

SUSTAINABILITY STATEMENT
(Cont'd)



Indicator	Unit	FY2022	FY2023	FP2025 Actual (18M)	FP2025 Annualised^ (12M)[4]	FY2026
Senior Management turnover rate	Percentage (%)	0.0	0.0	0.0	0.0	**25.0**
Middle Management turnover rate	Percentage (%)	11.5	14.3	23.8	15.2	**10.0**
Other Employee turnover rate (%)	Percentage (%)	32.3	48.6	38.0	26.1	**42.7**

Notes:

1. *^FP2025 Annualised figures are provided to ensure year-on-year comparability. These are derived by applying a proportional adjustment (12/18 months) to the actual 18-month FP2025 data.*
2. *FP2025 Headcount reporting: point-in-time employee data is used for reporting actual workforce size (253 employees as of 31 December 2024 and 242 employees as of 30 June 2025).*
3. *FP2025 Rate calculations apply the average headcount of 248 employees, the midpoint between the two point-in-time figures.*
4. *The FP2025 annualised new hire and employee turnover figure has been restated. As new hires are a flow metric accumulated over the 18-month FP2025 period, the annualised figure is derived by applying a 12/18 proportional factor to the actual figure, consistent with the annualisation methodology applied throughout this report.*

Employee Diversity, Equity and Inclusion

The Group firmly upholds the principle that every employee has the right to be treated with fairness, dignity and respect. We recognise the value of a diverse and inclusive workforce and appreciate the distinct perspectives that individuals of different cultural backgrounds, experiences and age groups bring.

In line with the Group's Corporate Code of Conduct, we are committed to equal employment opportunity across all employment-related activities, including recruitment, promotion and career development. Decisions rest solely on business needs and individual merit, including skills, experience, core competencies and other relevant attributes, without discrimination on the basis of gender, race, religion or age.

We respect and uphold the fundamental human rights of all employees and adhere to responsible labour practices in compliance with applicable laws and regulations, including the Employment Act 1955. We are pleased to report no substantiated complaints relating to human rights violations during the reporting period.

Indicator	Unit	FY2022	FY2023	FP2025 Actual (18M)	FP2025 Annualised^ (12M)	FY2026
Number of substantiated complaints concerning human rights violations	Number	0	0	0	0	**0**

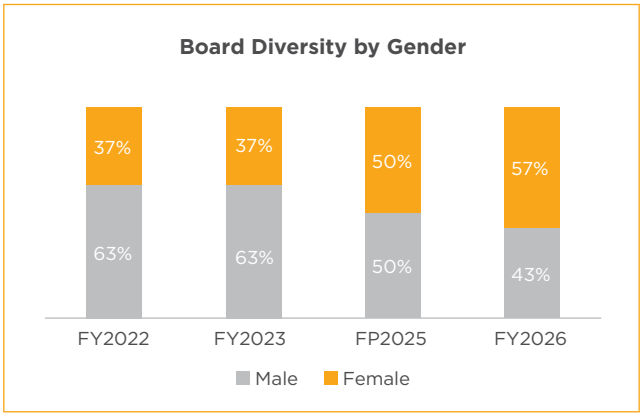
We are committed to fostering a diverse and inclusive workplace that values differing perspectives and backgrounds. As at 30 June 2026, our workforce of 209 employees reflects diverse demographics across gender, age groups and ethnicities, bringing together a broad range of experiences and viewpoints.

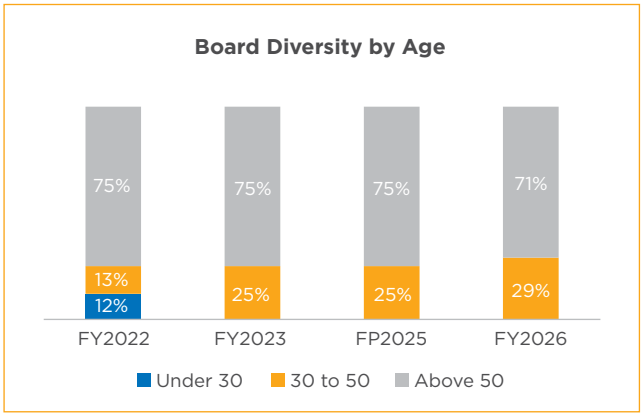
SUSTAINABILITY STATEMENT

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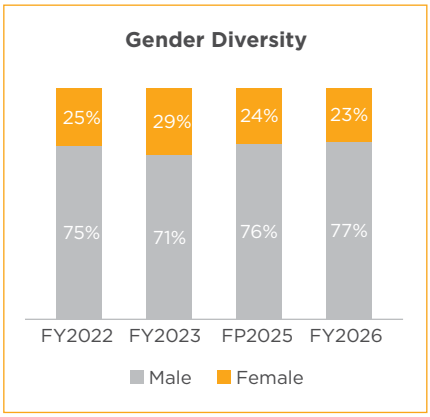
Our commitment to gender equity is especially evident in our leadership structure. In FY2026, women held 57% of the seats on our Board of Directors, underscoring our advocacy for equitable gender representation at the highest levels of governance. Within senior management, we continue to exceed our target of at least 40% women in leadership roles, with women representing 50% of senior management positions in FY2026. This reflects our dedication to building inclusive pathways for career advancement and ensuring diverse voices contribute to strategic decision-making across the organisation.

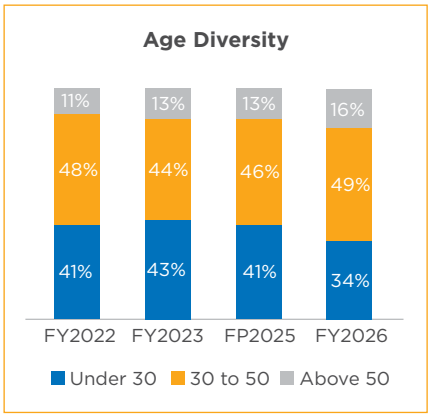
Board Diversity

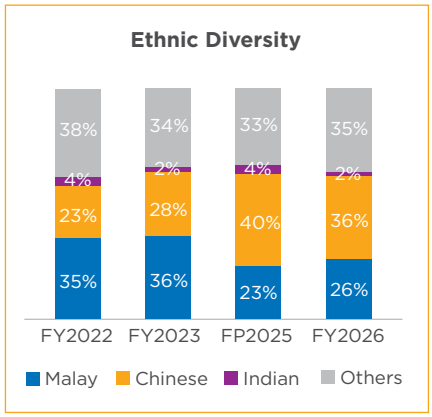




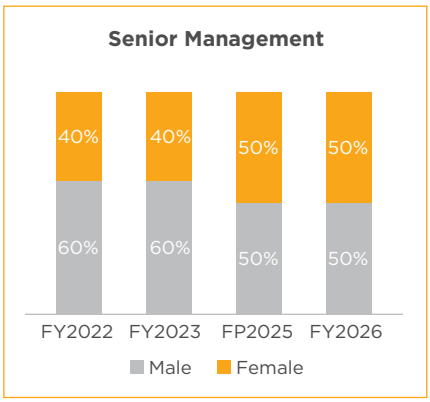
Workforce Profile

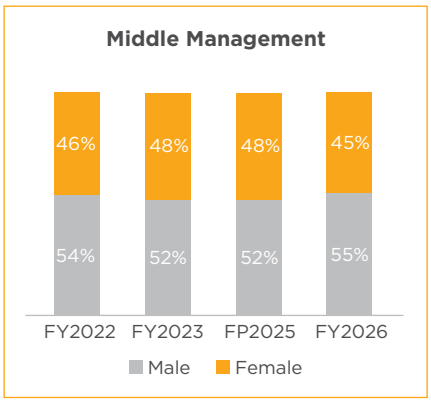


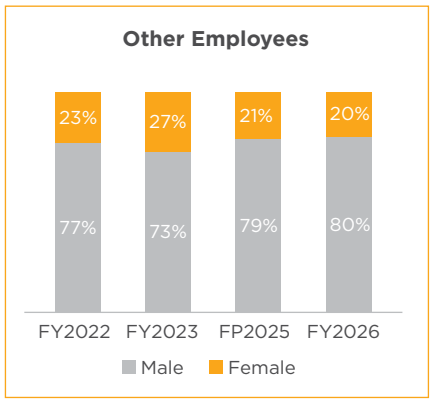




Gender Diversity by Employee Category

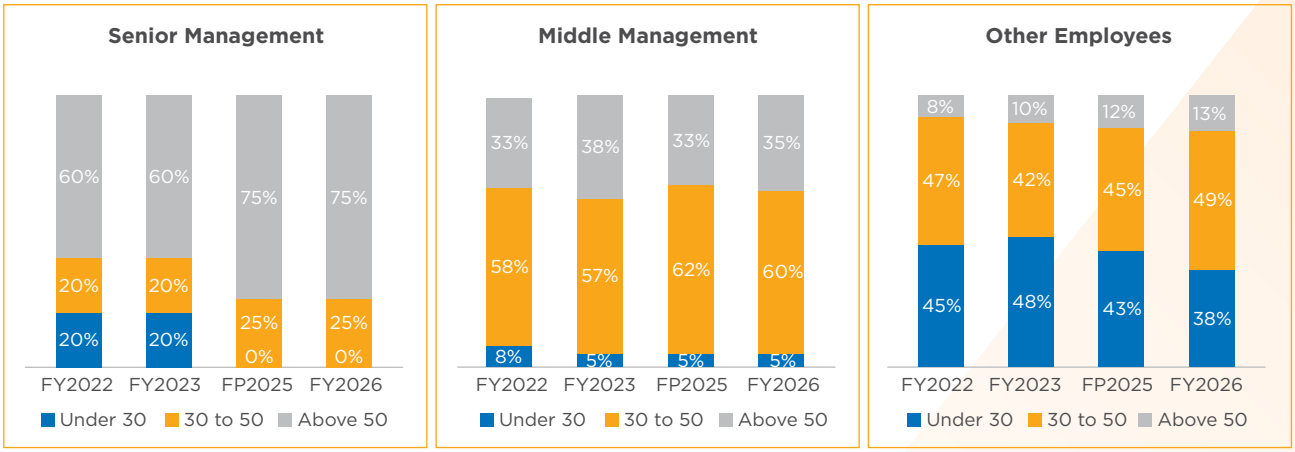






SUSTAINABILITY STATEMENT
(Cont'd)

Age Diversity by Employee Category



Notes:

1. FP2025 data are cumulative amounts over the 18-month reporting period.

Employee Training and Development

The Group recognises that employee training and development are integral to the sustained growth and success of our organisation. We support holistic employee development through regular needs assessments and a range of training programmes tailored to different job levels.

Our approach spans induction training for new employees, specialised training for existing staff based on identified needs, and employee-initiated learning through the Annual Training Plan, subject to management approval. Our Human Resource and General Administration ("HR & GA") department prepares an Annual Training Plan setting out specific programmes for the year, creating focused opportunities to build employees' capabilities and competencies. Beyond this plan, employees may also request additional training during the year to further develop their professional skills.

We remain committed to investing in workforce development. In FY2026, we delivered 747 total training hours over the 12-month period, averaging 3.6 hours per employee. We recognise the value of sustained training investment and will continue to strengthen our programmes to build a skilled and capable workforce that drives organisational excellence.

FY2026		
Month	**Attendees**	**Training Programme**
Aug-25	Finance & Account Team	MFRS IFRS 18 in Practice A Guide for Accountants, Preparers & Auditors
Sep-25	Finance & Account Team	Getting Ready for National Sustainability Reporting Framework - Compliance with IFRS S1 & S2 Standards
Sep-25	Finance & Account Team	MFRS 18 Presentation and Disclosure in Financial Statements and other MFRS Updates
Nov-25	BB2GO	Food Handling Training
Nov-25	External Contractors/ Suppliers, PUR, HR&GA, MIS and security guards	Contractor Safety & Health Workplace Training
Nov-25	FAC	Machine Operation, Process Operation & Safety Precautions
Nov-25	Appointed SHC person	Occupational Safety & Health Coordinator
Nov-25	SHC	IRCA ISO 45001:2018 Occupational Health and Safety Management System Lead Auditor
Dec-25	FAC	Product Quality Reinforcement
Dec-25	FAC	Machine Operation, Process Operation & Safety Precautions
Dec-25	Foreign employees	Enhancement of Hostel Safety and Health Environment
Jan-26	FAC	Machine Operation, Process Operation & Safety Precautions

SUSTAINABILITY STATEMENT
(Cont'd)

FY2026		
Month	**Attendees**	**Training Programme**
Jan-26	FAC	Workflow and Standard Process Reinforcement (FAC)
Jan-26	Factory employees	Hearing Conservation Programme at the Workplace (Part 1: Understanding Noise & Sound Basics)
Jan-26	Factory employees	Hearing Conservation Programme at the Workplace (Part 2: Workplace Protections & Audiometric Monitoring)
Jan-26	Administration, Support, Production Leaders and Technicians	Enhancement of Company's Mission, Vision, Values and Objectives
Apr-26	All Employees	Reinforcement and Update of Company Quality Policy
Apr-26	First Aiders	First Aid Reinforcement Training
Apr-26	All Employees	Emergency & Evacuation Training (Fire Drill)
May-26	Forklift drivers	Reinforcement of Forklift & Reach Truck Safety
May-26	Middle management level	Anti-Bribery and Corruption training

Category	Unit	FY2022 Hrs	FY2022 Avg	FY2023 Hrs	FY2023 Avg	FP2025 (18M) Hrs	FP2025 (18M) Avg	FP2025 (12M)[1] Hrs	FY2026 Hrs	FY2026 Avg
By employee category										
Senior Management	Hours	1	0.2	8	1.6	80	20.0	53	**22.5**	**5.6**
Middle Management	Hours	106	4.1	116	5.5	371	16.9	247	**76.5**	**3.8**
Other Employees	Hours	615	2.8	936	4.9	979	4.4	652	**648**[3]	**3.5**
By gender										
Male	Hours	477	2.6	797	5.2	798	4.2	532	**530**	**3.3**
Female	Hours	245	3.8	263	4.2	631	10.9	421	**217**	**4.5**
Total	**Hours**	**722**	**2.9**	**1,060**	**4.9**	**1,429**	**5.8**	**953**	**747**	**3.6**

Notes:

1. *Annualised (12M) training hours for FP2025 were 53 (Senior Management), 247 (Middle Management), 652 (Other Employees), 532 (Male), 421 (Female) and 953 (Total). These are derived by applying a proportional adjustment (12/18 months) to the actual 18-month FP2025 data.*
2. *FP2025 Headcount reporting: point-in-time employee data is used for reporting actual workforce size (253 employees as at 31 December 2024 and 242 employees as at 30 June 2025).*
3. *For consistency with last year's statement, the FY2026 data for Employee Category (Other Employees), Gender (Male), and Total have been rounded to the nearest whole number.*

Local Communities

Ni Hsin Group is committed to driving positive and sustainable change in our communities through value-added initiatives that contribute to the betterment of the areas where we operate.

In FY2026, we supported Buletin Koperasi Bekas Kastam Diraja Malaysia, contributing a total of RM 300 towards community welfare.

These contributions reflect our continued commitment to supporting local communities and building meaningful partnerships with organisations that serve public welfare and social causes.

Indicator	Unit	FY2022	FY2023	FP2025[1]	FY2026
Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	900	1,000	2,600	**300**
Total number of beneficiaries of the investment in communities	Number	–	4	9	**1**

Notes:

1. *FP2025 data are cumulative amounts over the 18-month reporting period.*

SUSTAINABILITY STATEMENT
(Cont'd)

MATERIAL TOPICS: GOVERNANCE

Corporate Governance and Ethical Behaviour

Ni Hsin Group is committed to strong corporate governance and high ethical standards that protect stakeholder trust and confidence. Our approach is grounded in the principles set out in our Code of Ethics and Conduct ("Code"), a framework of integrity, transparency and accountability that applies to all directors, management and employees, who are expected to act in line with the ethical standards it sets while complying with all applicable laws and regulations.

The Code establishes the principles and standards for stakeholder engagement, sets out how ethical issues are identified and managed, provides mechanisms for reporting unethical conduct, and offers guidance on misconduct involving gifts, gratuities, bribery, insider trading, corruption and money laundering.

Our Code of Ethics 2026, which is reviewed biennially, guides the Board in managing ethical risks and reporting unethical conduct, fostering a culture of transparency and accountability among Directors. We promote honesty, fairness and respect, and maintain a zero-tolerance stance on corruption, bribery and misconduct. The Code reinforces our commitment to confidentiality, conflict of interest management and fair competition, helping us navigate complex business environments with clarity and purpose.

By embedding these principles into our operations, we strengthen our reputation as a principled organisation and build lasting stakeholder relationships.

For detailed information on our governance practices, refer to our Corporate Governance Overview Statement on pages 49 to 57.

Anti-Bribery & Anti-Corruption

Ni Hsin Group maintains a zero-tolerance stance towards fraud, bribery and corruption. Our Anti-Bribery and Anti-Corruption Policy and Procedure ("ABAC Policy") sets out clear procedures for addressing improper solicitation and corrupt activities, in compliance with the Malaysian Anti-Corruption Commission ("MACC") Act 2009. All employees are required to undergo training and sign a Declaration Letter confirming their understanding of the ABAC Policy. The Compliance and Integrity Working Committee ("CIWC"), made up of key management personnel, ensures the Policy is well enforced and regularly reviewed.

Key principles guiding the Group against bribery and corruption are as follows:

Principle	Description
Strict prohibition of bribery and corruption	All forms of bribery, corruption, extortion, abuse of power, and unethical practices are strictly forbidden. This applies to both direct and indirect actions involving employees, directors, and business associates.
Governance and oversight	The CIWC, comprising key management personnel, oversees the implementation and enforcement of the ABAC Policy, conducts risk assessments, and promotes a culture of integrity.
Transparency in business dealings	The Group ensures that contracts are awarded based on merit and tender processes, rejecting any form of undue influence such as support letters or facilitation payments, except in cases of personal safety with CIWC approval.
Responsible gift and hospitality practices	Gifts, entertainment, hospitality, travel, donations, and sponsorships (GEHTDS) are regulated to prevent conflicts of interest and undue influence. All GEHTDS above RM1,000 must be recorded in a designated register for audit purposes.
Due diligence on business associates	The Group conducts thorough background checks and requires business associates to sign declarations affirming their commitment to anti-corruption principles.
Whistleblowing and reporting mechanisms	Employees and stakeholders are encouraged to report any suspected violations through the Group's Whistleblowing Policy, with assurance of protection against retaliation.
Training and awareness	Regular training and awareness programmes are conducted to reinforce understanding of and compliance with the ABAC Policy.
Accountability and enforcement	Non-compliance may result in disciplinary action, termination, legal proceedings, and notification to authorities. The Group also commits to full cooperation with regulatory bodies in the event of proven violations.

SUSTAINABILITY STATEMENT
(Cont'd)

Percentage of employees who have received anti-corruption training	Unit	FY2022	FY2023	FP2025 Actual (18M)[1]	FY2026
Senior Management	Percentage (%)	100	100	100	**0**
Middle Management	Percentage (%)	100	100	81	**15**
Other Employees	Percentage (%)	100	100	43	**7**

Notes:

1. *Point-in-time headcounts are used for actual workforce reporting on FP2025 Actual (18M) percentage of employees who have received anti-corruption training. Hence, FP2025 Annualised (12M) data is not made available.*

Indicator	Unit	FY2022	FY2023	FP2025 Actual (18M)	FY2026
Percentage of operations that underwent corruption risk assessments	Percentage (%)	100	100	0[1]	**0**
Number of confirmed incidents of corruption	Number	0	0	0	**0**

Notes:

1. *The percentage of operations that underwent corruption risk assessments for FP2025 has been restated from 100% to 0%.*

As of 30 June 2026, we recorded zero cases of corruption across the Group. We aim to maintain zero incidents of corruption across our operations in FY2027.

Whistleblowing

Guided by our Whistleblowing Policies and Procedures ("WPP"), we have established a whistleblowing channel through which employees and external parties can report any improprieties or instances of non-compliance, in line with applicable laws and regulations. All our policies are readily accessible on our website, www.ni-hsin.com, and are reviewed regularly to keep pace with legislative changes.

Key principles guiding Ni Hsin's whistleblowing practices are as follows:

Principle	Description
Scope of reporting	Employees are encouraged to report concerns related to financial malpractice, corruption, fraud, criminal offences, health and safety risks, regulatory breaches, and other unethical conduct.
Reporting channels	Employees may report concerns to their immediate superior or management using the prescribed Whistleblowing Reporting Form. If internal channels are unsuitable (e.g. due to conflict of interest or risk of reprisal), reports can be made directly to the Independent Non-Executive Director (INED) via email.
Confidentiality and protection	All disclosures are treated with strict confidentiality. The identity of the whistleblower will not be disclosed without consent. Whistleblowers acting in good faith are protected from retaliation or victimisation.
Investigation process	Complaints are screened for validity and seriousness. If warranted, an investigation is conducted independently and confidentially by an appointed Investigating Officer or external expert. The whistleblower is kept informed of the investigation's progress and outcome, subject to legal and confidentiality constraints.
Outcome and follow-up	Findings and recommendations are reported to the INED. Disciplinary or remedial actions are taken where necessary. Preventive measures are proposed to avoid recurrence. Documentation is securely maintained by the Human Resource Department.
Oversight and governance	The whistleblowing process is overseen by the INED and coordinated by the appointed guardian, the Executive Director of the Group. The policy is reviewed biennially and is publicly accessible via the Group's website.

SUSTAINABILITY STATEMENT
(Cont'd)

Compliance with Laws and Regulations

We are committed to upholding all applicable laws, regulations and internal policies as part of our corporate responsibility and ethical conduct. As set out in our Code of Conduct 2026, our people are required to act with integrity and professionalism, ensuring compliance with relevant laws across areas such as anti-bribery, anti-money laundering, insider trading, competition law, employment practices and environmental protection. We are dedicated to maintaining strict standards that prevent misconduct and promote transparency through clear reporting channels and governance mechanisms to address any violations.

In FY2026, the Group recorded no significant instances of non-compliance with laws and regulations that resulted in fines or legal actions.

Customer Data Privacy and Security

As a Group, we recognise our responsibility to protect our customers' data and privacy, and we take it seriously. In response to rising cyber threats and data-breach risks, we have put in place robust safeguards against unauthorised access, use, disclosure or loss of personal data. Access to our internal systems and server rooms is tightly controlled through authentication protocols and permission-based restrictions. All customer data is managed in accordance with Malaysia's Personal Data Protection Act 2010 ("PDPA"), ensuring compliance with key principles including consent, notice, security, retention and data integrity. Our System and Data Management Principles enforce strict access controls, user identification procedures and annual reviews to maintain ongoing protection and legal compliance. We remain dedicated to preserving trust and upholding the highest standards of data governance.

In FY2026, we recorded zero substantiated complaints concerning breaches of customer privacy or losses of customer data.

Indicator	Unit	FY2022	FY2023	FP2025 Actual (18M)	FP2025 Annualised^ (12M)	FY2026
Number of substantiated complaints concerning breaches of customer privacy and identified leaks, thefts, or losses of customer data	Number	0	0	0	0	**0**

Notes:

1. ^FP2025 Annualised figures used to ensure year-on-year comparability.

MOVING FORWARD

As a Group, we remain committed to strengthening our sustainability framework and monitoring our EESG performance. In line with the MMLR on sustainability reporting, we are actively working to establish baselines that support our transition towards a low-carbon economy, through carbon footprint reduction initiatives, full regulatory compliance with applicable laws and regulations, and the integration of sustainability into our core business strategies.

In preparing for the International Sustainability Standards Board ("ISSB") Standards, IFRS S1 and S2 under Malaysia's National Sustainability Reporting Framework ("NSRF"), we aim to enhance our data collection processes and build the capabilities needed to meet future reporting requirements and align with industry best practices.

PRESCRIBED TABLE

NI HSIN GROUP BERHAD
BMLR Transition Period

Date & Time: 2026-10-27 13:10:54
Main Market | Group 2 | FYE 30/06/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Anti-corruption	C1(a) Percentage of employees who have received training on anti-corruption by employee category - Executive Directors	Percentage	100.0	0.0	—	Internal
Anti-corruption	C1(a) Percentage of employees who have received training on anti-corruption by employee category - Middle Management	Percentage	81.0	15.0	—	Internal
Anti-corruption	C1(a) Percentage of employees who have received training on anti-corruption by employee category - Other Employees	Percentage	43.0	7.0	—	Internal
Anti-corruption	C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.0	0.0	—	Internal
Anti-corruption	C1(c) Confirmed incidents of corruption and action taken	Number	0	0	—	Internal
Community/Society	C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	2,600	300	—	Internal
Community/Society	C2(b) Total number of beneficiaries of the investment in communities	Number	9	1	—	Internal
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management Under 30	Percentage	0.0	0.0	—	Internal

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management Between 30-50	Percentage	25.0	25.0	—	Internal
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management Above 50	Percentage	75.0	75.0	—	Internal
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category - Middle Management Under 30	Percentage	5.0	5.0	—	Internal
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category - Middle Management Between 30-50	Percentage	62.0	60.0	—	Internal
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category - Middle Management Above 50	Percentage	33.0	35.0	—	Internal
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category - Other Employees Under 30	Percentage	43.0	38.0	—	Internal
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category - Other Employees Between 30-50	Percentage	45.0	49.0	—	Internal

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category - Other Employees Above 50	Percentage	12.0	13.0	—	Internal
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management Male	Percentage	50.0	50.0	—	Internal
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category - Senior Management Female	Percentage	50.0	50.0	—	Internal
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category - Middle Management Male	Percentage	52.0	55.0	—	Internal
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category - Middle Management Female	Percentage	48.0	45.0	—	Internal
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category - Other Employees Male	Percentage	79.0	80.0	—	Internal
Diversity	C3(a) Percentage of employees by gender and age group, for each employee category - Other Employees Female	Percentage	21.0	20.0	—	Internal

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Diversity	C3(b) Percentage of directors by gender and age group - Male	Percentage	50.0	43.0	—	Internal
Diversity	C3(b) Percentage of directors by gender and age group - Female	Percentage	50.0	57.0	—	Internal
Diversity	C3(b) Percentage of directors by gender and age group - Under 30	Percentage	0.0	0.0	—	Internal
Diversity	C3(b) Percentage of directors by gender and age group - Between 30-50	Percentage	25.0	29.0	—	Internal
Diversity	C3(b) Percentage of directors by gender and age group - Above 50	Percentage	75.0	71.0	—	Internal
Energy management	C4(a) Total energy consumption	Megawatt	3687.3	2367.8	—	Internal
Health and safety	C5(a) Number of work-related fatalities	Number	0	0	—	Internal
Health and safety	C5(b) Lost time incident rate ("LTIR")	Rate	1.63	0.97	—	Internal
Health and safety	C5(c) Number of employees trained on health and safety standards	Number	120	137	—	Internal
Labour practices and standards	C6(a) Total hours of training by employee category - Senior Management	Hours	80.0	22.5	—	Internal
Labour practices and standards	C6(a) Total hours of training by employee category - Middle Management	Hours	371.0	76.5	—	Internal

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Labour practices and standards	C6(a) Total hours of training by employee category - Other Employees	Hours	979.0	648.0	—	Internal
Labour practices and standards	C6(b) Percentage of employees that are contractors or temporary staff	Percentage	45.5	34.9	—	Internal
Labour practices and standards	C6(c) Total number of employee turnover by employee category - Senior Management	Number	0	1	—	Internal
Labour practices and standards	C6(c) Total number of employee turnover by employee category - Middle Management	Number	5	2	—	Internal
Labour practices and standards	C6(c) Total number of employee turnover by employee category - Other Employees	Number	87	79	—	Internal
Labour practices and standards	C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	—	Internal
Supply chain management	C7(a) Proportion of spending on local suppliers	Percentage	65.0	31.4	—	Internal
Data privacy and security	C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	—	Internal
Water	C9(a) Total volume of water used	Megalitres	32.4	20.6	—	Internal

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance
Waste management	C10(a) Total waste generated	Metric tonnes	309.2	277.2	—	Internal
Waste management	C10(a)(i) Total waste diverted from disposal	Metric tonnes	127.5	121.4	—	Internal
Waste management	C10(a)(ii) Total waste directed to disposal	Metric tonnes	181.7	155.8	—	Internal
Emissions management	C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	152.6	54.8	—	Internal
Emissions management	C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	2350.3	1665.4	—	Internal
Emissions management	C11(c) Scope 3 emissions in tonnes of CO2e	Metric tonnes	N/A	79.7	—	Internal

STATEMENT OF ASSURANCE

In strengthening the credibility of the Sustainability Statement, selected aspects of this Sustainability Statement have been subjected to an internal review by the company's internal auditors and has been approved by Ni Hsin Group Berhad's Audit and Risk Management Committee.

The internal review was performed in adherence to the disclosure requirements of Bursa Malaysia's Enhanced Sustainability Reporting Framework covering the following 11 Bursa Common Sustainability Matters and Indicators:

i. Anti-Corruption
ii. Community/Society
iii. Diversity
iv. Energy Management
v. Health and Safety
vi. Labour Practices and Standards
vii. Supply Chain Management
viii. Data Privacy and Security
ix. Water
x. Waste Management
xi. Emissions

SCOPE

The scope covered only the six (6) key subsidiaries namely Ni Hsin Corporation Sdn. Bhd. (NHC), Ever-Grow Advanced Materials Sdn. Bhd. (EGAM), BlackBixon2Go Sdn. Bhd. (BB2GO), Pride Logistics Alliance Sdn. Bhd. (PLA), Ni Hsin EV Tech Sdn. Bhd. (NHEVT), and Ni Hsin Food & Beverages Sdn. Bhd. (NHFB).

The review covers the financial year ended 30 June 2026, with comparison against the prior period's (FP2025) sustainability disclosures and data where applicable.

BOARD OF DIRECTORS' PROFILE

SOFIYAN BIN YAHYA

Independent Non-Executive Chairman
Date of Appointment : 22 November 2017

Malaysian | Age 69 | Male

Sofiyan Bin Yahya, a Malaysian, aged 69, male, was appointed as our Independent Non-Executive Chairman on 22 November 2017.

Encik Sofiyan holds a Bachelor Degree in Mechanical Engineering from the City University of London. He is also a Professional Technologist (Ts.) under the Malaysian Board of Technologists (MBOT) and Fellow of the Institute of Materials Malaysia (IMM).

Encik Sofiyan has more than forty (40) years of experience in the oil and gas industry, in Malaysia and internationally. He began his career in 1979 as a graduate engineer in the Production Department of PETRONAS, obtaining his first exposure to the oil and gas industry. He later joined other companies as engineer and progressed into management positions, largely involved in engineering, construction and project management projects. He has gained exposure and accumulated extensive experience in various aspects of technical, operational, administration, projects, contractual, business development (including international business) and senior management and now as a successful entrepreneur.

Currently, he is the Executive Chairman of Cekap Technical Services Sdn. Bhd., one of the leading technical services providers in Malaysian oil and gas industry, with projects in Malaysia and internationally.

He attended all the of eleven (11) Board meetings held during the financial year. Other than Ni Hsin Group Berhad, he does not hold any other directorship in any other public company or listed issuer in Malaysia.

NG SHWU CHING

Executive Director
Date of Appointment : 19 March 2005

Malaysian | Age 59 | Female

Ng Shwu Ching, a Malaysian, aged 59, female, was appointed as our Executive Director on 19 March 2005. She graduated from Cheng Chi University in Taiwan with a Bachelor of Finance. She also holds a Diploma in Taxation from Help Institute and Master in Finance from RMIT University obtained in 2002.

Ms Ng joined Ni Hsin Corporation Sdn. Bhd. as a Costing Assistant in 1992 after completing her training in KPMG Taiwan as an Accounts Services Executive. She was promoted to Finance Manager in 1996 to oversee the Finance and Accounting department. She was also responsible for the Management Information System function of our Group and helped to set up an Enterprise Resources Planning system. She was re-designated as Finance & Administration Manager in 2003 where she also oversees the human resource functions of our Group.

Ms Ng is currently responsible for the overall day-to-day operations which include business development and marketing operations, finance, accounting, secretarial, administrative, production and human resource functions of our Group.

Ms Ng attended all the eleven (11) Board meetings held during the financial year. Other than Ni Hsin Group Berhad, she does not hold any other directorship in any other public company or listed issuer in Malaysia.

BOARD OF DIRECTORS' PROFILE
(Cont'd)

RIZVI BIN ABDUL HALIM
Executive Director
Date of Appointment : 10 October 2014

Malaysian | Age 57 | Male

Rizvi Bin Abdul Halim, a Malaysian, aged 57, male, was first appointed as our Independent Non-Executive Director on 10 October 2014 and was subsequently re-designated as Independent Non-Executive Chairman on 1 March 2017. On 22 November 2017, he was re-designated as Executive Director.

Encik Rizvi holds a Master of Business Administration from Ohio University USA and a Bachelor of Science Degree in Business Administration from Indiana State University USA. He also holds a Diploma in Hotel Management from Universiti Teknologi MARA (UiTM). Whilst in UiTM, he underwent the Reserve Officer Training Unit (ROTU) programme and was commissioned as a second lieutenant army officer.

Encik Rizvi has vast experience in corporate banking, corporate finance, capital market and syndication, and capital market regulations. He held the position of Account Manager in the Corporate Banking Department of Bank Bumiputra Malaysia Berhad (now known as CIMB Bank Berhad) from 1995 to 1996. From 1997 to 2000, he was the Assistant Manager in the Capital Markets & Syndications Department of Malaysian International Merchant Bankers Berhad (now known as Hong Leong Investment Bank Berhad). He joined Securities Commission Malaysia in 2000 and held the position of Senior Manager in the Equities-Corporate Finance Department until 2012.

Currently, Encik Rizvi is an Independent Non-Executive Chairman of Southern Cable Group Berhad.

Encik Rizvi attended all the eleven (11) Board meetings held during the financial year. Other than Ni Hsin Group Berhad and the directorship as disclosed above, he does not hold any other directorship in any other public company or listed issuer in Malaysia.

REBECCA KHOO WUAN RU
Executive Director
Date of Appointment : 02 August 2021

Malaysian | Age 33 | Female

Rebecca Khoo Wuan Ru, a Malaysian, aged 33, female, was appointed as our Executive Director on 2 August 2021. She graduated from Newcastle University (United Kingdom) with BSc (Hons) Economics & Finance in 2015.

Ms Rebecca Khoo began her career as a Senior Internal Auditor in IBDC (Malaysia) Sdn. Bhd. from September 2015 to June 2018 where she was involved in providing consulting services to public companies on corporate governance and compliance matters. She leads a team conducting fieldwork on internal audit assignments for the company's clients. During the stints with Mercury Securities Sdn. Bhd. (June 2018 to October 2018), Covenant Equity Consulting Sdn. Bhd. (Jan 2019 to September 2019), SJ Securities Sdn. Bhd. (October 2019 to February 2020) and Inter-Pacific Securities Sdn. Bhd. (now known as Berjaya Securities Sdn. Bhd.) (March 2020 to July 2020), Ms Rebecca Khoo gained experience in preparation of consultation papers and information memorandum and providing consulting and advisory services on several corporate exercises such as Merger and Acquisition, Private Placement, Rights Issues, IPOs, etc.

Ms Rebecca Khoo attended all the eleven (11) Board meetings held during the financial year. Other than Ni Hsin Group Berhad, she does not hold any other directorship in any other public company or listed issuer in Malaysia.

BOARD OF DIRECTORS' PROFILE
(Cont'd)

POO CHII MIIN @ CHERMAINE POO

Independent Non-Executive Director
Date of Appointment : 02 August 2021

Malaysian | Age 48 | Female

Poo Chii Miin @ Chermaine Poo, a Malaysian, aged 48, female, was appointed as our Independent Non-Executive Director on 2 August 2021. She serves as the Chairperson of the Audit and Risk Management Committee, and as a member of Nomination Committee and Remuneration Committee.

Ms Chermaine is a Fellow of the Association of Chartered Certified Accountants and a Chartered Accountant of Malaysian Institute of Accountants. She is trained in advisory services with BDO from 2000 to 2003 and CIMB Investment Bank from 2004 to 2007. She was involved in corporate restructuring, merger and acquisition deals and several initial public offerings.

After winning four awards in the Miss Universe Malaysia pageant in 2005, she founded and managed a public relations firm, Chermaine Poo Productions from 2007 to 2014 during which she organised more than 100 press conferences, product launches, marketing and advertising campaigns and hosted over 600 corporate and charity events. She was a columnist of The Star, a host of over 20 television series, acted in a few movies, dramas and a theatre production, and an ambassador of several leading international brands.

Since 2015, she has been an Executive Director of TH Architects Sdn. Bhd., an architecture company that has successfully completed 93 property development projects in 21 countries including USA, Germany and South Korea in addition to being appointed as the Regional Architect for Porsche Asia-Pacific. She oversees its finance and business development functions. On 24 June 2026, Ms Chermaine was appointed as an Independent Non-Executive Director of HCK Capital Group Berhad.

Ms Chermaine was awarded "Emerging Woman Entrepreneur of The Year" in 2012 by international accounting and advisory group, McMillan Woods Global.

Ms Chermaine attended all the eleven (11) Board meetings held during the financial year. Other than Ni Hsin Group Berhad and the directorship as disclosed above, she does not hold any other directorship in any other public company or listed issuer in Malaysia.

BEH EE NAH

Independent Non-Executive Director
Date of Appointment : 24 January 2025

Malaysian | Age 55 | Female

Beh Ee Nah, a Malaysian, aged 55, female, was appointed as our Independent Non-Executive Director on 24 January 2025. She serves as a member of Nomination Committee, Remuneration Committee, and Audit and Risk Management Committee.

Ms Beh is an Associate of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) from 1998 till 2010, prior to her sabbatical. Her commitment to the profession saw her re-connected to the field by joining GMT Corporate Services Sdn. Bhd. in 2020.

Ms Beh began her career in the corporate secretarial profession with Professional Secretarial Services Sdn. Bhd. in 1993. She left the management services company in 1998 and joined INFORMATICS Education Group of Companies (currently known as BERJAYA University College) for seven (7) years, providing corporate secretarial services and served as company secretary for the Berjaya group of companies. To gain further exposure in other industries aside from the education sector, she then joined TAHA Insurance (M) Berhad (currently known as Great Eastern Life Malaysia) in 2005 and served as company secretary cum personal assistant to their Chief Executive Officer. She brings with her over twenty (20) years of experience in corporate secretarial and compliance work. In addition, she has also been involved in registration/applications for the franchise, trademark, work permit and licenses from various local authorities/ statutory bodies.

Ms Beh attended all the eleven (11) Board meetings held during the financial year. Other than Ni Hsin Group Berhad, she does not hold any other directorship in any other public company or listed issuer in Malaysia.

BOARD OF DIRECTORS' PROFILE
(Cont'd)

TUNG FOOK HENG
Independent Non-Executive Director
Date of Appointment : 10 January 2023

Malaysian | Age 69 | Male

Mr Tung Fook Heng, a Malaysian, aged 69, male, was appointed as our Independent Non-Executive Director on 10 January 2023. He serves as the Chairperson of Nomination Committee and Remuneration Committee, and a member of Audit and Risk Management Committee.

Mr Tung is a Qualified Accountant and a Chartered Internal Auditor with the following credentials:

- Certified Public Accountant, MICPA Malaysia
- Chartered Accountant, MIA Malaysia
- Chartered Global Management Accountant, CIMA UK
- Chartered Management Accountant, CIMA UK
- Chartered Certified Accountant, ACCA UK
- Chartered Member of The Institute of Internal Auditors, Malaysia

Mr Tung has wide working experience as Group Financial Controllers, Finance Directors, CFOs and business/ financial consultants in various industries such electronics, furniture and crude palm oil manufacturing, hospitality/ theme park and oil palm plantations in various countries such as Malaysia, China, Indonesia and Myanmar. Certain big MNCs and conglomerates he had worked with include Hewlett Packard (US), Citigroup (US), Masco Group (US), Lyman Group (Indonesia), Great Wall Group (Myanmar) and TARH Group under Khazanah National (Malaysia).

In the more than 25 years of business and managerial experience Mr Tung has acquired strategic leadership skills and expertise that include but not limited to :

- Drive change management and business excellence
- Strategic planning and strategic advice to management – long term business
- Project management and control
- Debt and Equity financing, treasury and cash flow management
- Management and financial reporting
- Risks management, corporate governance and sustainability (ESG)
- IPO and business expansion organically or thru acquisition - upstream/downstream
- Stakeholders management and investor relations
- Assets management and capital allocation
- Financial and Scenario Modelling
- Corporate Mergers and Acquisitions (M&A) and Restructuring
- Tax planning
- Finance & Accounting, Purchasing and HR management
- Financial Planning & Analysis (FP&A), Budgeting and forecasting
- Regulatory compliance and reporting
- Leadership and Employee development
- Key Performance Indicators (KPIs), Key Result Areas (KRAs) and Key Success Factors (KSFs) setting and monitoring
- Business and financial consultancy
- Digital transformation and Robotic Process Automation (RPA)
- Spearing continuous improvements in organizations to achieve cost savings and improve work efficiency

Currently, Mr Tung is an Independent Non-Executive Director of Alpha IVF Group Berhad, a company specialized in fertility care focusing on the provision of assisted reproductive services in Malaysia, Singapore, Indonesia, China and Philippines.

Mr Tung attended all the eleven (11) Board meetings held during the financial year. Other than Ni Hsin Group Berhad and the directorship as disclosed above, he does not hold any other directorship in any other public company or listed issuer in Malaysia.

OTHER INFORMATION

(i) Family Relationship with Director and/or Major Shareholder of the Company

Ms Rebecca Khoo Wuan Ru is the daughter of Mr Khoo Chee Kong who is the major shareholder of the Company.

Save for Ms Rebecca Khoo, none of the Directors have any family relationship with any Director and/or major shareholder of the Company.

(ii) Conflict of Interest

None of the Directors have any conflict of interest with the Group.

(iii) Conviction of Offences

None of the Directors has convicted of any offences (other than traffic offences, if any) within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

(iv) Board Meetings

Please refer to Corporate Governance Overview Statement on page 50 of this Annual Report for the Directors' meeting attendance records for the financial year under review.

KEY SENIOR MANAGEMENT PROFILE

KHOO CHEE KONG

Managing Director

Ni Hsin Corporation Sdn. Bhd., Ever-Grow Advanced Materials Sdn. Bhd., Pentoli Sdn. Bhd., Ni Hsin Marketing Sdn. Bhd., Ni Hsin Food & Beverages Sdn. Bhd., BlackBixon2Go Sdn. Bhd., Ni Hsin EV Tech Sdn. Bhd., Ni Hsin Ecologistics Sdn. Bhd. and Pride Logistics Alliance Sdn. Bhd,

Khoo Chee Kong, a Malaysian, aged 65, male, was appointed as Managing Director of the subsidiary companies of the Group namely, Ni Hsin Corporation Sdn. Bhd., Ever-Grow Advanced Materials Sdn. Bhd., both on 1 October 2016, Pentoli Sdn. Bhd. on 31 January 2017, Ni Hsin Marketing Sdn. Bhd. on 23 October 2017, Ni Hsin Food & Beverages Sdn. Bhd. on 21 July 2020, BlackBixon2Go Sdn. Bhd. on 22 March 2021, Ni Hsin EV Tech Sdn. Bhd. on 24 August 2021, Ni Hsin Ecologistics Sdn. Bhd. on 24 August 2021, Pride Logistics Alliance Sdn. Bhd on 8 December 2021.

Mr Khoo is an Accountant by training. He began his career with Messrs. BDO Binder in 1979 as an Audit Assistant and was subsequently promoted as an Audit Senior in 1980. He left Messrs. BDO Binder and subsequently joined United Industries group of companies as an Internal Auditor in 1981. While he was with United Industries group of companies, he was seconded to its subsidiaries holding various finance related positions. He joined Kopenda Holdings Sdn. Bhd. as Financial Accountant in 1984, Innovest Hart Engineering Sdn. Bhd. as the Finance Manager in 1988 and Lyman Group of Indonesia as the Head of Corporate Finance and Business Development Department in 1990.

Mr Khoo gained wide business and financial experience in both the domestic and international market place from his previous employments, he started the Kyeros Kebab business in 1997 which soon grew into an international fast food chain. Kyeros Kebab then merged with CAB Cakaran Corporation Group Berhad ("CAB") and was listed in the Bursa Malaysia Stock Exchange in 2003. He was an Executive Director of CAB from 2003 to 2006.

DATO' SERI (DR) MOHAMED AZAHARI BIN MOHAMED KAMIL

Director

Ni Hsin EV Tech Sdn. Bhd.

Dato' Seri (Dr) Mohamed Azahari Bin Mohamed Kamil, a Malaysian, aged 67, male, was appointed as our Director of Ni Hsin EV Tech Sdn. Bhd. on 20 November 2024. He holds a Bachelor of Business Administration (Finance) from Western Michigan University and a Master of Business Administration (Finance) from Central Michigan University. He was awarded Honorary Degree of Doctor of Management (Hon. D. MGT) by University Sultan Zainal Abidin in 2019. His academic qualifications include executive leadership programmes at Harvard, Wharton, Berkeley, USA and Cambridge, UK.

He was the Group Managing Director of QSR Brands (M) Holdings Bhd (July 2017 - July 2020), operator of over 1,250 KFC and Pizza Hut restaurants in Malaysia, Singapore, Brunei, and Cambodia. In addition to its restaurant operations, QSR Brands is extensively involved in breeder and contract broiler farming, hatchery, poultry processing as well as a host of ancillary businesses including baking, commissary and sauce production. A fully integrated, Farm-to-Fork food operator, QSR Brands employs more than 35,000 people.

He is a Chartered Banker of the Asian Institute of Chartered Bankers as well as a Chartered Professional in Islamic Finance and has had a distinguished career in the financial services and educational sectors, helming senior management posts in various private and public organisations, including Malaysian Industrial Development Finance Berhad, Permodalan Nasional Berhad Group, Amanah Raya Group, Asian Finance Bank Berhad and currently as Independent Non-Executive Director of SEG International Bhd, Aurelius Healthcare Group and Pavilion REIT Management Sdn. Bhd., the Manager of Pavilion Real Estate Investment Trust.

He is currently a Board member of Segi University & Colleges. He was a Board member of Universiti Sultan Zainal Abidin (UniSZA), Universiti Teknologi Mara (UiTM), and Universiti Sains Islam Malaysia (USIM). He is an Adjunct Professor of the International Islamic University Malaysia (IIUM) and Universiti Teknologi Malaysia (UTM). He also was appointed by the Ministry of Higher Education for AIxCHANGE: CEO @ Faculty Programme 1.0 "Learn from the Pros", Universiti Technology MARA (UITM), Industry Advisory Panel for Management and Humanities Programme for University Technology Petronas (UTP) as well as Industry Advisor for Politeknik Sultan Ahmad Shah (POLISAS).

Besides the above mentioned, he is also the Chairman of Malaysian Advisory Board of the Salaam Wealth Funds Management Australia.

KEY SENIOR MANAGEMENT PROFILE

(Cont'd)

LIM KAM TEN

Marketing Director

Ni Hsin Corporation Sdn. Bhd., Ever-Grow Advanced Materials Sdn. Bhd. and Ni Hsin Marketing Sdn. Bhd.

Lim Kam Ten, a Malaysian, aged 54, male, graduated from Takushoku University in Japan with a Degree in Bachelor of Arts in Commerce. He joined Ni Hsin Corporation Sdn. Bhd. in 1999 as an Assistant Officer in Sales & Marketing Department, in charge of the market development and customer service for Japan and Asian countries in respect of cookware.

Recognised for his outstanding performance, he was promoted to the position of Business Development Executive in February 2004 and subsequently on 1 September 2006, he was promoted as Market Development Manager.

In 2014, Mr Lim was also tasked with the sales and marketing of convex mirrors and clad metals in Ever-Grow Advanced Materials Sdn. Bhd.. During his tenure of service, he has successfully developed major customers and/or markets for stainless steel cookware, convex mirror, non-stick cookware and clad metal products. On 1 February 2020, he was promoted as Marketing Director to oversee the Group's marketing activities.

KHOO YAO SHENG

Marketing Director

Ni Hsin Corporation Sdn. Bhd. and Ever-Grow Advanced Materials Sdn. Bhd.

Khoo Yao Sheng, a Malaysian, aged 27, male, was appointed as an Executive Director of Ni Hsin Corporation Sdn. Bhd. and Ever-Grow Advanced Materials Sdn. Bhd. on 1 July 2025 and 1 January 2026 respectively.

Mr Khoo graduated from the University of Surrey, United Kingdom, in 2020 with a Bachelor of Science degree with First Class Honours. He began his career with KPMG as an Audit Associate, having previously completed an internship with the firm during his university years.

He joined the Group in 2022 as a Business Development Executive at Blackbixon Café & Restaurant. In recognition of his strong performance, he was promoted to Business Development Manager, where he led the end-to-end establishment of four Blackbixon Café & Restaurant outlets, covering interior design, renovation and operational launch activities.

He currently spearheads the operations of Pride Logistics Alliance Sdn. Bhd. and, through Ni Hsin Food & Beverages Sdn. Bhd., the capsule coffee machine business and the central kitchen. He is focused on expanding the Group's client base across both the logistics and coffee machine segments.

OTHER INFORMATION

(i) Family Relationship with Director and/or major shareholder of the Company

Mr Khoo Chee Kong is a major shareholder of the Company and the father of Ms Rebecca Khoo Wuan Ru, an Executive Director of the Company.

Mr Khoo Yao Sheng is the son of Mr Khoo Chee Kong and sibling of Ms Rebecca Khoo Wuan Ru.

Save for above disclosed, none of the Key Senior Management has any family relationship with any Director and/or major shareholder of the Company.

(ii) Conflict of Interest

None of the Key Senior Management has conflict of interest with the Group.

(iii) Directorships

Save for Dato' Seri (Dr) Mohamed Azahari Bin Mohamed Kamil, none of the Key Senior Management holds any directorship in any public companies and listed issuers in Malaysia.

(iv) Conviction of Offences

None of the Key Senior Management has convicted of any offences (other than traffic offences, if any) within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the financial year.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT

The Board of Directors ("**the Board**") of Ni Hsin Group Berhad ("**NHG**" or "**the Company**") is pleased to present the Corporate Governance Overview Statement ("**Statement**") for the financial year ended 30 June 2026 ("**FYE 2026**") which outlines the summary of application of corporate governance practices as promulgated by the Malaysian Code on Corporate Governance ("**MCCG**") issued by Securities Commission Malaysia.

This Statement is prepared in compliance with Paragraph 15.25(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") and guided by Practice Note 9 of Listing Requirements and the Corporate Governance Guide (4th edition) issued by Bursa Securities.

This Statement should also be read together with the Corporate Governance Report 2026 of the Company ("**CG Report**") which is made available on the Company's website: www.ni-hsin.com as well as via an announcement on the website of Bursa Securities and in conjunction with the other statements in the Annual Report (e.g. Statement on Risk Management and Internal Control, Audit and Risk Management Committee ("**ARMC**") Report and Sustainability Statement) as the application of certain governance enumerations may be more evidently expressed in the context of the respective statements.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board Responsibilities

a. Board of Directors

The Group is headed by an experienced and effective Board. The Board assumes overall responsibility in leading the strategic direction, future expansion, corporate governance, risk management, human resource planning and development, investments made by the Company and overseeing the proper conduct of business of the Group.

In discharging its duties, the Board delegates certain of its responsibilities to the Board Committees, namely ARMC, Nomination Committee ("**NC**") and Remuneration Committee ("**RC**") which operate within defined Terms of Reference ("**TOR**"). The Chairpersons of the respective Board Committees report to the Board on key matters deliberated at the respective Board Committee meetings and make recommendations to the Board for final decision, where necessary.

The Board is cognisant that changes in strategy, personnel and the external environment may be necessary to drive changes in the way that we operate in order to maximise the Board's effectiveness. We therefore recognise the benefits of regularly evaluating our own effectiveness and that of our Committees (at least annually) so that we can take any actions necessary to ensure that we continue to perform effectively.

b. Separation of Position of Chairman and Chief Executive Officer

The Company does not have a Chief Executive Officer, the Board is currently assisted by three (3) Executive Directors. The Chairman is an Independent Non-Executive Director who is responsible for overseeing the effective discharge of the Board's supervisory role emphasising on governance and compliance while the Executive Directors are responsible for the day-to-day operation of the Group's business. The role of the Chairman and Executive Directors are distinct and separate to engender accountability and facilitate clear division of responsibilities to ensure there is a balance of power and authority in the Company. The ability to meet responsibilities is underpinned by having in place a balanced and effective Board which brings together a wide range of skills and expertise, and our governance framework which enables effective decision-making within a structure of clear accountabilities.

The Board concurred with the guidance of MCCG that the Chairman of the Board should not involve in any Board Committees to ensure check and balance as well as the objectivity will not be impaired or influenced by the Chairman of the Board who also sits on Board Committee(s). The Chairman of the Board is not a member of any Board Committees.

c. Company Secretaries

The Board and Board Committees are supported by two (2) qualified and competent Company Secretaries. All Directors have unrestricted access to the advice and services of the Company Secretaries to enable them to discharge their duties and responsibilities effectively. The Company Secretaries play an advisory role to the Board in relation to the Company's Constitution, Board's policies and procedures, corporate governance and compliance with the relevant regulatory requirements and legislations.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. Board Responsibilities (continued)

d. Board Meeting

The Board conducts at least five (5) meetings in each financial year. An annual meeting calendar is prepared and circulated to the Directors before the beginning of each year to help the Directors in planning their schedule ahead. Additional meetings will be held as and when required.

The Board recognises that the decision-making process is highly dependent on the quality of information furnished. The meeting agenda, the relevant reports and Board papers are prepared and furnished to the Directors and Board Committee members at least five (5) business days before the meeting to allow the Directors to have sufficient time to read them for effective discussion and decision making at the meetings.

The record on the Directors' attendance at the Board and Board Committees meetings during the FYE 2026 is set out below:-

Director	Board	ARMC	NC	RC
Sofiyan Bin Yahya *Independent Non-Executive Chairman*	11/11	N/A	N/A	N/A
Rizvi Bin Abdul Halim *Executive Director*	11/11	N/A	N/A	N/A
Ng Shwu Ching *Executive Director*	11/11	N/A	N/A	N/A
Lai Kian Huat [(1)] *Executive Director*	9/9	N/A	N/A	N/A
Khoo Wuan Ru *Executive Director*	11/11	N/A	N/A	N/A
Poo Chii Miin @ Chermaine Poo *Independent Non-Executive Director*	11/11	5/5	1/1	1/1
Tung Fook Heng *Independent Non-Executive Director*	11/11	5/5	1/1	1/1
Beh Ee Nah *Independent Non-Executive Director*	11/11	5/5	1/1	1/1

(1) Resigned as Director on 6 March 2026.

The minutes of meetings of Board and Board Committees will be circulated to all Directors and Board Committee members for review and comments within a reasonable timeframe prior to the Chairman's confirmation at the next Board and Board Committees meeting.

e. Board Charter

The Board has established a Board Charter to promote high standards of corporate governance which is designed to provide guidance and clarity to Directors and the Management with regards to the role of the Board and its Committees. The Board Charter sets out the key values and principles of the Company as well as the duties and responsibilities of the Board, the Chairman, the Executive Directors, the Independent Director and the Board Committees. The Board Charter also includes a formal schedule of matters reserved for the deliberation of the Board.

The Board Charter is regularly reviewed by the Board to ensure it complies with legislations and best practices, and remains effective and relevant to the Board's objectives.

The Board Charter is available at the Company's website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. Board Responsibilities (continued)

f. Code of Conduct, Code of Ethics, Anti-Bribery and Anti-Corruption Policy and Procedures, Whistle Blowing Policies and Procedure, and Conflict of Interest Policy

The Group recognises the importance of maintaining high standards of ethics and has adopted the Code of Conduct and Code of Ethics, which outlines the ethical values and standards expected from both directors and employees of the Group whilst discharging their designated duties and responsibilities.

On top of that, the Board has adopted an Anti-Bribery and Anti-Corruption Policy and Procedure which serves as a guideline to all Directors, employees and stakeholders on their obligation to prevent and mitigate any forms of bribery and corruption that may arise in the ordinary course of business, and to promote highest standards of ethical conduct of business within the Group.

A Whistle Blowing Policy and Procedure has been developed to provide a secured and confidential avenue for all stakeholders to make good-faith disclosure and report instances of suspicious behaviour, suspicious transaction or business malpractices without the fear of reprisal.

The Whistle Blowing Policy and Procedure outlines the relevant procedures such as when, how and to whom a concern may be properly raised about the genuinely suspected or instances of wrongdoing in the Group. The identity of the whistle blower will be kept confidential, and protection is accorded to the whistle blower against any form of reprisal or retaliation.

The Board has also adopted a Conflict of Interest Policy which outlines the disclosure obligations of each Director, Key Senior Management and Senior Management of the Group with respect of the conflict of interest, and procedures to be followed when any actual or potential conflict of interest arise to ensure systematic identification, disclosure and management of conflict of interest in an effective and timely manner.

The Code of Conduct, Code of Ethics, Anti-Bribery and Anti-Corruption Policy and Procedure, Whistle Blowing Policy and Procedure, and Conflict of Interest Policy are made available on the Company's website.

g. Sustainability

The Company acknowledges the importance of sustainability performance of the Group which has been recognised as one of the considerations to stakeholders in their decision-making. The Board, together with the Management have integrated sustainability considerations into the day-to-day operations to ensure the sustainability strategies and plans are effectively implemented in the Group.

Materiality assessment on the sustainability matters has been conducted and reviewed on a regular basis.

The Board continuously keep themselves abreast with the sustainability issues relevant to the Group through periodical updates by Securities Commission Malaysia.

The detailed disclosures on the sustainability practices and performance of the Group are set out in the Sustainability Statement on pages 14 to 41 of this Annual Report.

2. Board Composition

a. Composition and Diversity

The Board is well balanced, comprising experienced businessmen and qualified professionals of diverse knowledge, skill, extensive experience and expertise in areas such as strategic planning, business development, finance, corporate affairs, marketing and operations.

As at 30 June 2026, the Board comprised seven (7) members, consisting four (4) Independent Non-Executive Directors and three (3) Executive Directors. This complies with Paragraph 15.02(1) of the Listing Requirements which requires at least two (2) or one-third (1/3) of the Board of the Company, whichever is higher, are Independent Directors as well as Practice 5.2 of the MCCG, which recommends that at least half of the Board comprise independent directors.

During the FYE 2026, Mr Lai Kian Huat was resigned from the Board on 6 March 2026.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. Board Composition (continued)

a. Composition and Diversity (continued)

As at 30 June 2026, the Board comprised four (4) female Directors, representing 57% female representation on the Board, thereby comply with Practice 5.9 of MCCG, which recommends that at least 30% of the Board comprise female Directors.

b. NC Composition

The role of the NC is to assist the Board in ensuring that the Board comprises individuals with the requisite skills, knowledge, professional expertise and character.

The NC comprises exclusively Non-Executive Directors who are independent. Currently, the members are as follows:

Mr Tung Fook Heng *(Chairman)*
Ms Poo Chii Miin @ Chermaine Poo *(Member)*
Ms Beh Ee Nah *(Member)*

The Board does not consider it is necessary to appoint a Senior Independent Director as all existing members of the Board devote sufficient time commitment to the issues which are openly discussed during Board meetings.

c. Tenure of Independent Director

The Board has yet to develop a policy which limits the tenure of its Independent Directors to nine (9) years. Nonetheless, the Board is aware of the recommendation under the MCCG that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years as well as the requirement under the Listing Requirements that an Independent Director who has served for a cumulative term of twelve (12) years must resign or be re-designated as Non-Independent Director.

Pursuant to the Board Charter, an Independent Director who has served for a cumulative term of nine (9) years and above may continue to serve on the Board, subject to the assessment of his/her independence and contributions, and the shareholders' approval at the AGM through a two-tier voting process. The Board will provide the justifications and seek shareholders' approval should it decides to retain such Independent Director.

The Board recognises that length of service is not an absolute indicator of a Directors' independence and objectivity. In assessing the independence, the Board also considers the Director's integrity, character, judgement, ability to act in the best interest of the Company and exercise independent and objective judgement in the Board deliberations and decision making. The Board believes that the invaluable experience and knowledge of the independent directors gained over the years, can continue to provide significant value to the Board and the Group, provided their independence remains intact.

Encik Sofiyan Bin Yahya ("Encik Sofiyan") was appointed as an Independent Director of the Company on 22 November 2017 and will have served for a cumulative term of nine (9) years on 22 November 2026. Following the annual assessment conducted by the NC, Encik Sofiyan remains independent, objective and impartial in the discharging of his duties and responsibilities as well as continue exercising sound judgement and making decision in the best interest of the Company, its shareholders and stakeholders based on, amongst others, the following justifications:-

- He fulfilled the criteria under the definition on Independent Director as prescribed under the Listing Requirements.
- He has contributed sufficient time and commitment to his responsibilities, including attendance at all the Board meetings.
- His length of service on the Board does not impair his ability to exercise independent judgement and to act in the best interests of the Company.
- His knowledge and understanding of the Group's businesses and operations enable him to participate actively and contribute meaningfully during deliberations or discussions at the Board meetings without compromising his independence and objective judgement.
- He has exercised his due care during his tenure as Independent Non-Executive Director of the Company and carried out his professional duties in the interest of the Company and its shareholders.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. Board Composition (continued)

c. Tenure of Independent Director (continued)

The Board (save for Encik Sofiyan who is interested and abstained from deliberation and discussion on his own proposed continuance in office) unanimously recommended that Encik Sofiyan continues to serve as an Independent Non-Executive Chairman of the Company, subject to the approval of the shareholders at the forthcoming AGM through a two-tier voting process.

Notwithstanding that, the Board will continue to monitor the tenure of its independent Directors and ensure compliance with the Listing Requirements that an Independent Director who has served a cumulative term of twelve (12) years and above must resign or be re-designated as a Non-Independent Director.

d. Appointment to the Board

The NC will identify and recommend candidates to the Board if there is any vacancy arising from resignation, retirement or any other reasons or if there is a need to appoint additional Director with the required criteria based on recommendation from existing Directors, Senior Management or major shareholders.

The Board has adopted the Directors' Fit and Proper Policy, which serves as a guide to the NC and the Board in conducting assessment against the potential candidates to be appointed as Directors and/or the existing Directors seeking for re-election to ensure the Directors possess the right blend of qualifications, expertise, track record, character and integrity, and time commitment to effectively discharge their roles and responsibilities as Directors of the Group.

In recommending the appointment of Directors, the NC will review the suitability of candidates based on skills, knowledge, character, integrity, expertise and experience, competency, commitment (including time commitment) and where appropriate, the independence of candidates for appointment as Independent Non-Executive Directors.

The assessment of the Independent Directors is in accordance with the criteria as set out in the Board Charter and Listing Requirements.

e. Re-election of Directors

In accordance with the Company's Constitution, an election of Directors shall take place each year at an Annual General Meeting ("**AGM**") and one-third (1/3) of the Directors are subject to retirement by rotation, in any event, each Director shall retire from office once in every three (3) years. The Directors to retire in each year are the Directors who have been longest in office since their last appointment or re-election. The Directors appointed by the Board during the financial year are subject to retirement at the next AGM held following their appointments in accordance with the Company's Constitution. All retiring Directors are eligible for re-election. The re-election of each Director is voted on separate resolution during the AGM of the Company.

Based on the schedule of rotation, the following Directors are subject to retirement by rotation pursuant to the Company's Constitution at the forthcoming Twenty-Second AGM:-

(1) Encik Sofiyan (Clause 95)
(2) Ms Ng Shwu Ching (Clause 95)
(3) Mr Tung Fook Heng (Clause 95)

The aforesaid retiring Directors have expressed their intention to seek for re-election at the forthcoming Twenty-Second AGM.

The NC had also taken into the consideration the outcome of the Directors' self-assessment before making recommendations to the Board for Directors who would be seeking for re-election at the Annual General Meeting, and whether the Directors are 'fit and proper' under the Directors' Fit and Proper Policy after receiving submissions from the aforesaid retiring Directors.

The NC took reasonable steps to conduct checks using external information as part of the assessment process on whether the directors have the (i) Character and Integrity; (ii) Experience and Competence; and (iii) Time Commitment to do the job in accordance with the Directors' Fit & Proper Policy. The fit and proper assessments are supported by relevant independent sources in relation to the persons being assessed.

The profile on Directors who are standing for re-election are provided in the Annual Report to facilitate shareholders to make informed decision.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. Board Composition (continued)

f. Annual Evaluation

The assessment criteria of the Board and Board Committees include an evaluation of the size and composition of the Board and Board Committees, access to information, accountability, processes, performance of the Board and Board Committees in relation to discharging its principal responsibilities, communication with Management and standards of conduct by the Directors and committee members.

The internally facilitated evaluation process is led by the NC Chairman who is an Independent Director and supported by the Company Secretaries. The evaluation process is conducted via questionnaires to review the effectiveness of the Board and its Committees, and based on self-review and peer assessment. The NC reviewed the outcome of the assessment and was satisfied with the composition of the Board and Board Committees in respect of their balanced mix of skills, experience and expertise as well as individual Directors' personal attributes and contribution to the Board.

The outcome of the assessment was then reported to the Board, in particular, areas for improvement and also used as part of the basis of recommending retiring Director for re-election at the AGM.

g. Professional Development of Directors

All Directors have completed both Mandatory Accreditation Programme ("MAP") Part I and MAP Part II. The NC and Directors will continue to identify and attend appropriate seminars, conferences and courses to keep abreast of changes in market, legislations and regulations affecting the Group. The Directors are also committed to continue to undergo other relevant training programmes and seminars whether in-house or external to keep abreast with the developments of the business environment and further enhance their skills and knowledge.

During the FYE 2026, the Directors have attended various training programmes and seminars, amongst others, the following:-

- MAP Part II: Leading for Impact (LIP);
- SSM Corporate Talk Taklimat Liputan Akta PMSB 2001;
- SSM National Conference 2025 on Leading Governance for Sustainable Growth;
- SSM Corporate Talk on Peraturan-peraturan dan Garis Panduan serta Senarai Semak Syarikat Berhad Menurut Jaminan di bawah Seksyen 45(3) dan (4) Akta Syarikat 2016;
- SSM Corporate Talk on Introduction to the E-BOS system for Limited Liability Partnership;
- Emotional Intelligence for Governance Professionals;
- Anti-Money Laundering & Counter Financing of Terrorism (AML/CFT) – Obligations and Importance of Suspicious Transaction Reporting;
- SSM Seminar on Resolving Boardroom and Shareholders Disputes;
- SSM Seminar on Cessation of Companies & Limited Liability Partnerships;
- MIA Town Hall 2025/2026 (Session 2);
- MFRS/IFRS 18 in Practice: A Guide For Accountants, Preparers and Auditors;
- Getting Ready for National Sustainability Reporting Framework – Compliance of IFRS S1 & S2 Standards; and
- MFRS 18 Presentation and Disclosure in Financial Statements and other MFRS Updates.

The Company Secretaries circulated the relevant guidelines on statutory and regulatory requirements from time to time and updated the Board on the same at Board meeting. The external auditors also briefed the Board members on any current and future changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements.

h. NC's Activities

During the financial year under review, the activities undertaken by the NC include:-

a) Assessed and was satisfied with the effectiveness of the Board as a whole and the Board committees and the contribution of each Director.

b) Reviewed and was satisfied with the mix of skills, knowledge, expertise and experience, composition and size of the Board in terms of gender, ethnicity and age.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. Board Composition (continued)

h. NC's Activities (continued)

c) Assessed the independence of Independent Directors and concluded that the Independent Directors are independent and have complied with the criteria of independence as set out in the Listing Requirements.

d) Assessed and was satisfied with the character, experience, integrity, competence and time commitment of Directors.

e) Reviewed the term of office and performance of the ARMC and each of its members and concluded that the ARMC and each of its members have carried out their duties and responsibilities.

f) Reviewed and recommended to the Board the re-election of Directors at the Twenty-First AGM of the Company pursuant to the Companies Act 2016 and the Company's Constitution.

g) Reviewed the Directors' training programme for the financial period ended 30 June 2025.

h) Reviewed and recommended to the Board the Directors and Senior Management Succession Planning Policy.

3. Remuneration

Currently, the RC comprises the following members:-

Mr Tung Fook Heng *(Chairman)*
Ms Poo Chii Miin @ Chermaine Poo *(Member)*
Ms Beh Ee Nah *(Member)*

The RC is responsible for recommending the remuneration framework and policy as well as the remuneration package of the Executive Directors to ensure rewards commensurate with their contributions to the profit and growth of the Group. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken.

The disclosure on the remuneration of the Directors in both the Group and the Company who served during the FYE 2026 are disclosed in the CG Report of the Company.

There is no separate disclosure on the remuneration of the Senior Management as the Executive Directors are the Senior Management and have been disclosed as above and on page 129 of the Audited Financial Statements.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

1. ARMC

As at 30 June 2026, the ARMC comprises three (3) Independent Non-Executive Directors. The Chairman of the ARMC is not the Chairman of the Board, ensuring that the impairment of objectivity on the Board's review of the ARMC's findings and recommendation remains intact.

The ARMC assesses the performance (including independence) and recommends to the Board annually the appointment or re-appointment of the external auditors guided by the factors as prescribed under Paragraph 15.21 of the Listing Requirements. The external auditors confirmed that they are and have been independent throughout the conduct of the audit engagement in accordance with the independence criteria set out by the Malaysian Institute of Accountants.

Throughout the ARMC, the Board maintains a transparent relationship with the external auditors in seeking professional advice on the internal control and ensuring compliance with the appropriate accounting standards.

The TOR of ARMC sets out its rights, duties, responsibilities and criteria on the composition of ARMC, which includes former key audit partner of the Group to observe cooling-off period of at least three (3) years before being able to be appointed as member of ARMC.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT
(Cont'd)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

1. ARMC (continued)

The NC reviews the composition of the ARMC annually and recommends to the Board for approval ensuring that only Independent Non-Executive Directors who are financially literate and have the required knowledge, skill and experience are considered for membership of ARMC.

The composition of the ARMC, including its roles and responsibilities, number of meetings and attendance of ARMC, summary of ARMC activities and Internal Auditors' activities during the financial year under review are set out in the ARMC Report of this Annual Report.

2. Risk Management and Internal Control Framework

The Board acknowledges the significance of a sound system of risk management and internal control to manage the overall risk exposure of the Group. The Group has an internal audit function which is outsourced to IBDC (Malaysia) Sdn. Bhd. and reports directly to the ARMC. Details of the internal audit function together with the staffs of the Group's internal control are set out in the Statement on Risk Management and Internal Control and ARMC Report of the Annual Report 2026. The Board affirms its overall responsibility with established and clear functional responsibilities and accountabilities which are carried out and monitored by the Risk Management Working Committee ("**RMWC"**). RMWC reports directly to the ARMC. The adequacy and effectiveness of the internal controls and risk management framework were reviewed by the ARMC. The Board is satisfied with the performance of the RMWC and ARMC in discharging their responsibilities in accordance with their TOR.

The Board obtained assurance from the Executive Director (who is in charge of Financial and Corporate Affairs) and the Managing Director of the major subsidiaries of the Company that the internal control and risk management framework are adequate and effective in all material aspect. The details of the Risk Management and Internal Control Framework are described in the Statement on Risk Management and Internal Control of this Annual Report.

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

1. Communication with Stakeholders

The Board has formalised a Corporate Disclosure Guide to ensure that communication with stakeholders is executed in a timely, concise and transparent manner.

The Company has the following posted on the Company's website at www.ni-hsin.com, with the intention of building a communication channel between the Company and the stakeholders:-

(i) Announcements submitted to Bursa Securities and media press releases

The Company has all its material announcements submitted to Bursa Securities and media press releases posted on the Company's website and stakeholders may access the announcements and media press releases from the Company's website.

(ii) Investor section which provides relevant corporate information

The Company's website consists of an Investor section dedicated to provide corporate information to the stakeholders' such as share price, general corporate information, directors' profile, corporate structure and policies approved by our Board.

(iii) General telephone number and email address

The general line number and general enquiry email address of the Company are provided for the stakeholders to send in any enquiries to the Company directly.

The Company has put in place a Code of Conduct on confidentiality to ensure that confidential information is handled properly by Directors, employees and relevant parties to avoid leakage and improper use of such information. The Board is mindful that information which is expected to be material must be announced immediately.

Members of Senior Management are directly involved in investor relations through investor briefings with financial analysts, institutional shareholders and fund managers.

CORPORATE GOVERNANCE
OVERVIEW STATEMENT
(Cont'd)

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

2. Conduct of General Meetings

The Company's AGM is the principal forum for dialogue with its shareholders, as it provides shareholders the opportunity to ask questions about the resolutions being proposed or about the Group's operations in general.

In line with the good governance practice, the notice of the Twenty-First AGM and Annual Report were issued to shareholders at least twenty-eight (28) days before the date of holding the Twenty-First AGM to accord shareholders with sufficient time to review the Group's financial and operational performance as well as the resolutions proposed to be tabled at the Twenty-First AGM. Sufficient time has been allocated to shareholders to raise their queries and the Directors have addressed all the questions raised by the shareholders during the Twenty-First AGM.

The voting at the Twenty-First AGM was conducted by way of poll and an independent scrutineer was appointed to validate the votes cast. All the resolutions set out in the Notice of Twenty-First AGM were duly carried. The full minutes of the Twenty-First AGM detailing the meeting proceedings, including the questions raised by shareholders with the responses from the Company were published on the Company's website within thirty (30) business days after the conclusion of the AGM.

FOCUS AREA ON CORPORATE GOVERNANCE

Corporate governance was clearly imperative for the Group against the backdrop of regulatory changes in the domestic corporate governance realm and a relatively challenging economic environment that is characterised by volatile market conditions. Against the aforementioned setting, during the financial year under review, the Board remained focused on its core duties which is grounded on the creation of long-term value for the shareholders and other stakeholders.

In light of the developments in the corporate governance regulations and best practices, the Board has reviewed and updated its existing policies and procedures to ensure that they are kept contemporaneous whilst equally kept relevant to the Company's operational and governance needs. The Board will continue to evaluate and implement the appropriate enhancements to strengthen the Group's corporate governance framework,where necessary.

Whilst there are departures by our Group from certain recommended practices under the MCCG, the Board is satisfied that the CG processes and practices of the Group remain in line with the principles and intended outcomes of MCCG.

This Statement together with the CG Report was approved by the Board of Directors of NHG on 19 October 2026.

ADDITIONAL COMPLIANCE INFORMATION

The following information is provided in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

1.1 UTILISATION OF PROCEEDS

There were no proceeds raised from any corporate proposal during the financial year ended 30 June 2026.

1.2 AUDIT FEE AND NON-AUDIT FEES

During the financial year under review, the amount incurred by the Company and by the Group in respect of the fees for audit and non-audit services rendered by the external auditors are as follows:-

	Company (RM'000)	Group (RM'000)
Audit services	60	293
Non-audit services	16	74
Total	**76**	**367**

The non-audit services comprised the following assignments:-
a) Review of the Statement of Risk Management and Internal Control
b) Tax compliance services
c) Review of oversea subsidiaries management accounts for the financial year ended 30 June 2026

1.3 MATERIAL CONTRACTS

There were no material contracts or loans entered into by the Group involving interests of Directors, Chief Executives and major shareholders, either still subsisting at the end of the financial year ended 30 June 2026 or entered into since the end of the previous financial period.

1.4 REVALUATION POLICY ON LANDED PROPERTIES

During the financial year under review, the Group elected to measure the landed properties using the revaluation model under Malaysian Financial Reporting Standards (MFRS) 116 Property, Plant and Equipment.

The Group revalues its property comprising freehold land and factory buildings every five (5) years or at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value. The latest revaluation was carried out in April 2025.

1.5 RELATED PARTY TRANSACTION AND RECURRENT RELATED PARTY TRANSACTIONS

There were no related party transaction and recurrent related party transactions of a revenue and trading nature of the Group during the financial year ended 30 June 2026.

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for the 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

		Group	
Total income	**Remarks**	**Year ended 30.06.2026 RM'000**	**01.01.2024 to 30.06.2025 RM'000**
Revenue		54,240	51,465
Other income		2,381	796
Finance income		6	28
Share of result of assaciate		-	-
Total		**56,621**	**52,289**
Total Assets		**108,372**	**123,347**

(b) Business Activities

		Group	
Shariah Non-Compliant Activities	**Remarks**	**Year ended 30.06.2026 RM'000**	**01.01.2024 to 30.06.2025 RM'000**
Finance income	Conventional	6	28
Dividend income		28	177
Non-halal food and beverages (F&B) including F&B without halal certification from JAKIM or any certification bodies recognised by Jakim		7,469	11,617
Gain on disposal of other investment		-	7
Net gain in fair value of fixed income trust fund measured at fair value through profit or loss		24	141
Net loss in fair value of other investments measured at fair value through profit or loss		(28)	(14)
Net (loss)/gain on foreign exchange - unrealised		(285)	(47)
Net (loss)/gain on foreign exchange - realised		(112)	511
Total		**7,102**	**12,420**

DISCLOSURE OF FINANCIAL DATA
FOR SHARIAH SCREENING
(Cont'd)

(c) Component of Financial Position

(i) Cash Components

		Group	
Islamic Account/Instruments	**Remarks**	**Year ended 30.06.2026 RM'000**	**01.01.2024 to 30.06.2025 RM'000**
Cash in hand		118	85
Total cash		**118**	**85**

		Group	
Conventional Account/Instruments	**Remarks**	**Year ended 30.06.2026 RM'000**	**01.01.2024 to 30.06.2025 RM'000**
Deposits with licensed banks		23	405
Fixed income trust funds		2	2,923
Cash at banks (exclude cash in hand)		4,414	4,490
Total cash		**4,439**	**7,818**

(ii) Debt Components

		Group	
Islamic Financing	**Remarks**	**Year ended 30.06.2026 RM'000**	**01.01.2024 to 30.06.2025 RM'000**
Current		N/A	N/A
Non-current		N/A	N/A
Total financing		**N/A**	**N/A**

		Group	
Conventional Borrowing	**Remarks**	**Year ended 30.06.2026 RM'000**	**01.01.2024 to 30.06.2025 RM'000**
Current			
Banker acceptances		2,031	1,435
Bank overdrafts		1,067	1,975
Hire purchase liabilities		-	160
Non-current		N/A	N/A
Total debt		**3,098**	**3,570**

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The Board of Directors is pleased to present the report of the Audit and Risk Management Committee ("**ARMC**") for the financial year ended 30 June 2026.

1. MEMBERS

The members of ARMC are Non-Executive Directors with all of them being Independent Directors.

During the financial year ended 30 June 2026, the ARMC held a total of five (5) meetings. The members of the ARMC together with their attendance are set out below:-

Name	Position	Attendance
Poo Chii Miin @ Chermaine Poo	Chairman (Independent Non-Executive Director)	5/5
Tung Fook Heng	Member (Independent Non-Executive Director)	5/5
Beh Ee Nah	Member (Independent Non-Executive Director)	5/5

Ms Chermaine Poo, who is the Chairperson of the ARMC, is a Fellow of the Association of Chartered Certified Accounts and a Chartered Accountant of the Malaysian Institute of Accountants. None of the ARMC members serve as alternate directors in the Board. The ARMC, therefore, meets the requirements of Paragraph 15.09 of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad.

All members of the ARMC are financially literate and are able to analyse and interpret financial statements to effectively discharge their duties and responsibilities as member of ARMC.

The Terms of Reference of the ARMC has been drawn up and approved by the Board and is available online in the Investor Relations section of the Company's website at www.ni-hsin.com.

2. SUMMARY OF WORK OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

During the financial year ended 30 June 2026 in line with the Terms of Reference, the ARMC carried out the following works in discharging its function and duties:-

2.1 Financial Reporting

a) Reviewed the unaudited quarterly reports and the annual audited financial statements of the Group and the Company including the announcements pertaining thereto prior to submission to the Board for consideration and approval; and

b) Monitored the compliance requirements in line with the new updates of Bursa Malaysia Securities Berhad, Securities Commission Malaysia, Malaysian Accounting Standards Board and other legal and regulatory bodies.

2.2 Related Party Transactions and Conflict of Interest

a) Reviewed the related party transactions and any actual or potential conflict of interest situation that may arises within the Group on a quarterly basis to ascertain that the review procedures established to monitor the related party transactions and conflict of interest situation have been complied with.

2.3 External Audit

a) Met with the external auditors during the year to review the external auditors' independence, scope of work and the audit plan, their audit fees, the results of their examination in the external audit reports and management's responses, as well as weaknesses in the internal control;

b) Reviewed the audit recommendations and representations made and corrective actions taken by Management in addressing and resolving issues as well as ensuring that all issues were adequately addressed on a timely basis;

c) Monitored the implementation of mitigating measures by Management on outstanding issues to ensure all key risks and control weaknesses are properly addressed;

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(Cont'd)

2. SUMMARY OF WORK OF THE AUDIT AND RISK MANAGEMENT COMMITTEE (CONTINUED)

2.3 External Audit (continued)

d) Met with the external auditors on the updates of new Malaysian Financial Reporting Standards ("**MFRS**") and the impact on the Group as well as new developments on regulatory requirements;

e) Met with the external auditors (without the presence of the Management staff or any Executive Directors) on 28 August 2025 to discuss the audit findings for the financial period ended 30 June 2025.

f) Reviewed the suitability, performance and effectiveness of the external auditors before recommending their re-appointment to the Board for consideration. The ARMC assessed among others, the adequacy of external auditors, experience and resources, their independence, objectivity and services rendered including non-audit services, quality of service, and experience of audit engagement partners.

g) Reviewed matters concerning the audit and non-audit fees of the external auditors.

2.4 Internal Audit

a) Reviewed and approved the appointment of outsourced Internal Auditors for the Company and Group;

b) Met with the internal auditors to review and approve the Group's internal audit plan, scope of work, audit methodologies employed and internal audit fees;

c) Met with the internal auditors to review the internal audit reports and findings on the adequacy and effectiveness of the internal control and risk management framework as well as other compliance and governance processes;

d) Met with the internal auditor (without the presence of the Management staff or any Executive Directors) for the financial year ended 30 June 2026 on 27 February 2026 to discuss audit concerns and findings arising from the internal audits.

e) Reviewed the adequacy of the scope, functions, competency and resources of the internal audit function.

2.5 Others

a) Reviewed the ARMC Report, Statement on Risk Management and Internal Control, Corporate Governance Overview Statement, Corporate Governance Report and Corporate Sustainability Statement before submission to the Board for consideration and approval for inclusion in the Company's Annual Report for the financial period ended 30 June 2025.

3. TRAINING

During the financial year ended 30 June 2026, the ARMC Chairperson and the members attended the following training programmes, seminars, forums and discussions to enhance their knowledge to enable them to discharge their duties more effectively:-

- Mandatory Accreditation Programme Part II: Leading for Impact (LIP);
- SSM Corporate Talk Taklimat Liputan Akta PMSB 2001;
- SSM National Conference 2025 on Leading Governance for Sustainable Growth;
- SSM Corporate Talk on Peraturan-peraturan dan Garis Panduan serta Senarai Semak Syarikat Berhad Menurut Jaminan di bawah Seksyen 45(3) dan (4) Akta Syarikat 2016;
- SSM Corporate Talk on Introduction to the E-BOS system for Limited Liability Partnership;
- Emotional Intelligence for Governance Professionals;
- Anti-Money Laundering & Counter Financing of Terrorism (AML/CFT) – Obligations and Importance of Suspicious Transaction Reporting;
- SSM Seminar on Resolving Boardroom and Shareholders Disputes;
- SSM Seminar on Cessation of Companies & Limited Liability Partnerships; and
- MIA Town Hall 2025/2026 (Session 2).

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(Cont'd)

4. INTERNAL AUDIT FUNCTION

The Group recognises that an internal audit function is essential in ensuring the effectiveness of the Group's system of internal control and is an integral part of the risk management process.

During the financial year under review, the Company has outsourced its internal audit function to a professional service firm, namely IBDC (Malaysia) Sdn. Bhd. ("**IBDC**") whose primary responsibility is to independently assess and report to the Board, through the ARMC, the systems of internal control of the Group.

Details of the internal audit personnel from IBDC that carried out the internal audit works for the financial year ended 30 June 2026 are as follows:-

Name	Qualification & Accreditation
Wong Een Joon *Director In Charge*	• Fellow Member of Association of Chartered Certified Accountants (FCCA) • Member of Malaysian Institute of Accountants (CA (M)) • ASEAN Chartered Professional Accountant (ASEAN CPA) • Chartered Member of Institute of Internal Auditors Malaysia (CMIIA) • Certified Fraud Examiner (CFE)

During the financial year under review, the Internal Auditors carried out internal audit reviews based on an annual audit plan approved by the ARMC to assess the adequacy and integrity of the system of internal control as established by the Management, so as to provide reasonable assurance that:-

- the system of internal control continues to operate satisfactorily and effectively;
- assets and resources are safeguarded;
- integrity of records and information is protected;
- internal policies, procedures and standards are adhered to; and
- applicable rules and regulations are complied with.

The scope of work, as approved by the ARMC, was essentially based on the risk profiles of companies in the Group, where areas of higher risk were included for internal audit. The internal audit covered key operational, financial and compliance controls, including the risk management process deployed by Management. Audit findings and areas of concern that need improvements were highlighted in the internal audit reports and reviewed at the ARMC meetings. The relevant Management members were made responsible for ensuring that corrective actions on reported weaknesses were taken within the required timeframes. The Internal Auditors conducted follow-up audits on key engagement to ensure that the corrective actions were implemented appropriately. During the Board meetings, the Chairperson of the ARMC briefed the Board on audit matters and the minutes of the ARMC meetings were duly noted by the Board.

The cost incurred in the internal audit function during the financial year amounted to approximately RM42,000 which included expenses.

The internal audit functions are as set out in the Statement on Risk Management and Internal Control on pages 64 to 67 of the Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors is pleased to present the following Statement on Risk Management and Internal Control of the Group for the financial year ended 30 June 2026 in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies.

RESPONSIBILITY

The Board acknowledges the importance of maintaining a sound system of risk management and internal control to safeguard the shareholders' investments and the Group's assets. Accordingly, the Board affirms its responsibility for the Group's system of risk management and internal control and its commitment to review its effectiveness, adequacy and integrity. The Group's existing system of internal control includes financial, operational and compliance controls and risk management procedures. Due to the limitations that are inherent in any system of risk management and internal control, this system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives. The Board also recognises that a sound system of risk management and internal control can only reduce but not eliminate the possibility of poor judgement in decision making, human error, control process being deliberately circumvented by employees, management overriding controls and the occurrence of unforeseeable circumstances. Accordingly, the system provides only reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

For the reporting period the Board has received assurance from the Managing Director of major subsidiaries and the Executive Director (who is in charge of Financial and Corporate Affairs) who are members of the Risk Management Working Committee ("RMWC") that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group. Following the review of the risk management and internal control system in accordance with the guidelines for directors on risk management and internal control, the Statement on Risk Management and Internal Control: Guidance for Directors of Public Listed Companies, it was decided that the functions of the RMWC shall come under the purview of the Audit and Risk Management Committee ("ARMC").

The ongoing process for identifying, evaluating and managing the significant risks faced by the Group in its achievement of objectives and strategies is further elaborated in the following paragraphs.

RISK MANAGEMENT

The Board and Management are mindful of measures required to identify risks residing in any major proposed transactions, changes in nature of activities or venturing into new operating environment.

The Group operates a risk management framework in which the Board assumes overall responsibility with established and clear functional responsibilities and accountabilities under two lines of defence for the management of risk.

The first line of defence of risk management activities were carried out by the Group's RMWC which comprises of Executive Directors and Corporate Head. The RMWC is currently chaired by Mr Khoo Chee Kong (Managing Director of major subsidiaries). As part of the Risk Management process, a Registry of Risk and a risk management policy was maintained during the period to identify principal business risks and updated for on- going changes in the risk profile. The risk management policy summarises risk management methodology, approach and processes, roles and responsibilities, and various risk management concept. The respective heads of departments are entrusted to identify risks and to ensure that adequate control systems are implemented to mitigate significant risks faced by the Group. Significant risk factors identified are reported to the Board for further elaboration and strategic decision making.

Key management staff and Heads of Department are delegated with the responsibility to manage risks of their respective areas of responsibilities. They are also responsible for creating a risk-awareness culture within the organisation to ensure greater understanding of the importance of risk management and that its principles are embedded in key operational processes. In the periodic management meetings, key risks and mitigating controls are deliberated. Significant risks affecting the Group's strategic and business plans are then escalated to the Board and discussed at their scheduled meetings.

The second line of defence is the Group's Internal Audit function, which is currently outsourced to an independent firm of professional internal auditors that reports directly to the ARMC. The ARMC provides independent assurance of the adequacy and reliability of the risk management processes and system of internal controls.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(Cont'd)

INTERNAL AUDIT FUNCTION

The internal audit function is carried out in accordance with The International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The primary objective of the internal audit function is to carry out reviews of the internal control system to determine if the internal control procedures have been complied with as well as to make recommendations to strengthen the internal control system so as to foster a strong management control environment.

The Board is fully aware of the importance of the internal audit function and has outsourced this function to an independent professional service firm, namely IBDC (Malaysia) Sdn. Bhd. ("IBDC") to provide an independent assurance the Board requires on the effectiveness and efficiency of the Group's system of internal control.

The key personnel assigned to carry out the internal audit work for the financial year ended 30 June 2026 with the profile of head of the internal audit function as disclosed below:

Name	Qualification & Accreditation
Wong Een Joon *Internal Auditor-In-Charge*	• Member of Association of Chartered Certified Accountant (ACCA) • Member of Malaysia Institute of Accountants (MIA) • Professional Member of the Institute of Internal Auditors Malaysia (CMIIA) • Certified Fraud Examiner (CFE)

The internal audit adopts a risk-based approach and prepares its audit strategy and plan based on the risk profiles from the comprehensive risk assessment of the specific business units of the Group. Scheduled internal audits are carried out by the internal auditors based on the annual internal audit plan presented to and approved by the ARMC. On a half yearly basis, the internal auditors present to the ARMC the internal audit reports which summarise the audit approach, scope, key risks, significant audit findings, the overall opinion for the internal control review, management comments on the audit findings and recommendations, and the follow-up review reports on the internal audit cycles previously conducted to confirm the actions taken by the management on the recommendations are appropriate. The cost of internal audit function for the financial period ended 30 June 2026 was approximately RM42,000, which included taxes and expenses.

The review of the adequacy and effectiveness of the internal control process has been undertaken by the internal audit function, and necessary actions have been taken to remedy significant failing or weaknesses identified for the financial year 2026.

THE SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROL

The system is designed to manage the principal risks attributed to the Group's operations and due to the limitations that are inherent in any system, the Board takes cognizance that the system can only provide reasonable but not absolute assurance against material loss or misstatement.

The key elements of the Group's internal control system are as follows:-

- An organisational structure with defined responsibilities and delegation of authorities for Committees of the Board and Operational Committees;

- Company's Policies and Procedures, which set out the guidelines and expected standards for the Group's operations, are under regular review and update so as to maintain its effectiveness at all times;

- A strategic planning and an annual budgeting process has been established, whereby all key operating subsidiaries of the Group are required to prepare budgets and business plans for the coming year;

- Operational review meetings are held and attended by the Executive Directors and the department heads to assess the performance of the Group's operations;

- Monthly financial reporting by the subsidiaries to the holding company. Actual performance compared with budget is reviewed monthly with major variances being followed up and management action taken where necessary;

- Each department measures its performance against its business objectives and monitors the identified risks associated with the achievability of its objectives;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(Cont'd)

THE SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

The key elements of the Group's internal control system are as follows:- (continued)

- The public releases of quarterly financial reports are made after the review by the ARMC and the approval of the Board;
- There are guidelines within the Group for hiring and termination of staff. Appointment of staff is based on the required level of qualification, experience and competency to fulfil their responsibilities. Training and development are provided for selected employees to enhance their competency in carrying out their responsibilities;
- A formal employee appraisal to evaluate and measure employee's performance and their competency is performed at least once a year;
- A centralised accounting and disbursement function ensures compliance with the procedures and approval authority;
- A co-ordinated procurement function for major purchases and maintenance expenditures that ensures adherence to approval procedures as well as to leverage on economies of scale;
- Regular production meetings, which involve the senior production management and related units to promptly address any production problems faced; and
- ISO 9001:2015 Quality Management System has been implemented for a subsidiary, Ni Hsin Corporation Sdn. Bhd.. Documented internal procedures and standard operating procedures have been put in place and internal quality audits are carried out by the management and annual surveillance audits are conducted by a certification body to provide assurance of compliance with the procedures.

The key aspects of the risk management process are:

- The RMWC coordinates and oversees risk management activities across the Group;
- The RMWC will report to the Board significant risks that require the Board's attention;
- An enterprise risk assessment will be performed with inputs from Executive Directors and Heads of Departments;
- The RMWC maintains a Registry of Risk which is the identification and analysis of risks to the achievement of business objectives. A scoring of the risks is then performed based on the likelihood of the risks occurring and the evaluation of the consequence of the occurrence. This forms a basis for determining how risks should be managed. The Registry of Risk is updated on a half yearly basis, and when any material changes in risks are identified;
- The RMWC then deliberates and decides the risk response to the identified risks. The risk response could be to transfer, reduce, accept or avoid the risks. The residual risks are then tabled to determine whether it should be reported as a key issue or a supplemental issue where internal controls could be used to mitigate the risks;
- Heads of Departments will then monitor and review the key risks and report to the RMWC from time to time. Any significant change in existing risks with significant impact or the emergence on new risks will warrant an immediate reporting to the RMWC; and
- Key risks will be highlighted to the internal audit function to review and monitor proper controls are implemented and carried out to mitigate those risks.

MONITORING AND REVIEW OF THE SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROL

The existing system of risk management and internal control has operated effectively in the year under review and up to the date of issuance of this statement. Although control lapses were identified for certain business processes within the Group, there were no significant failures or weaknesses that has resulted in material loss that requires disclosure in the Group's annual report for the financial period under review. The Board is committed towards operating a sound system of risk management and internal control and will strive for continuous improvement where necessary, to further enhance the Group's system of risk management and internal control. The Board has reviewed the risk management and internal control system in accordance with the guidelines for directors on risk management and internal control, the *Statement on Risk Management and Internal Control: Guidance for Directors of Public Listed Companies.*

The Board is of the view that the system of risk management and internal control being instituted throughout the Ni Hsin Group is adequate and effective.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL
(Cont'd)

REVIEW OF THE STATEMENT BY EXTERNAL AUDITOR

The external auditors have reviewed this Statement on Risk Management and Internal Control (the "Statement") in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide ("AAPG") 3, 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") for inclusion in the annual report of the Group for the year ended 30 June 2026, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

(a) has not been prepared in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies, or

(b) is factually inaccurate.

APPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors is required under Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to issue a statement on its responsibility in the preparation of the annual audited financial statements.

The Board is responsible for ensuring that the financial statements are properly drawn up in accordance with the provisions of the Companies Act 2016 and applicable Malaysian Financial Reporting Standards ("MFRS") approved by the Malaysian Accounting Standards Board ("MASB") in Malaysia so as to give a true and fair view of the financial position of the Group and the Company as at 30 June 2026 and of the results and cash flows of the Group and the Company for the financial year then ended.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the financial year ended 30 June 2026, the Group and the Company have adopted suitable accounting policies in accordance with applicable MFRSs approved by the MASB in Malaysia and applied them consistently and reasonably.



FINANCIAL STATEMENTS

Directors' Report	**70**
Statements of Financial Position	**74**
Statements of Profit or Loss and Other Comprehensive Income	**76**
Consolidated Statement of Changes in Equity	**78**
Statement of Changes in Equity	**80**
Statements of Cash Flows	**81**
Notes to the Financial Statements	**85**
Statement by Directors	**130**
Statutory Declaration	**130**
Independent Auditors' Report	**131**

DIRECTORS' REPORT

For the year ended 30 June 2026

The Directors hereby submit their report and the audited financial statements of the Group and the Company for the financial year ended 30 June 2026.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities. There has been no significant change in the nature of these activities during the financial year.

SUBSIDIARIES

The principal activities and other details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

RESULTS

	Group	Company
	RM'000	RM'000
Loss for the year attributable to:		
Owners of the Company	(8,155)	(1,459)
Non-controlling interests	55	-
	(8,100)	(1,459)

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in Note 12 to the financial statements.

DIVIDENDS

No dividend was paid during the financial year and the Directors do not recommend any final dividend for the financial year ended 30 June 2026.

DIRECTORS OF THE COMPANY

Directors who served during the financial year until the date of this report are:

Ng Shwu Ching
Rizvi Bin Abdul Halim
Sofiyan Bin Yahya
Khoo Wuan Ru
Poo Chii Miin @ Chermaine Poo
Tung Fook Heng
Beh Ee Nah
Lai Kian Huat (Resigned on 6 March 2026)

DIRECTORS OF THE SUBSIDIARIES

Pursuant to Section 253 of the Companies Act 2016, the Directors of the subsidiaries (excluding Directors who are also Directors of the Company) in office during the financial year and up to the date of this report are:

Khoo Chee Kong
Dato' Seri Mohamed Azahari bin Mohamed Kamil
Eugene Gan Yu Ji
Khoo Yao Sheng (Appointed on 1 July 2025)
Dato' Seri Rosman Bin Mohamed (Resigned on 31 December 2025).

DIRECTORS' REPORT

For the year ended 30 June 2026
(Cont'd)

DIRECTORS' INTERESTS IN SHARES

The interests and deemed interests in the ordinary shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares				
	At 1.7.2025	Conversion of RCPS*	Bought	Sold	At 30.6.2026
Interests in the Company:					
Sofiyan Bin Yahya					
- own	19,370,266	788,316	-	-	20,158,582
Khoo Wuan Ru					
- indirect ^	99,205,000	17,273,847	7,642,900	(8,835,000)	115,286,747
Ng Shwu Ching					
- indirect &	4,217,300	-	-	-	4,217,300

	Number of Redeemable Convertible Preference Shares ("RCPS")			
	At 1.7.2025	Bought	Conversion of RCPS*	At 30.6.2026
Interests in the Company:				
Sofiyan Bin Yahya				
- own	9,459,800	-	(9,459,800)	-
Khoo Wuan Ru				
- indirect ^	204,739,968	2,546,200	(207,286,168)	-

^ *Deemed interest by virtue of father, Mr Khoo Chee Kong's beneficial interest.*
& *Deemed interest by virtue of spouse, Mr Shu Hang Sheong's beneficial interest.*
* *Represents ordinary shares issued pursuant to the conversion of Redeemable Convertible Preference Shares ("RCPS").*

By virtue of their interests in the shares of the Company, Sofiyan Bin Yahya, Khoo Wuan Ru and Ng Shwu Ching are also deemed interested in the shares of the subsidiaries during the financial year to the extent that Ni Hsin Group Berhad has an interest.

None of the other Directors holding office at 30 June 2026 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial period, no Director of the Company has received nor become entitled to receive any benefit (other than those 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.

DIRECTORS' REPORT

For the year ended 30 June 2026
(Cont'd)

DIRECTORS' BENEFITS (CONTINUED)

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 30 June 2026 are as follows:

	From the Company	From subsidiary companies
	RM'000	RM'000
Directors of the Company:		
Fees	210	-
Remuneration	-	1,114
Estimated money value of any other benefits	-	27
	210	1,141

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company issued 52,187,043 new ordinary shares arising from the conversion of RCPS, resulting in an increase in share capital of RM6,174,000. There were no other changes in the issued and paid-up capital of the Company during the financial year.

There were no debentures issued during the financial year.

TREASURY SHARES

The repurchased shares are held as treasury shares and carried at cost. During the financial year, there was no shares repurchased by the Company. The total treasury shares held at the financial year end is 49,345,336 shares. The number of outstanding shares in issue after deducting treasury shares held at the financial year end is 575,956,958 ordinary shares. Treasury shares have no rights to voting, dividends and participation in other distribution.

OPTIONS GRANTED OVER UNISSUED SHARES

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

INDEMNITY AND INSURANCE COSTS

During the financial year, there was no insurance effected for Directors, officers and auditors of the Company.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

DIRECTORS' REPORT

For the year ended 30 June 2026
(Cont'd)

OTHER STATUTORY INFORMATION (CONTINUED)

At the date of this report, the Directors are not aware of any circumstances:

i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or

ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 30 June 2026 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The significant event during the financial year of the Group is as disclosed in Note 25 to the financial statements.

AUDITORS

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the year are RM280,000 and RM60,000 respectively. The details of auditors' remuneration are disclosed in Note 18 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

Rizvi Bin Abdul Halim
Director

Ng Shwu Ching
Director

Selangor Darul Ehsan

Date: 27 October 2026

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2026

	Note	Group		Company	
		2026	2025	2026	2025
		RM'000	RM'000	RM'000	RM'000
Assets					
Property, plant and equipment	2	66,662	69,868	-	-
Right-of-use assets	3	4,087	5,295	-	-
Goodwill	4	7,527	7,527	-	-
Investments in subsidiaries	5	-	-	72,949	73,000
Investment in an associate	6	-	-	-	-
Other investments	7	87	115	87	115
Deferred tax assets	8	155	112	-	-
Total non-current assets		78,518	82,917	73,036	73,115
Inventories	9	19,151	25,871	-	-
Current tax assets		919	862	151	152
Trade and other receivables	10	5,227	5,794	10,581	8,541
Cash and cash equivalents	11	4,557	7,903	167	3,371
Total current assets		29,854	40,430	10,899	12,064
Total assets		108,372	123,347	83,935	85,179
Equity					
Share capital	12.1	90,702	84,528	90,702	84,528
Reserves		(740)	6,468	(6,850)	(6,360)
Equity attributable to owners of the Company		89,962	90,996	83,852	78,168
Non-controlling interests		213	158	-	-
Total equity		90,175	91,154	83,852	78,168

STATEMENTS OF FINANCIAL POSITION

As at 30 June 2026
(Cont'd)

	Note	Group		Company	
		2026	2025	2026	2025
		RM'000	RM'000	RM'000	RM'000
Liabilities					
Lease liabilities		3,332	4,402	-	-
Deferred tax liabilities	8	4,456	5,241	-	-
Total non-current liabilities		7,788	9,643	-	-
Trade and other payables	13	6,248	10,973	83	140
Loans and borrowings	14	3,098	3,570	-	-
Redeemable Convertible Preference Shares ("RCPS")		-	6,871	-	6,871
Lease liabilities		1,063	1,136	-	-
Total current liabilities		10,409	22,550	83	7,011
Total liabilities		18,197	32,193	83	7,011
Total equity and liabilities		108,372	123,347	83,935	85,179

The notes on pages 85 to 129 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2026

	Note	Group		Company	
		2026	1.1.2024 to 30.06.2025	2026	1.1.2024 to 30.06.2025
		RM'000	RM'000	RM'000	RM'000
Revenue	15	54,240	51,465	268	537
Cost of sales		(50,249)	(42,559)	-	-
Gross profit		3,991	8,906	268	537
Other income		2,381	796	31	152
Distribution expenses		(1,175)	(1,053)	-	-
Administrative expenses		(11,522)	(19,505)	(696)	(1,519)
Net loss on impairment of financial instruments		(1,954)	-	(918)	(410)
Results from operating activities		(8,279)	(10,856)	(1,315)	(1,240)
Finance costs	16	(636)	(836)	(159)	(345)
Finance income		6	28	2	7
Share of loss of equity-accounted associate, net of tax	6	-	-	-	-
Loss before tax		(8,909)	(11,664)	(1,472)	(1,578)
Tax income	17	809	506	13	2
Loss for the year/period	18	(8,100)	(11,158)	(1,459)	(1,576)
Other comprehensive (expense)/income for the year/period, net of tax					
Items that will not be reclassified subsequently to profit or loss					
Revaluation of property	19	-	11,846	-	-
Items that are or may be reclassified subsequently to profit or loss					
Foreign currency translation differences for foreign operations	19	(22)	7	-	-
Total other comprehensive (expense)/income for the year/period, net of tax		(22)	11,853	-	-
Total comprehensive (expense)/income for the year/period		(8,122)	695	(1,459)	(1,576)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2026

(Cont'd)

	Note	Group		Company	
		2026	1.1.2024 to 30.06.2025	2026	1.1.2024 to 30.06.2025
		RM'000	RM'000	RM'000	RM'000
(Loss)/Profit attributable to:					
Owners of the Company		(8,155)	(11,195)	(1,459)	(1,576)
Non-controlling interests		55	37	-	-
Loss for the year/period		(8,100)	(11,158)	(1,459)	(1,576)
Total comprehensive (expense)/income attributable to:					
Owners of the Company		(8,177)	658	(1,459)	(1,576)
Non-controlling interests		55	37	-	-
Total comprehensive (expense)/income for the year/period		(8,122)	695	(1,459)	(1,576)
Loss per ordinary share (sen)					
Basic	20	(1.50)	(2.14)		
Diluted	20	(1.50)	(2.14)		

The notes on pages 85 to 129 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

	← Attributable to owners of the Company →									
	← Non-distributable →									
Group	Share capital RM'000	Treasury shares RM'000	RCPS RM'000	Translation reserve RM'000	Revaluation reserve RM'000	Other reserve RM'000	Accumulated losses RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2024	84,428	(7,171)	137	157	23,758	9,206	(20,277)	90,238	121	90,359
Revaluation of property	-	-	-	-	11,846	-	-	11,846	-	11,846
Foreign currency translation differences for foreign operations	-	-	-	7	-	-	-	7	-	7
Total other comprehensive income for the period	-	-	-	7	11,846	-	-	11,853	-	11,853
(Loss)/Profit for the period	-	-	-	-	-	-	(11,195)	(11,195)	37	(11,158)
Total comprehensive income/(expense) for the period	-	-	-	7	11,846	-	(11,195)	658	37	695
Contributions by and distributions to owners of the Company										
Conversion of RCPS	100	-	-	-	-	-	-	100	-	100
Total transactions with owners of the Company	100	-	-	-	-	-	-	100	-	100
At 30 June 2025	84,528	(7,171)	137	164	35,604	9,206	(31,472)	90,996	158	91,154
	Note 12.1	Note 12.2	Note 12.3	Note 12.4	Note 12.5	Note 12.6				

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026 *(Cont'd)*

	← *Attributable to owners of the Company* →									
	← *Non-distributable* →									
Group	**Share capital** RM'000	**Treasury shares** RM'000	**RCPS** RM'000	**Translation reserve** RM'000	**Revaluation reserve** RM'000	**Other reserve** RM'000	**Accumulated losses** RM'000	**Total** RM'000	**Non-controlling interests** RM'000	**Total equity** RM'000
At 1 July 2025	84,528	(7,171)	137	164	35,604	9,206	(31,472)	90,996	158	91,154
Foreign currency translation differences for foreign operations	-	-	-	(22)	-	-	-	(22)	-	(22)
Total other comprehensive income for the year	-	-	-	(22)	-	-	-	(22)	-	(22)
(Loss)/Profit for the year	-	-	-	-	-	-	(8,155)	(8,155)	55	(8,100)
Total comprehensive (expense)/income for the year	-	-	-	(22)	-	-	(8,155)	(8,177)	55	(8,122)
Contributions by owners of the Company										
Conversion of RCPS	6,174	-	(137)	-	-	1,106	-	7,143	-	7,143
Total transactions with owners of the Company	6,174	-	(137)	-	-	1,106	-	7,143		7,143
At 30 June 2026	90,702	(7,171)	-	142	35,604	10,312	(39,627)	89,962	213	90,175
	Note 12.1	Note 12.2	Note 12.3	Note 12.4	Note 12.5	Note 12.6				

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2026

	Attributable to owners of the Company					
	Non-distributable				*Distributable/ (Non-distributable)*	
Company	**Share capital** RM'000	**Treasury shares** RM'000	**RCPS** RM'000	**Other reserve** RM'000	**Retained earnings/ (Accumulated losses)** RM'000	**Total** RM'000
At 1 January 2024	84,428	(7,171)	137	-	2,250	79,644
Loss and total comprehensive expense for the period	-	-	-	-	(1,576)	(1,576)
Contributions by and distributions to owners of the Company						
Conversion of RCPS	100	-	-	-	-	100
Total transactions with owners of the Company	100	-	-		-	100
At 30 June 2025/1 July 2025	84,528	(7,171)	137	-	674	78,168
Loss and total comprehensive expense for the year	-	-	-	-	(1,459)	(1,459)
Contributions by owners of the Company						
Conversion of RCPS	6,174	-	(137)	1,106	-	7,143
Total transactions with owners of the Company	6,174	-	(137)	1,106	-	7,143
At 30 June 2026	90,702	(7,171)	-	1,106	(785)	83,852
	Note 12.1	Note 12.2	Note 12.3			

The notes on pages 85 to 129 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

For the year ended 30 June 2026

	Note	Group		Company	
		2026	2025	2026	2025
		RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities					
Loss before tax		(8,909)	(11,664)	(1,472)	(1,578)
Adjustments for:					
Depreciation of property, plant and equipment	2	3,671	5,105	-	-
Amortisation of intangible assets	4	-	169	-	-
Depreciation of right-of-use assets	3	1,208	1,276	-	-
Dividend income	15	(28)	(177)	(28)	(177)
Finance costs	16	636	836	159	345
Finance income		(6)	(28)	(2)	(7)
Gain on disposal of other investments	18	-	(7)	-	(7)
Gain on lease modification		-	(11)	-	-
Loss/(Gain) on unrealised foreign exchange	18	285	47	-	(4)
(Gain)/Loss on disposal of property, plant and equipment	18	(34)	91	-	-
Net loss in fair value of other investments measured at fair value	18	28	14	28	14
Net gain in fair value of fixed income trust funds measured at fair value	18	(24)	(141)	(24)	(141)
Property, plant and equipment written off	18	47	11	-	-
Inventories written off	9	23	387	-	-
Allowance for slowmoving inventories	9	-	588	-	-
Impairment loss on investment in subsidiaries	5	-	-	-	722
Impairment loss on amount due from subsidiaries		-	-	508	410
Impairment loss on trade receivables	18	95	-	-	-
Impairment loss on other receivables	18	1,859	-	410	-
Gain on disposal of a subsidiary	18	(1,913)	-	-	-
Operating loss before changes in working capital		(3,062)	(3,504)	(421)	(423)

STATEMENTS OF CASH FLOWS

For the year ended 30 June 2026
(Cont'd)

	Note	Group		Company	
		2026	2025	2026	2025
		RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities (continued)					
Change in inventories		6,697	(6,258)	-	-
Change in trade and other receivables		(1,626)	(2,118)	68	130
Change in trade and other payables		(2,780)	6,801	(56)	(92)
Cash used in operations		(771)	(5,079)	(409)	(385)
Interest received		6	28	2	7
Income tax paid		(180)	(404)	(24)	(44)
Income tax refund		104	133	38	110
Net cash used in operating activities		(841)	(5,322)	(393)	(312)
Cash flows from investing activities					
Acquisition of property, plant and equipment	2	(763)	(5,123)	-	-
Property, plant and equipment adjustment	2	221	-	-	-
Dividend received	15	28	177	28	177
Proceeds from disposal of property, plant and equipment		64	258	-	-
Proceeds from disposal of other investments		-	1,436	-	1,436
Advances to subsidiaries		-	-	(3,700)	(9,745)
Repayment from subsidiaries		-	-	750	2,835
Net cash used in investing activities		(450)	(3,252)	(2,922)	(5,297)
Cash flows from financing activities					
Proceeds from bankers' acceptances	(iii)	2,872	1,435	-	-
Repayment of bankers' acceptances	(iii)	(2,276)	-	-	-
Repayment of hire purchase liabilities	(iii)	(160)	(435)	-	-
Payment of lease liabilities	(ii), (iii)	(1,143)	(1,083)	-	-
Interest paid		(477)	(491)	-	-
Proceeds from RCPS conversion		113	-	113	-
Net cash (used in)/from financing activities		(1,071)	(574)	113	-
Net decrease in cash and cash equivalents		(2,362)	(9,148)	(3,202)	(5,609)
Effect of exchange rate fluctuations on cash held		(76)	(67)	-	-
Cash and cash equivalents at 1 July/January		5,928	15,143	3,371	8,980
Cash and cash equivalents at 30 June	(i)	3,490	5,928	167	3,371

STATEMENTS OF CASH FLOWS

For the year ended 30 June 2026
(Cont'd)

Notes to statements of cash flows

(i) Cash and cash equivalents

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

		Group		Company	
	Note	2026	2025	2026	2025
		RM'000	RM'000	RM'000	RM'000
Cash and bank balances	11	4,557	7,903	167	3,371
Bank overdrafts	14	(1,067)	(1,975)	-	-
		3,490	5,928	167	3,371

(ii) Cash outflows for leases as a lessee

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Included in net cash from operating activities				
Payment relating to leases of low-value assets	30	23	-	-
Included in net cash used in financing activities				
Interest paid in relation to lease liabilities	285	238	-	-
Payment of lease liabilities	1,143	1,083	-	-
Total cash outflows for leases	1,458	1,344	-	-

(iii) Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	At 1 July 2025	Net changes from financing cash flows	Interest expense	Interest paid	At 30 June 2026
	RM'000	RM'000	RM'000	RM'000	RM'000
Lease liabilities	5,538	(1,143)	285	(285)	4,395
Bankers' acceptances	1,435	596	55	(55)	2,031
Hire purchase liabilities	160	(160)	3	(3)	-
Total liabilities from financing activities	7,133	(707)	343	(343)	6,426

STATEMENTS OF CASH FLOWS

For the year ended 30 June 2026
(Cont'd)

Notes to statements of cash flows (continued)

(iii) Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

Group	At 1 January 2024 RM'000	Acquisition of new leases RM'000	Lease modification RM'000	Net changes from financing cash flows RM'000	Interest expense RM'000	Interest paid RM'000	At 30 June 2025 RM'000
Lease liabilities	2,311	4,396	(86)	(1,083)	238	(238)	5,538
Bankers' acceptances	-	-	-	1,435	77	(77)	1,435
Hire purchase liabilities	595	-	-	(435)	26	(26)	160
Total liabilities from financing activities	2,906	4,396	(86)	(83)	341	(341)	7,133

NOTES TO THE FINANCIAL STATEMENTS

Ni Hsin Group Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business
No. 45, Jalan Taming Dua
Taman Taming Jaya
43300 Seri Kembangan
Selangor Darul Ehsan

Registered office
12th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13
46200 Petaling Jaya
Selangor Darul Ehsan

The consolidated financial statements of the Company as at and for the financial year ended 30 June 2026 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in an associate. The financial statements of the Company as at and for the financial year ended 30 June 2026 do not include other entities.

The Company is principally engaged in investment holding activities while the principal activities of the subsidiaries are as stated in Note 5 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 27 October 2026.

1. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, Financial Instruments and MFRS 7, *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*
- Amendments that are part of Annual Improvements – Volume 11:
  - Amendments to MFRS 1, First-time Adoption of Malaysian Financial Reporting Standards
  - Amendments to MFRS 7, Financial Instruments: Disclosures
  - Amendments to MFRS 9, Financial Instruments
  - Amendments to MFRS 10, Consolidated Financial Statements
  - Amendments to MFRS 107, Statement of Cash Flows
- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*
- Amendments to MFRS 128, *Investments in Associates and Joint Ventures – Amendments to the Fair Value Option for Investments in Associate and Joint Ventures*

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

1. BASIS OF PREPARATION (CONTINUED)

(a) Statement of compliance (continued)

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2029

- MFRS 20, *Regulatory Assets and Regulatory Liabilities*

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

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

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 July 2026 for those amendments that are effective for annual periods beginning on or after 1 January 2026 except for amendments to MFRS 1 which is not applicable to the Group and the Company.

- from the annual period beginning on 1 July 2027 for the accounting standards and amendments that are effective for annual periods beginning on or after 1 January 2027.

The Group and the Company do not plan to apply MFRS 20, Regulatory Assets and Regulatory Liabilities that is effective for annual periods beginning on 1 January 2029 as it is not applicable to the Group and the Company.

The initial application of the abovementioned accounting standards, interpretations or amendments are not expected to have any material financial impacts to the current year and prior period financial statements of the Group and of the Company, except for MFRS 18, Presentation and Disclosure in Financial Statements, as disclosed below.

MFRS 18, Presentation and Disclosure in Financial Statements

MFRS 18 will replace MFRS 101, *Presentation of Financial Statements* and applies for annual periods beginning on or after 1 January 2027. The new accounting standard introduces the following key requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating subtotal.

- Management-defined performance measures ("MPMs") are disclosed in a single note in the financial statements.

- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group and the Company are currently assessing the impact of adopting MFRS 18.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured based on the measurement bases stated below:

Items	Measurement bases
Non-derivative financial instruments at FVTPL	Fair value
Freehold land and factory buildings	Fair value

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

1. BASIS OF PREPARATION (CONTINUED)

(c) Functional and presentation currency

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

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

- Note 2 – Revaluation of freehold land and factory buildings
- Note 4 - Goodwill
- Note 5 - Investments in subsidiaries
- Note 9 - Inventories - net realisable value of inventories and the adequacy of allowance for slow-moving inventories

2. PROPERTY, PLANT AND EQUIPMENT

Group	Note	Freehold land	Factory buildings	Hostels	Plant and machinery	Moulds	Factory equipment	Office equipment, furniture, fixtures and fittings	Motor vehicles	Renovation	Capital work-in-progress	Total
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost/Revalued												
At 1 January 2024		30,550	14,450	102	35,376	8,906	1,939	5,004	6,235	3,904	947	107,413
Revaluation		7,450	4,550	-	-	-	-	-	-	-	-	12,000
Additions		-	-	-	221	8	32	1,242	910	2710	-	5,123
Disposals		-	-	-	(50)	-	(8)	(21)	(246)	(277)	-	(602)
Written off		-	-	-	(269)	-	(10)	(126)	(13)	-	-	(418)
Transfer in/(out)		-	-	-	-	-	-	594	-	353	(947)	-
At 30 June 2025/ 1 July 2025		38,000	19,000	102	35,278	8,914	1,953	6,693	6,886	6,690	-	123,516
Additions		-	-	-	-	3	6	303	451	-	-	763
Disposals		-	-	-	-	-	-	(9)	(195)	-	-	(204)
Written off		-	-	-	-	-	(16)	(49)	(56)	(46)	-	(167)
Adjustment	2.4	-	-	-	-	-	-	-	-	(221)	-	(221)
At 30 June 2026		38,000	19,000	102	35,278	8,917	1,943	6,938	7,086	6,423	-	123,687

2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Note	Freehold land RM'000	Factory buildings RM'000	Hostels RM'000	Plant and machinery RM'000	Moulds RM'000	Factory equipment RM'000	Office equipment, furniture, fixtures and fittings RM'000	Motor vehicles RM'000	Renovation RM'000	Capital work-in-progress RM'000	Total RM'000
Accumulated depreciation												
At 1 January 2024		-	1,456	63	32,194	8,090	1,725	3,015	3,621	1,254	-	51,418
Revaluation		-	(2,215)	-	-	-	-	-	-	-	-	(2,215)
Depreciation for the period		-	1,092	3	499	285	128	1,067	1,259	772	-	5,105
Disposals		-	-	-	(8)	-	(2)	(12)	(151)	(80)	-	(253)
Written off		-	-	-	(269)	-	(10)	(125)	(3)	-	-	(407)
At 30 June 2025/ 1 July 2025		-	333	66	32,416	8,375	1,841	3,945	4,726	1,946	-	53,648
Depreciation for the year		-	1,007	3	321	142	72	765	800	561	-	3,671
Disposals		-	-	-	-	-	-	(9)	(165)	-	-	(174)
Written off		-	-	-	-	-	(16)	(47)	(12)	(45)	-	(120)
At 30 June 2026		-	1,340	69	32,737	8,517	1,897	4,655	5,348	2,462	-	57,025
Carrying amounts												
At 1 January 2024		30,550	12,994	39	3,182	816	214	1,989	2,614	2,650	947	55,995
At 30 June 2025/ 1 July 2025		38,000	18,667	36	2,862	539	112	2,748	2,160	4,744	-	69,868
At 30 June 2026		38,000	17,660	33	2,541	400	46	2,283	1,738	3,961	-	66,662

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2.1 Property under the revaluation model

Freehold land and factory buildings were last revalued on 28 April 2025 by independent professional valuer using market comparison approach.

Had the freehold land and factory buildings been carried at cost model, their carrying amounts would have been RM11,445,000 (2025: RM11,445,000) and RM5,115,000 (2025: RM5,400,000) respectively.

2.2 Fair value information

The fair value of the freehold land and factory buildings of the Group are categorised as level 3 fair value.

Level 3 fair value

Level 3 fair value of freehold land and factory building were arrived based on the market comparison approach that reflects recent transaction prices for similar properties. The most significant input into this valuation approach is price per square foot of comparable properties.

On 28 April 2025, the Group's freehold land and factory building were revalued by independent professional valuers. The surpluses arising from the revaluations, net of deferred taxation have been credited to other comprehensive income and accumulated in equity under the revaluation reserve.

Description of valuation technique and inputs used	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Market comparison approach: Sales price of comparable land are adjusted for differences in key attributes such as land size. The most significant input into this valuation approach is price per square foot.	Average price per square foot for land, RM199 and factory buildings, RM126	The estimated fair value would increase (decrease) if the price per square foot is higher (lower).

2.3 Assets under hire purchase arrangement

Included in property, plant and equipment of the Group are motor vehicles with carrying amount of RM134,000 (2025: RM399,000) which were previously under hire purchase arrangement.

2.4 Revision to renovation costs

During the financial year, the Group received a supplier discount of RM221,000 relating to renovation costs capitalised in the prior financial year. The discount has been recognised as a reduction in the cost of the related property, plant and equipment. The consequential impact on depreciation was not material and, accordingly, no adjustment to depreciation was recognised.

2.5 Material accounting policy information

(i) Recognition and measurement

Items of property, plant and equipment, except for freehold land and factory buildings are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

2. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2.5 Material accounting policy information (continued)

(i) Recognition and measurement (continued)

Property, plant and equipment under the revaluation model

The Group revalues its property comprising freehold land and factory buildings every 5 years or at shorter intervals whenever the fair value of the revalued assets is expected to differ materially from their carrying value.

Surpluses arising from revaluation are dealt with in the property revaluation reserve account. Any deficit arising is offset against the revaluation reserve to the extent of a previous increase for the same property. In all other cases, a decrease in carrying amount is recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation surplus reserve are transferred to retained earnings.

(ii) Depreciation

Depreciation is based on the cost or revalued amount of an asset less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• Factory buildings	16 - 22 years
• Hostels	50 years
• Plant and machinery	14 years
• Moulds	14 years
• Factory equipment	10 years
• Office equipment, furniture, fixtures and fittings	5 - 10 years
• Motor vehicles	5 years
• Renovation	10 years

3. RIGHT-OF-USE ASSETS

Group	Buildings RM'000
At 1 January 2024	2,250
Additions	4,396
Depreciation	(1,276)
Lease modification	(75)
At 30 June 2025/1 July 2025	5,295
Depreciation	(1,208)
At 30 June 2026	4,087

The Group leases properties that run between 1 year and 3 years, with an option to renew the lease after that date.

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

3. RIGHT-OF-USE ASSETS (CONTINUED)

3.1 Material accounting policy information

(a) Recognition and measurement

All right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

(b) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(c) Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4. GOODWILL

	Group	
	RM'000	RM'000
Cost		
At 1 January 2024/30 June 2025/1 July 2025/30 June 2026	7,527	7,527

Impairment testing for cash-generating unit containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The aggregate carrying amounts of goodwill allocated to each unit are as follows:

		Group	
	Note	2026	2025
		RM'000	RM'000
Stainless steel products	4.1	5,105	5,105
Logistic services	4.2	528	528
Electric vehicles	4.3	1,894	1,894
		7,527	7,527

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

4. GOODWILL (CONTINUED)

Impairment testing for cash-generating unit containing goodwill (continued)

4.1 The recoverable amount of the cash-generating unit relating to stainless steel products was based on its value-in-use. The carrying amount of the unit was determined to be lower than its recoverable amount and no impairment loss was recognised.

Value-in-use was determined by discounting the future cash flows generated from the continuing use of the unit and was based on the following key assumptions:

- Cash flows were projected based on past experience, actual operating results and the 5-year business plan. Cash flows for period after the 5th year were extrapolated using a constant growth rate of 3.0% (2025: 3.0%), which represent management's assessment on the growth rate for clad metals and convex mirrors industries using both external and internal sources (historical data).
- Revenue growth rate in the 5-year business plan ranges from 3.0% to 4.0% per annum (2025: 3.0% to 28.7% per annum) averaging out to be 3.5% annually (2025: 9.3% annually).
- Gross profit margin in the 5-year business plan is 23.6% (2025: 26.8%).
- A pre-tax discount rate of 10.3% (2025: 10.4%).

The values assigned to the key assumptions represent management's assessment of future trends in the clad metals and convex mirrors industry and are based on both external sources and internal sources (historical data).

The above estimates are particularly sensitive in the following area:

- An decrease to 2.0% (2025: 7.0%) (annual average) in the future planned revenues would result in an impairment loss of RM4,784,000 (2025: RM4,291,000).

4.2 The recoverable amount of the cash-generating unit relating to logistic services was based on its value-in-use. The carrying amount of the unit was determined to be lower than its recoverable amount and no impairment loss was recognised.

Value-in-use was determined by discounting the future cash flows generated from the continuing use of the unit and was based on the following key assumptions:

- Cash flows were projected based on past experience, actual operating results and the 5-year business plan. Cash flows for period after the 5th year were extrapolated using a constant growth rate of 3.0% (2025: 3.0%), which represent management's assessment on the growth rate for logistic industry using both external and internal sources (historical data).
- Revenue growth rate in the 5-year business plan is 5.0% per annum (2025: 3.0% to 5.7% per annum) averaging out to be 5.0% annually (2025: 4.4% annually).
- Gross profit margin in the 5-year business plan is 33.6% (2025: 38.4%).
- A pre-tax discount rate of 12.9% (2025 11.1%).

The values assigned to the key assumptions represent management's assessment of future trends in the logistic industry and are based on both external sources and internal sources (historical data).

The above estimates are particularly sensitive in the following area:

- A decrease to 4.0% (2025: 0%) (annual average) in the future planned revenues would result in an impairment loss of RM231,000 (2025: RM111,000).

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

4. GOODWILL (CONTINUED)

Impairment testing for cash-generating unit containing goodwill (continued)

4.3 The recoverable amount of the cash-generating unit relating to electric vehicles was based on its value-in-use. The carrying amount of the unit was determined to be lower than its recoverable amount and no impairment loss was recognised.

Value-in-use was determined by discounting the future cash flows generated from the continuing use of the unit and was based on the following key assumptions:

- Cash flows were projected based on the 5-year business plan. Cash flows for period after the 5th year were extrapolated using a constant growth rate of 3.0% (2025: 3.0%), which represent management's assessment on the growth rate for electric vehicles industry using both external and internal sources (historical data).
- Revenue growth rate in the 5-year business plans ranges from 18.3% to 50.0% per annum (2025: 15.0% to 30.9% per annum) averaging out to be 43.7% annually (2025: 19.9% annually).
- Gross profit margin in the 5-year business plans is 78.7% (2025: 50.0%).
- A pre-tax discount rate of 10.0% (2025: 10.0%).

The values assigned to the key assumptions represent management's assessment of future trends in the electric vehicles industry and are based on both external sources and internal sources (historical data).

The above estimates are particularly sensitive in the following area:

- A decrease to 39.0% (2025: 13.0%) (annual average) in the future planned revenues would result in an impairment loss of amount less than RM70,000 (2025: RM87,000).

5. INVESTMENTS IN SUBSIDIARIES

		Company	
	Note	2026	2025
		RM'000	RM'000
Unquoted shares, at cost		83,655	83,706
Less: Impairment loss	5.2	(10,706)	(10,706)
		72,949	73,000
Amount due from a subsidiary	5.1	3,763	3,763
Less: Impairment loss	5.2	(3,763)	(3,763)
		-	-
		72,949	73,000

5.1 Amount due from a subsidiary

The amount due from a subsidiary is non-trade in nature, unsecured and interest free. The settlement of the amount is neither planned nor likely to occur in the foreseeable future. As this amount is a part of the Company's net investment in the subsidiary in substance, it was stated at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

5.2 Impairment loss on investments in subsidiaries and amount due from a subsidiary

The total impairment loss as of 30 June 2026 amounting to RM14,469,000 (2025: RM14,469,000) is attributable to the following:

- Investment and amount due from an overseas subsidiary amounting to RM3,809,000 (2025: RM3,809,000) as the management is of the view that the business is affected by geopolitical factors in Europe which is beyond the management's control thus the recoverable amount of the investment in the subsidiary was RM Nil (2025: RM Nil) which was based on the fair value less cost to disposal by reference to the underlying assets and liabilities of the subsidiaries; and

- Investments in local subsidiaries amounting to RM42,111,000 (2025: RM42,111,000 as the management is of the view that the recoverable amount of the investments in subsidiaries was RM31,451,000 (2025: RM31,451,000) which were based on the fair value less cost to disposal by reference to the underlying assets and liabilities of the subsidiaries and value-in-use method.

  For the subsidiaries where recoverable amount was based on value-in-use method, the estimated value-in-use was determined by discounting cash flows expected to be generated from the subsidiary for a period of five years and was based on the following key assumptions:

Impairment loss on investment in subsidiary – Ever-Grow Advanced Materials Sdn. Bhd.

The recoverable amount of the subsidiary was based on its value-in-use. Value-in-use was determined by discounting the future cash flows generated from the continuing use of the unit and was based on the same assumptions as per disclosed in Note 4.1.

In previous financial period, the carrying amount of the subsidiary was determined to be higher than its recoverable amount of RM15,451,000 and an impairment loss on investment in subsidiary of RM590,000 was recognised in profit or loss recognised.

Impairment loss on investment in subsidiary – Ni Hsin Food & Beverages Sdn. Bhd.

- Cash flows were projected based on past experience, actual operating results and the 5-year business plan. Cash flows for period after the 5th year were extrapolated using a constant growth rate of 3.0% (2025: 3.0%), which represent management's assessment on the growth rate for food & beverages industry using both external and internal sources (historical data).
- Revenue growth rate in the 5-year business plan ranges from 25.0% to 30.0% per annum (2025: 3.0% to 524.0% per annum) averaging out to be 27.8% annually (2025: 108.1% annually).
- Gross profit margin in the 5-year business plan is 11.3% (2025: 13.7%).
- A pre-tax discount rate of 10.0% (2025: 10.0%).

Impairment loss on investment in subsidiary – Ni Hsin EV Tech Sdn. Bhd.

- Cash flows were projected based on past experience, actual operating results and the 5-year business plan. Cash flows for period after the 5th year were extrapolated using a constant growth rate of 3.0% (2025: 3.0%), which represent management's assessment on the growth rate for electric vehicles industry using both external and internal sources (historical data).
- Revenue growth rate in the 5-year business plan ranges from 5.0% to 259.1% per annum (2025: 5.0% to 10.5%) averaging out to be 55.8% annually (2025: 8.1%).
- Gross profit margin in the 5-year business plan is 19.1% (2025: 20.8%).
- A pre-tax discount rate of 10.0% (2025: 10.0%).

In the previous financial period, impairment loss on investments in subsidiaries and amount due from a subsidiary of RM722,000 were recognised in profit or loss. Following the impairment of costs of investments in subsidiaries, the recoverable amount is equal to the carrying amount.

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

Name of subsidiary	Principal activities	Country of incorporation	Effective Ownership Interest 2026	Effective Ownership Interest 2025
			%	%
Ni Hsin Corporation Sdn. Bhd. ("NHC")	Design, manufacture and sale of stainless steel kitchenware and cookware	Malaysia	100	100
Ever-Grow Advanced Materials Sdn. Bhd. ("EGAM")	Research, development and manufacturing of stainless steel products	Malaysia	100	100
Steel Crafts Europa S.R.L. ("SCE") (1)	Trading and assembly of kitchenware, cookware, and stainless steel products	Italy	100	100
Ni Hsin Marketing Sdn. Bhd. ("NHM") (4)	General merchandiser, distribution and marketing of cookware, kitchenware, marketing and trading in all kinds of personal protective equipment, foodstuffs and dairy products	Malaysia	100	100
Pentoli Sdn. Bhd. ("PSB") (4)	Distribution and marketing of cookware, kitchenware, water filters, stainless steel products and related products and accessories	Malaysia	100	100
Ni Hsin Marketing (HK) Limited ("NHHK") (2)	General trading of all kinds and descriptions and retailer	Hong Kong	-	100
Ni Hsin Food & Beverages Sdn. Bhd. ("NHFB")	Research, development and manufacturing of food and beverages products	Malaysia	100	100
Subsidiaries of NHFB				
BlackBixon2Go Sdn. Bhd. ("BB2GO")	Transporters and carriers of all kinds of foods and beverages and operating café and restaurants	Malaysia	100	100
Ni Hsin EV Tech Sdn. Bhd. ("NHEVT")	Assembling, promoting and marketing of all kinds of electric vehicles ("EV")	Malaysia	100	100
Subsidiaries of NHEVT				
Ni Hsin Drones Sdn. Bhd. (formerly known as Ni Hsin EV Mobility Sdn. Bhd.) ("NHD") (3) (4)	Design, manufacture, leasing and retailing all kinds of unmanned aerial vehicles (UAVS) and electric vehicles	Malaysia	-	100
EVSend Sdn. Bhd. ("EVS") (4)	Trading, leasing and retailing all kinds of electric vehicles (EV), express logistics and courier services	Malaysia	100	100
Ni Hsin Ecologistic Sdn. Bhd. ("NHECO")	Eco-friendly logistic, transport, general carriers forwarding agents, courier and cargo handlers and contractor	Malaysia	71	71

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued):

Name of subsidiary	Principal activities	Country of incorporation	Effective Ownership Interest 2026	Effective Ownership Interest 2025
			%	%
Subsidiary of NHECO				
Pride Logistic Alliance Sdn. Bhd. ("PLA") [4]	Logistic, transport, general carriers forwarding agents, courier and cargo handlers and contractor services	Malaysia	71	71

[1] Subsidiary incorporated in Italy has not been audited as it is exempted from statutory audit under Italian Company Laws. It is prepared based on unaudited management accounts for the year ended 30 June 2026.

[2] Subsidiary incorporated in Hong Kong has not been audited as it has not commenced any operations. It is prepared based on unaudited management accounts up to 29 May 2026, being the date of dissolution.

[3] In December 2025, the Group, via its wholly-owned subsidiary, NHEVT disposed 2 ordinary shares in NHD, representing the 100% equity interest in NHD for a total cash consideration of RM2. Following the disposal, NHD ceased to be a subsidiary of the Group. NHD did not represent a separate major line of business or geographical area of operations and, accordingly, the disposal was not classified as a discontinued operation.

The summarised financial information of NHD has not been presented as the related information is not individually material to the Group.

Effect of disposal on the financial position of the Group

	Group 2026 RM'000
Trade and other receivables	157
Cash and cash equivalents	-*
Trade and other payables	(2,070)
Net liabilities	(1,913)
Gain on disposal	
Net liabilities derecognised	1,913
Consideration received, satisfied in cash	-*
Net gain on disposal	1,913
Net cash inflow arising from disposal	
Consideration received, satisfied in cash	-*
Cash and cash equivalents disposed of	-*
Net cash outflow	-*

* Less than RM1,000

[4] Not audited by KPMG PLT.

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

5. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

5.3 Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

6. INVESTMENT IN AN ASSOCIATE

		Group		Company	
	Note	2026	2025	2026	2025
		RM'000	RM'000	RM'000	RM'000
At cost					
Unquoted shares		450	450	450	450
Share of post-acquisition reserves		(450)	(450)	-	-
Less: Impairment loss	6.1	-	-	(450)	(450)
		-	-	-	-

Details of the associate is as follows:

Name of entity	Principal place of business	Nature of the relationship	Effective ownership interest and voting interest	
			2026	2025
			%	%
Digital Dagang Sdn. Bhd. ("DDSB")	Malaysia	Digital business platform for online trading	15	22

In December 2025, DDSB increased its issued and paid-up share capital to 3,070,000 amounting to RM3,070,000. Subsequent to the share capital increment, the ownership interest of the Company in DDSB has diluted from 22% to 15%. Notwithstanding the dilution, the Group continues to exercise significant influence over DDSB through board representation and accordingly, DDSB continues to be accounted for as an associate.

DDSB incurred a loss during the current financial year. As the carrying amount of the Group's investment in DDSB had already been reduced to nil, no further share of loss was recognised as the Group has no obligation to fund losses beyond its interest in DDSB. The summarised financial information of DDSB has not been presented as the related information is not individually material to the Group.

6.1 Impairment loss on investment in an associate

An impairment loss on investment in an associate of RM450,000 was recognised in profit or loss of the Company as the management is of the view that the recoverable amount of the investment in an associate is RM Nil which is based on fair value less costs to disposal by reference to the underlying assets and liabilities of the associate.

6.2 Material accounting policy information

Investment in an associate is measured in the Company's statement of financial position at cost less any impairment losses.

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

7. OTHER INVESTMENTS

	Group and Company	
	Quoted shares	
	2026	2025
	RM'000	RM'000
Non-current		
Financial assets at fair value through profit or loss		
- Held for trading	87	115

In the previous financial period, the Group and Company disposed the following investment in quoted shares, which was carried at fair value through profit or loss:

	Fair value at derecognition	Gain on disposal
	RM'000	RM'000
Quoted shares held for trading	1,436	7

8. DEFERRED TAX ASSETS/(LIABILITIES)

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2026	2025	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
Property, plant and equipment	-	-	(6,434)	(6,559)	(6,434)	(6,559)
Provisions	184	184	-	-	184	184
Unabsorbed capital allowances carried forward	410	193	-	-	410	193
Tax losses carried forward	1,379	928	-	-	1,379	928
Others	160	125	-	-	160	125
Tax assets/(liabilities)	2,133	1,430	(6,434)	(6,559)	(4,301)	(5,129)
Set off of tax	(1,978)	(1,318)	1,978	1,318	-	-
Net tax assets/(liabilities)	155	112	(4,456)	(5,241)	(4,301)	(5,129)

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

8. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross):

	Group	
	2026	**2025**
	RM'000	**RM'000**
Tax losses carried forward	16,988	12,375
Unabsorbed capital allowances	3,321	3,815
	20,309	16,190

Deferred tax assets have not been recognised as it is not probable that sufficient future taxable profit will be available to utilise the benefits therefrom.

With the Finance Bill 2021 gazetted on 31 December 2021, effective from Year of Assessment ("YA") 2019, unabsorbed tax losses can only be carried forward for a maximum period of 10 consecutive YAs. The expiry of these losses are shown below:

	Group	
	2026	**2025**
	RM'000	**RM'000**
Year of Assessment ("YA")		
Expired by 2028	1,391	1,391
Expired by 2029	2,418	2,418
Expired by 2030	110	110
Expired by 2031	808	808
Expired by 2032	2,736	2,736
Expired by 2033	2,262	2,262
Expired by 2034	902	902
Expired by 2035	1,748	1,748
Expired by 2036	4,613	-
	16,988	12,375

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

8. DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

Movement in temporary differences during the year/period

	At 1.1.2024	Recognised in profit or loss (Note 17)	Recognised in other comprehensive income (Note 17)	At 30.6.2025/ 1.7.2025	Recognised in profit or loss (Note 17)	At 30.6.2026
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
Property, plant and equipment	(4,489)	299	(2,369)	(6,559)	125	(6,434)
Provisions	43	141	-	184	-	184
Unabsorbed capital allowances carried forward	179	14	-	193	217	410
Tax losses carried forward	938	(10)	-	928	451	1,379
Other items	65	60		125	35	160
	(3,264)	504	(2,369)	(5,129)	828	(4,301)

9. INVENTORIES

	Group	
	2026	2025
	RM'000	RM'000
Raw materials and component parts	10,071	14,546
Indirect materials	609	826
Work-in-progress	662	1,740
Manufactured inventories	7,809	8,759
	19,151	25,871
Recognised in profit or loss:		
Inventories recognised as cost of sales	33,481	31,171
Inventories written off	23	387
Allowance for slow moving inventories	-	588

The inventories written off is included in cost of sales.

9.1 Significant judgements and assumptions in relation to valuation of inventories

For the allowance for slow-moving and obsolete inventories, reviews are made periodically by management considering the inventory provision policy and ageing. For the finished goods, calculations in arriving at the net realisable values are assessed by management using the estimated selling prices with reference to selling prices for sales subsequent to the reporting date less estimated costs necessary to make the sale comprise directly attributable selling and distribution costs that are unavoidable to complete the sale of the inventories.

These reviews require significant judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

9. INVENTORIES (CONTINUED)

9.2 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value.The cost of inventories is calculated using the weighted average method.

10. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2026	2025	2026	2025
		RM'000	RM'000	RM'000	RM'000
Current					
Trade					
Trade receivables		2,553	3,026	-	-
Less: Allowance for impairment losses		(95)	-	-	-
		2,458	3,026	-	-
Non-trade					
Amount due from subsidiaries	10.3	-	-	13,198	10,650
Less: Allowance for impairment losses		-	-	(2,618)	(2,110)
		-	-	10,580	8,540
Other receivables	10.1	2,906	834	411	-
Less: Allowance for impairment losses		(1,859)	-	(410)	-
		1,047	834	1	-
Deposits	10.2	1,042	1,126	-	1
Prepayments		680	808	-	-
		2,769	2,768	1	8,541
		5,227	5,794	10,581	8,541

Group

10.1 Included in other receivables are the followings:

- RM588,000 (2025: RM444,000) advance payments made for purchases of inventories
- RM220,000 (2025: RM220,000) receivables for disposal of plant and machineries amounting to; and
- RM1,859,000 receivables for the amount due from Ni Hsin Drones Sdn. Bhd., the subsidiary disposed during the year.

10.2 Included in deposits are deposits for purchase of inventories amounting to RM394,000 (2025: RM444,000).

Company

10.3 Included in other receivables are receivables from Ni Hsin Drones Sdn. Bhd., the subsidiary disposed during the year amounting to RM410,000.

10.4 The amount due from subsidiaries are non-trade related, unsecured, interest free and is payable on demand.

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

11. CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2026	2025	2026	2025
		RM'000	RM'000	RM'000	RM'000
Deposits with licensed banks		23	405	-	234
Fixed income trust funds, at fair value through profit or loss	11.1	2	2,923	2	2,923
Cash and bank balances		4,532	4,575	165	214
		4,557	7,903	167	3,371

11.1 Deposit in fixed income trust funds represent liquid investments which relates to investments in money market instruments. The Directors regard the liquid investments as cash and cash equivalents in view of its high liquidity and insignificant risk of changes in value.

12. SHARE CAPITAL AND RESERVES

12.1 Share capital

	Group and Company			
	Amount	Number of shares	Amount	Number of shares
	RM'000	'000	RM'000	'000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At 1 July 2025/1 January 2024	84,528	573,115	84,428	573,015
Conversion of RCPS	6,174	52,187	100	100
At 30 June 2026/30 June 2025	90,702	625,302	84,528	573,115

Ordinary shares

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.

12.2 Treasury shares

As at 30 June 2026, the total number of treasury shares is 49,345,336 (2025: 49,345,336). The number of outstanding shares in issue after deducting treasury shares held at the financial year end is 575,956,958 (2025: 523,769,915) ordinary shares. Treasury shares have no rights to voting, dividends and participation in other distribution.

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

12. SHARE CAPITAL AND RESERVES (CONTINUED)

12.3 Redeemable Convertible Preference Shares

	Group and Company			
	Amount	Number of shares	Amount	Number of shares
	RM'000	'000	RM'000	'000
Issued and fully paid:				
At 1 July 2025/1 January 2024	137	614,984	137	616,184
Converted during the year	(137)	(614,984)	-*	(1,200)
At 30 June 2026/30 June 2025	-	-	137	614,984

* Less than RM1,000

The carrying amount of the liability component of RCPS is arrived at as follows:

	Group and Company	
	2026	2025
	RM'000	RM'000
Present value of RCPS at date of issuance	6,759	6,759
Less: Equity component	(147)	(147)
Liability component at initial recognition	6,612	6,612
Carrying amount of liability component of RCPS		
At 1 July 2025/1 January 2024	6,871	6,626
Converted during the year	(7,030)	(100)
Unwinding of discount	159	345
At 30 June 2026/30 June 2025	-	6,871

The liability component of the preference shares represents the present value of the annual interest payment that is payable to the holders during the tenure of the preference shares.

On March 2021, the Company issued 675,863,030 pursuant to the right issue of RCPS at issue price of RM0.01 per RCPS on the basis of 2 RCPS for every 1 existing ordinary share held by the entitled shareholders of the Company.

The tenure of the instruments is five years commencing from and inclusive of the date of issue of the RCPS. The salient features of the RCPS are as follows:

i) The RCPS carry the right to receive a fixed preference dividend rate per annum of 3% of RCPS issue price;
ii) The RCPS can be redeemed during the beginning of the 5th year after issuance until maturity at the RCPS issue price plus any accumulated undeclared dividends up to the date of redemption;
iii) Each RCPS carries the entitlement to convert into new shares on any market day during the tenure at the option of the RCPS holders with the conversion price at RM0.12 per RCPS; and
iv) The RCPS do not carry the right to vote at any general meeting except on the proposal considering the reduction of share capital and winding up of the Company.

During the financial year, 614,984,430 units of RCPS (2025: 1,200,000) were converted into 52,187,043 new ordinary shares (2025: 100,000).

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

12. SHARE CAPITAL AND RESERVES (CONTINUED)

12.4 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than RM, as well as from the translation of liabilities that hedge the Company's net investment in foreign operations.

12.5 Revaluation reserve

Revaluation reserve relates to the revaluation of property in property, plant and equipment.

12.6 Other reserve

Other reserve comprises the reclassification of revaluation reserve and foreign currency translation reserve at the date of transition to MFRSs. During the financial year, the reserve increased by RM1,106,000 arising from the conversion of the RCPS, representing the additional capital component of the RCPS arrangement.

13. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2026	2025	2026	2025
		RM'000	RM'000	RM'000	RM'000
Current					
Trade					
Trade payables		3,032	4,638	-	-
Accrued expenses	13.1	-	2,568	-	-
Contract liabilities	13.2	557	251	-	-
		3,589	7,457	-	-
Non-trade					
Other payables		2,050	2,884	83	86
Accrued expenses		609	632	-	-
Amount due to subsidiaries	13.3	-	-	-	54
		2,659	3,516	83	140
		6,248	10,973	83	140

13.1 Accrued expenses relate to accruals made on purchases of inventories which billings have yet to be received.

13.2 The contract liability relates to advance consideration received from customers, of which RM218,000 (2025: RM25,000) are expected to be recognised as revenue over a period of 12 months based on the contract term and RM339,000 (2025: RM226,000) will be recognised as revenue upon placement of orders and when goods are being delivered and accepted by the customers.

The amount of RM146,000 included in contract liabilities at 30 June 2025 has been recognised as revenue in 2026 (2025: RM236,000).

13.3 The amount due to subsidiaries are non-trade related, unsecured, interest free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

14. LOANS AND BORROWINGS

	Group	
	2026	**2025**
	RM'000	**RM'000**
Current		
Bankers' acceptances, *unsecured*	2,031	1,435
Bank overdrafts, *unsecured*	1,067	1,975
Hire purchase liabilities, *unsecured*	-	160
	3,098	3,570

Hire purchase liabilities

Hire purchase liabilities are payable as follows:

	Future minimum lease payments	**Interest**	**Present value of minimum lease payments**
	2025	**2025**	**2025**
Group	**RM'000**	**RM'000**	**RM'000**
Less than one year	163	(3)	160

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

15. REVENUE

	Group		Company	
	2026	1.1.2024 to 30.6.2025	2026	1.1.2024 to 30.6.2025
	RM'000	RM'000	RM'000	RM'000
Revenue from contracts with customers				
- Sales of goods				
Kitchenware and cookware	27,941	16,097	-	-
Stainless steel products	14,049	15,716	-	-
Food and beverages	7,293	10,979	-	-
Electric vehicles	1,428	4,925	-	-
	50,711	47,717	-	-
- Sales of services				
Logistic services	3,501	3,571	-	-
	54,212	51,288	-	-
Other revenue				
- Dividend income	28	177	28	177
- Management fees	-	-	240	360
	54,240	51,465	268	537
Timing and recognition				
At a point in time	54,212	51,288	-	-
	54,212	51,288	-	-

15.1 Nature of goods and services

The Group's main products are kitchenware and cookware, stainless steel products, food and beverages, electric vehicles and logistic services and the following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognised revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Cookware	Revenue is recognised when the goods are delivered and accepted by the customers.	Credit period up to 30 days from invoice date.	Not applicable.	The Group allows returns only on manufacturing defects for exchange with new goods (i.e. no cash refunds are offered).	Not applicable.
Stainless steel products	Revenue is recognised when the goods are delivered and accepted by the customers.	Credit period up to 30 days from invoice date.	Not applicable.	The Group allows returns only on manufacturing defects for exchange with new goods (i.e. no cash refunds are offered).	Not applicable.

NOTES TO THE FINANCIAL STATEMENTS

(Cont'd)

15. REVENUE (CONTINUED)

15.1 Nature of goods and services (continued)

The Group's main products are kitchenware and cookware, stainless steel products, food and beverages, electric vehicles and logistic services and the following information reflects the typical transactions of the Group: (continued)

Nature of goods or services	Timing of recognition or method used to recognised revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Food and beverages – Café	Revenue is recognised when the goods are delivered and accepted by the customers.	Cash term upon delivery of goods.	Not applicable.	Not applicable.	Not applicable.
Food and beverages - Coffee machines and coffee capsules	Revenue is recognised when the coffee machines and coffee capsules are delivered and accepted by the customers.	Partial or full advance payment upon confirmation of order from customers.	Not applicable.	The Group allows returns only on manufacturing defects for exchange with new goods (i.e. no cash refunds are offered).	Not applicable.
Electric vehicles	Revenue is recognised when the goods are delivered and accepted by the customers.	Credit period up to 60 days from delivery date.	Not applicable.	The Group allows returns only on manufacturing defects for exchange with new goods (i.e. no cash refunds are offered).	Not applicable.
Logistic services	Revenue is recognised when the services are performed and accepted by the customers.	Credit period up to 30 days from invoice date.	Not applicable.	Not applicable.	Not applicable.

16. FINANCE COSTS

	Group		Company	
	2026	1.1.2024 to 30.6.2025	2026	1.1.2024 to 30.6.2025
	RM'000	RM'000	RM'000	RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss:				
Bank overdrafts	134	150	-	-
Bankers' acceptances	55	77	-	-
Hire purchase liabilities	3	26	-	-
Interest expense on lease liabilities	285	238	-	-
RCPS	159	345	159	345
	636	836	159	345

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

17. TAXATION

	Group		Company	
	2026	1.1.2024 to 30.6.2025	2026	1.1.2024 to 30.6.2025
	RM'000	RM'000	RM'000	RM'000
Current tax expense/(income)				
- current	-	15	-	15
- under/(over) provision in prior years	19	(17)	(13)	(17)
Total current tax recognised in profit or loss	19	(2)	(13)	(2)
Deferred tax (income)/expense				
- origination and reversal of temporary differences	(692)	(559)	-	-
- (over)/under provision in prior years	(136)	55	-	-
Total deferred tax recognised in profit or loss	(828)	(504)	-	-
Total tax income	(809)	(506)	(13)	(2)
Recognised in other comprehensive income				
Revaluation surplus of property	-	2,369	-	-
Reconciliation of effective tax (income)/ expense				
Loss for the year/period	(8,100)	(11,158)	(1,459)	(1,576)
Tax income	(809)	(506)	(13)	(2)
Loss excluding tax	(8,909)	(11,664)	(1,472)	(1,578)
Income tax calculated using Malaysian tax rate of 24% (2025: 24%)	(2,138)	(2,799)	(353)	(379)
Non-deductible expenses	958	1,198	360	474
Non-taxable income	(501)	(38)	(7)	(80)
Deferred tax assets not recognised	989	1,095	-	-
(Over)/ Under provision in prior years	(117)	38	(13)	(17)
Tax income	(809)	(506)	(13)	(2)
Recognised in other comprehensive income				
Revaluation surplus of property	-	2,369	-	-

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

18. LOSS FOR THE YEAR/PERIOD

	Group		Company	
	2026	1.1.2024 to 30.6.2025	2026	1.1.2024 to 30.6.2025
	RM'000	RM'000	RM'000	RM'000
Loss for the year/period is arrived at after charging/(crediting):				
Auditors' remuneration				
- Audit fees				
KPMG PLT	280	274	60	58
Other auditors	13	19	-	-
- Non-audit fees				
KPMG PLT	10	8	10	8
Affiliates of KPMG PLT	51	102	6	13
Other auditors	13	17	-	-
Material expenses				
Depreciation of property, plant and equipment	3,671	5,105	-	-
Depreciation of right-of-use assets	1,208	1,276	-	-
Amortisation of intangible assets	-	169	-	-
Impairment loss on investment in subsidiaries	-	-	-	722
Allowance for slow moving inventories	-	588	-	-
Net loss on foreign exchange - unrealised	285	47	-	-
Net loss on foreign exchange - realised	112	-	2	-
Loss on disposal of property, plant and equipment	-	91	-	-
Property, plant and equipment written off	47	11	-	-
Inventories written off	23	387	-	-
Net loss in fair value of other investments measured at fair value through profit or loss	28	14	28	14
Personnel expenses (including key management personnel)				
- Contributions to state plans	1,546	1,614	-	-
- Wages, salaries and others	13,510	20,226	210	296
Net loss on impairment of financial instruments				
Provision for impairment loss on				
- amount due from subsidiaries	-	-	508	410
- trade receivables	95	-	-	-
- other receivables	1,859	-	410	-

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

18. LOSS FOR THE YEAR/PERIOD (CONTINUED)

	Group		Company	
	2026	1.1.2024 to 30.6.2025	2026	1.1.2024 to 30.6.2025
	RM'000	RM'000	RM'000	RM'000
Loss for the year/period is arrived at after charging/(crediting): (continued)				
Material income				
Gain on disposal of property, plant and equipment	(34)	-	-	-
Gain on disposal of other investments	-	(7)	-	(7)
Gain on disposal of a subsidiary	(1,913)	-	-	-
Net gain in fair value of fixed income trust fund measured at fair value through profit or loss	(24)	(141)	(24)	(141)
Dividend income from fixed income trust funds	(28)	(177)	(28)	(177)
Net gain on foreign exchange - unrealised	-	-	-	(4)
Net gain on foreign exchange - realised	-	(511)	-	-
Expenses arising from leases:				
Expenses relating to leases of low-value assets*	30	23	-	-

* The Group leases hostels for employees with contract terms of 2 to 3 years. These leases are leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

19. OTHER COMPREHENSIVE INCOME/(EXPENSE)

Group	Before tax	Tax expense	Net of tax
	RM'000	RM'000	RM'000
2026			
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	(22)	-	(22)
2025			
Items that will not be reclassified subsequently to profit or loss			
Revaluation of property	14,215	(2,369)	11,846
Items that are or may be reclassified subsequently to profit or loss			
Foreign currency translation differences for foreign operations	7	-	7

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

20. LOSS PER ORDINARY SHARE

Group

Basic loss per ordinary share

The calculation of basic loss per ordinary share at 30 June 2026 was based on the loss attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding, calculated as follows:

Group	2026	1.1.2024 to 2025
	RM'000	RM'000
Loss for the year/period attributable to owners of the Company	(8,155)	(11,195)

Group	2026	2025
Weighted average number of ordinary shares at	542,851,547	523,675,948
Basic loss per ordinary share (sen)	(1.50)	(2.14)

Diluted loss per ordinary share

The calculation of diluted loss per ordinary share at 30 June 2026 was based on loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

Group	2026	1.1.2024 to 30.6.2025
	RM'000	RM'000
Loss for the year/period attributable to owners of the Company	(8,155)	(11,195)

Group	2026	2025
Weighted average number of ordinary shares at (basic)	542,851,547	523,675,948
Weighted average number of ordinary shares at (diluted)	542,851,547	523,675,948

21. OPERATING SEGMENTS

Performance is measured based on segment profit before tax, interest, depreciation and amortisation, as included in the internal management reports that are reviewed by the CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total assets is used to measure the return on assets of each segment.

Segment liabilities

The total of segment liabilities is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total liabilities is used to measure the operating liabilities that are attributable to or can be allocated to each segment.

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

21. OPERATING SEGMENTS (CONTINUED)

	Kitchenware and cookware	Stainless steel products	Food and beverages	Logistic services	Electric vehicles	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Business segments								
2026								
Revenue	27,941	14,049	7,293	3,501	1,428	28	-	54,240
Inter-segment revenue	847	3,367	176	646	-	-	(5,036)	-
Total revenue	28,788	17,416	7,469	4,147	1,428	28	(5,036)	54,240
2025								
Revenue	16,097	15,716	10,979	3,571	4,925	177	-	51,465
Inter-segment revenue	1,675	4,688	638	471	772	-	(8,244)	-
Total revenue	17,772	20,404	11,617	4,042	5,697	177	(8,244)	51,465

Major customers

The following are major customers with revenue equal to or exceeding 10% of the Group's total revenue. There is no other single customers that contributed 10% or more of the Group's total revenue during the respective financial years:

	Revenue	Segment
	RM'000	
2026		
Customer A	22,736	Cookware

2026	Kitchenware and cookware	Stainless steel products	Food and beverages	Logistic services	Electric vehicles	Others	Eliminations	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Results								
Segment results	(3,148)	(552)	(3,527)	208	(1,426)	(16)	695	(7,766)
Unallocated corporate expenses								(513)
Interest expense								(636)
Interest income								6
Loss before tax								(8,909)
Tax income								809
Loss for the year								(8,100)

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

21. OPERATING SEGMENTS (CONTINUED)

Major customers (continued)

The following are major customers with revenue equal to or exceeding 10% of the Group's total revenue. There is no other single customers that contributed 10% or more of the Group's total revenue during the respective financial years: (continued)

2026	Kitchenware and cookware RM'000	Stainless steel products RM'000	Food and beverages RM'000	Logistic services RM'000	Electric vehicles RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Assets								
Segment assets	71,323	23,233	14,974	1,704	9,362	11,454	(24,454)	107,596
Unallocated corporate assets								776
Total assets								108,372
Included in the measure of segment assets are:								
Additions to non-current assets other than financial instruments and deferred tax assets	62	17	13	-	427	-	-	517
Liabilities								
Segment liabilities	(7,632)	(5,008)	(17,281)	(1,227)	(6,136)	(172)	23,810	(13,646)
Unallocated corporate liabilities								(4,551)
Total liabilities								(18,197)
Other information								
Capital expenditure	62	17	11	-	427	-	-	517
Depreciation and amortisation	1,428	462	2,625	28	366	-	(30)	4,879
Non-cash (income)/ expense other than depreciation	2	(34)	-	-	45	-	-	13

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

21. OPERATING SEGMENTS (CONTINUED)

Major customers (continued)

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

2026	Revenue RM'000
Results	
Geographical segments	
Japan and Korea	8,892
Malaysia and Singapore	15,007
China, Taiwan and Hong Kong	24,676
Thailand and Indonesia	807
Europe	3,389
USA and Canada	987
Australia	33
Others	449
	54,240

The carrying amount of segment assets and cost to acquire property, plant and equipment by location of assets are not provided. The assets of the Group are located and capital expenditure incurred for these assets, are principally in Malaysia.

2025	Cookware RM'000	Stainless steel products RM'000	Food and beverages RM'000	Logistic services RM'000	Electric vehicles RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Results								
Segment results	(1,870)	(1,009)	(3,530)	140	(2,455)	135	(1,464)	(10,053)
Unallocated corporate expenses								(803)
Interest expense								(836)
Interest income								28
Loss before tax								(11,664)
Tax income								506
Loss for the period								(11,158)

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

21. OPERATING SEGMENTS (CONTINUED)

Major customers (continued)

The carrying amount of segment assets and cost to acquire property, plant and equipment by location of assets are not provided. The assets of the Group are located and capital expenditure incurred for these assets, are principally in Malaysia. (continued)

2025	Cookware RM'000	Stainless steel products RM'000	Food and beverages RM'000	Logistic services RM'000	Electric vehicles RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Assets								
Segment assets	78,966	23,725	18,606	1,331	8,746	9,050	(21,427)	118,997
Unallocated corporate assets								4,350
Total assets								123,347
Included in the measure of segment assets are:								
Additions to non-current assets other than financial instruments and deferred tax assets	319	16	8,405	19	1,021	-	(252)	9,528
Liabilities								
Segment liabilities	(12,019)	(4,744)	(18,083)	(1,071)	(8,003)	(7,101)	24,064	(26,957)
Unallocated corporate liabilities								(5,236)
Total liabilities								(32,193)
Other information								
Capital expenditure	319	16	4,009	19	1,012	-	(252)	5,123
Depreciation and amortisation	1,857	844	3,277	44	643	-	(115)	6,550
Non-cash (income)/ expense other than depreciation	-	-	130	(52)	24	-	-	102

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

21. OPERATING SEGMENTS (CONTINUED)

Major customers (continued)

Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers.

2025	Revenue RM'000
Results	
Geographical segments	
Japan and Korea	13,840
Malaysia and Singapore	24,885
China, Taiwan and Hong Kong	3,746
Thailand and Indonesia	3,523
Europe	2,523
USA and Canada	2,126
Australia	297
Others	525
	51,465

The carrying amount of segment assets and cost to acquire property, plant and equipment by location of assets are not provided. The assets of the Group are located and capital expenditure incurred for these assets, are principally in Malaysia.

22. FINANCIAL INSTRUMENTS

22.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

(a) Amortised cost ("AC") and
(b) Fair value through profit or loss ("FVTPL")

2026	Carrying amount RM'000	AC RM'000	FVTPL RM'000
Financial assets			
Group			
Other investments	87	-	87
Trade and other receivables (excluding prepayments)	4,547	4,419	128
Cash and cash equivalents	4,557	4,555	2
	9,191	8,974	217
Company			
Other investments	87	-	87
Trade and other receivables (excluding prepayments)	10,581	10,581	-
Cash and cash equivalents	167	165	2
	10,835	10,746	89

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.1 Categories of financial instruments (continued)

2026	Carrying amount RM'000	AC RM'000	FVTPL RM'000
Financial liabilities			
Group			
Loans and borrowings	(3,098)	(3,098)	-
Trade and other payables (excluding contract liabilities)	(5,691)	(5,691)	-
	(8,789)	(8,789)	-
Company			
Trade and other payables	(83)	(83)	-

2025	Carrying amount RM'000	AC RM'000	FVTPL RM'000
Financial assets			
Group			
Other investments	115	-	115
Trade and other receivables (excluding prepayments)	4,986	4,858	128
Cash and cash equivalents	7,903	4,980	2,923
	13,004	9,838	3,166
Company			
Other investments	115	-	115
Trade and other receivables (excluding prepayments)	8,541	8,541	-
Cash and cash equivalents	3,371	448	2,923
	12,027	8,989	3,038
Financial liabilities			
Group			
Loans and borrowings	(3,570)	(3,570)	-
Trade and other payables (excluding contract liabilities)	(10,722)	(10,722)	-
	(14,292)	(14,292)	-
Company			
Trade and other payables	(140)	(140)	-

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.2 Net losses arising from financial instruments

	Group		Company	
	2026	1.1.2024 to 30.6.2025	2026	1.1.2024 to 30.6.2025
	RM'000	RM'000	RM'000	RM'000
Net gains/(losses) on:				
Financial assets at amortised cost	(2,808)	209	(918)	(403)
Financial liabilities measured at amortised cost	112	(553)	-	(341)
Financial assets at fair value through profit or loss				
- other investments	(28)	(14)	(28)	(14)
- fixed income trust funds	24	141	24	141
- dividend income from fixed income trust funds	28	177	28	177
	(2,672)	(40)	(894)	(440)

22.3 Financial risk management

The Group has exposure to the following risks from its financial instruments:

- Credit risk
- Liquidity risk
- Market risk

22.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has an informal credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk for the Group is arising from trade receivables that are represented by the carrying amounts in the statement of financial position.

Management has taken reasonable steps to ensure that trade receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses aging analysis to monitor the credit quality of the receivables. Any receivables having significant balances past due more than 60 days, which are deemed to have higher credit risk, are monitored individually.

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.4 Credit risk (continued)

Trade receivables (continued)

Concentration of credit risk

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region was:

	Group	
	2026	2025
	RM'000	RM'000
Domestic	1,101	815
Japan and Korea	755	262
China, Taiwan and Hong Kong	352	1,482
Thailand	66	226
Europe	184	241
	2,458	3,026

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the management has taken reasonable steps to ensure that trade receivables that are neither past due nor impaired are stated at their realisable value. Generally, trade receivables will pay within 60 days.

The management measures loss allowance on an individual basis.

The following table provides information about the exposure to credit risk and ECLs for trade receivables.

Group	Gross carrying amount RM'000	Individual impairment RM'000	Net Balance RM'000
2026			
Not past due	790	-	790
Past due 1 - 30 days	1,274	-	1,274
Past due 31 - 60 days	46	-	46
Past due 61 - 90 days	335	-	335
Past due over 90 days	108	(95)	13
	2,553	(95)	2,458
2025			
Not past due	2,862	-	2,862
Past due 1 - 30 days	48	-	48
Past due over 90 days	116	-	116
	3,026	-	3,026

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.4 Credit risk (continued)

Trade receivables (continued)

The movements in the allowance for impairment in respect of trade receivables during the year is as follows:

Group	2026 RM'000
At 1 January 2024/30 June 2025/1 July 2025	-
Net measurement of loss of allowance	95
At 30 June 2026	95

Cash and cash equivalents

The cash and cash equivalents are held with banks and non-financial institution. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and non-financial institution have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other investments

The other investments are investments in quoted shares held for trading. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Other receivables

Credit risks on other receivables are mainly arising from advance payment and non trade debtors. The Group manages the credit risk together with the leasing arrangement.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

The following table provides information about the exposure to credit risk for other receivables as at 30 June 2026.

Group	Gross carrying amount RM'000	Impairment loss RM'000	Net balance RM'000
2026			
Credit impaired	2,906	(1,859)	1,047
Company			
2026			
Credit impaired	411	(410)	1

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.4 Credit risk (continued)

Other receivables

The movements in the allowance for impairment in respect of other receivables during the year is as follows:

Group	2026 RM'000
At 1 January 2024/30 June 2025/1 July 2025	-
Net measurement of loss of allowance	1,859
At 30 June 2026	1,859

Company

At 1 January 2024/30 June 2025/1 July 2025	-
Net measurement of loss of allowance	410
At 30 June 2026	410

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

As at the end of the reporting period, the Company provided total corporate guarantees amounting to RM26,140,000 (2025: RM26,140,000).

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM3,098,000 (2025: RM3,570,000) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was immaterial.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

Loans and advances are not secured by any collateral or supported by any other credit enhancements.

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.4 Credit risk (continued)

Inter-company loans and advances (continued)

Recognition and measurement of impairment losses

Generally, the Company considers advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' advances when they are payable, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its loans or advance to the Company in full;
- The subsidiary's loan or advance is overdue for more than 365 days; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

The following table provides information about the exposure to credit risk for subsidiaries' advances as at 30 June 2026 and 30 June 2025.

Company	Gross carrying amount	Impairment loss	Net balance
	RM'000	RM'000	RM'000
2026			
Credit impaired	13,198	(2,618)	10,580
2025			
Credit impaired	10,650	(2,110)	8,540

The movements in the allowance for impairment in respect of subsidiaries' advances during the year is as follows:

Company	2026 RM'000	2025 RM'000
At 1 July 2025/1 January 2024	2,110	1,700
Net measurement of loss of allowance	508	410
At 30 June	2,618	2,110

22.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000
2026						
Non-derivative financial liabilities						
Bankers' acceptances	2,031	4.68% - 4.72%	2,031	2,031	-	-
Lease liabilities	4,395	3.40 - 4.98%	4,847	1,251	1,164	2,432
Bank overdrafts	1,067	7.87% - 8.37%	1,067	1,067	-	-
Trade and other payables	5,691	-	5,691	5,691	-	-
	13,184		13,636	10,040	1,164	2,432
2025						
Non-derivative financial liabilities						
Bankers' acceptances	1,435	4.42% - 5.01%	1,435	1,435	-	-
Lease liabilities	5,538	3.40 - 4.98%	6,200	1,352	1,251	3,597
Hire purchase liabilities	160	2.07% - 2.48%	163	163	-	-
Bank overdrafts	1,975	7.87% - 8.37%	1,975	1,975	-	-
Trade and other payables	10,722	-	10,722	10,722	-	-
	19,830		20,495	15,647	1,251	3,597

Company	Carrying amount RM'000	Contractual interest rate %	Contractual cash flows RM'000	Under 1 year RM'000
2026				
Non-derivative financial liabilities				
Payables and accruals	83	-	83	83
Financial guarantee	-	-	3,098	3,098
	83		3,181	3,181
2025				
Non-derivative financial liabilities				
Payables and accruals	140	-	140	140
Financial guarantee	-	-	3,570	3,570
	140		3,710	3,710

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

22.6.1 Currency risk

The Group is exposed to foreign currency risk arising from transactions that are denominated in currencies other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD") and Euro ("EUR").

Risk management objectives, policies and processes for managing the risk

The Group does not have a fixed policy to hedge its sales and purchases via forward contracts. However, the exposure to foreign currency risk is monitored from time to time by management.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	Denominated in	
	USD	EUR
Group	**RM'000**	**RM'000**
2026		
Cash and cash equivalents	1,569	184
Trade and other receivables	377	201
Trade and other payables	(1,856)	(24)
Net exposure	90	361
2025		
Cash and cash equivalents	1,970	252
Trade and other receivables	3,049	133
Trade and other payables	(3,167)	(38)
Net exposure	1,852	347

Company

The Company does not have any exposure to foreign currency risk at the end of the reporting period.

Currency risk sensitivity analysis

Foreign currency risk arises from Group entities which have a RM functional currency. The exposure to currency risk of Group entities which do not have a RM functional currency is not material and hence, sensitivity analysis is not presented.

A 10% (2025: 10%) strengthening of the RM against the following currencies at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted transactions.

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.6 Market risk (continued)

22.6.1 Currency risk (continued)

Currency risk sensitivity analysis

	Equity and profit or loss	
	2026	2025
Group	**RM'000**	**RM'000**
USD	(7)	(141)
EUR	(27)	(27)

A 10% (2025: 10%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

22.6.2 Interest rate risk

The Group's fixed deposits and its fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group has an informal policy in place and the exposure to interest rate risk is monitored on an ongoing basis.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2026	2025	2026	2025
	RM'000	RM'000	RM'000	RM'000
Fixed rate instruments				
Financial assets	23	405	-	234
Financial liabilities	(7,493)	(9,108)	-	-
	(7,470)	(8,703)	-	234

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The tables below analyses other financial instruments at fair value.

	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
Group	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2026										
Financial assets										
Other investments	87	-	-	87	-	-	-	-	87	87
Investments in club memberships	-	128	-	128	-	-	-	-	128	128
Fixed income trust funds	2	-	-	2	-	-	-	-	2	2
2025										
Financial assets										
Other investments	115	-	-	115	-	-	-	-	115	115
Investments in club memberships	-	128	-	128	-	-	-	-	128	128
Fixed income trust funds	2,923	-	-	2,923	-	-	-	-	2,923	2,923
Financial liabilities										
Hire purchase liabilities	-	-	-	-	-	-	(160)	(160)	(160)	(160)

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

22. FINANCIAL INSTRUMENTS (CONTINUED)

22.7 Fair value information (continued)

	Fair value of financial instruments carried at fair value			
	Level 1	Level 2	Level 3	Total
Company	**RM'000**	**RM'000**	**RM'000**	**RM'000**
2026				
Financial assets				
Other investments	87	-	-	87
Fixed income trust funds	2	-	-	2
2025				
Financial assets				
Other investments	115	-	-	115
Fixed income trust funds	2,923	-	-	2,923

Level 2 fair value

Investments in club memberships

The fair value of investments in club memberships is based on their latest published membership price.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year (2025: no transfer in either directions).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial liabilities.

The following table shows the valuation techniques used in the determination of fair value within Level 3, as well as the key unobservable inputs used in the valuation models.

Financial instruments carried not at fair value

Type	Description of valuation technique and inputs used
Hire purchase liabilities	Discounted cash flows using a rate based on the current market rate of borrowing of the respective Group entities at the reporting date.

22.8 Material accounting policy information

The Group or the Company applies settlement date accounting for regular way purchase or sale of financial assets.

23. CAPITAL MANAGEMENT

The Group's objectives when managing capital are to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor adequacy of capital on an ongoing basis.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

NOTES TO THE FINANCIAL STATEMENTS
(Cont'd)

24. RELATED PARTIES

Significant related party transactions

Related party transactions have been entered into in the normal course of business under normal trade terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transaction are shown in note 10 and 13:

	Transaction value for year/period ended	
	2026	2025
Company	RM'000	RM'000
Subsidiaries		
Management income	(240)	(360)
Administration fee paid on behalf of a subsidiary	10	10

The key management personnel compensations are as follows:

	Group		Company	
	2026	1.1.2024 to 30.6.2025	2026	1.1.2024 to 30.6.2025
	RM'000	RM'000	RM'000	RM'000
Directors of the Company:				
- Fees	210	296	210	296
- Remuneration	1,114	1,773	-	-
- Other short-term employee benefits (including estimated monetary value of benefits-in-kind)	27	44	-	-
	1,351	2,113	210	296
Other Directors of the Group entities:				
- Fees	385	662	-	-
- Remuneration	391	445	-	-
	776	1,107	-	-
	2,127	3,220	210	296

25. SIGNIFICANT EVENT DURING THE PERIOD

25.1 Disposal of Ni Hsin Drones Sdn. Bhd.

In December 2025, the Group, via its wholly-owned subsidiary, NHEVT disposed 2 ordinary shares in NHD, representing the 100% equity interest in NHD for a total cash consideration of RM2. Following the disposal, NHD ceased to be a subsidiary of the Group. NHD did not represent a separate major line of business or geographical area of operations and, accordingly, the disposal was not classified as a discontinued operation.

26. COMPARATIVE FIGURES

In the previous financial year, the Group and the Company changed their financial year end from 31 December 2024 to 30 June 2025. Accordingly, the financial statements of the Group and the Company for the financial period ended 30 June 2025 covered a 18 months period compared to a 12 months period for the current financial year. The comparative amounts are therefore not comparable for the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and related notes of the current financial year.

STATEMENT BY DIRECTORS

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

In the opinion of the Directors, the financial statements set out on pages 74 to 129 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 June 2026 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:

Rizvi Bin Abdul Halim
Director

Ng Shwu Ching
Director

Selangor Darul Ehsan

Date: 27 October 2026

STATUTORY DECLARATION

pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Ng Shwu Ching**, the Director primarily responsible for the financial management of Ni Hsin Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 74 to 129 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Ng Shwu Ching, NRIC: 670803-10-6136, at Selangor Darul Ehsan on 27 October 2026.

Ng Shwu Ching

Before me:

Name:

Commissioner for Oaths
Selangor Darul Ehsan

INDEPENDENT AUDITORS' REPORT

To the members of Ni Hsin Group Berhad
(Registration No. 200401014850 (653353-W))(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Ni Hsin Group Berhad, which comprise the statements of financial position as at 30 June 2026 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 74 to 129.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 June 2026, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current 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.

The key audit matter of the Group

Valuation of goodwill	
Refer to Note 4 Goodwill	
The key audit matter	**How the matter was addressed in our audit**
The Group has RM7.5 million of goodwill as at 30 June 2026. These cash-generating units ("CGUs") are tested for impairment annually. Management applies the value-in-use (discounted cash flow) method to determine the recoverable amount of CGU. Any shortfall of the recoverable amounts against the carrying amounts would be recognised as impairment losses. The recoverable amounts are determined based on management estimates and assumptions on inputs as disclosed in Note 4 to the financial statements. This is a key audit matter because of the significant judgement required from us to evaluate the assumptions and estimates used in determining the recoverable amount of CGU.	We performed the following audit procedures, among others, around the impairment of goodwill: ● We evaluated the basis and assumptions used by the management in the preparation of cash flow projections. ● We challenged the assumptions used in deriving the value-in-use models based on our knowledge of the CGU's operations, and compared them against historical forecast and performance. ● We engaged our corporate finance specialist to assess the appropriateness of the discount rates used. ● We used sensitivity analysis to determine those factors that were most sensitive within the valuation model. ● We considered the adequacy of the Group's disclosure in respect of the impairment assessment.

INDEPENDENT AUDITORS' REPORT

To the members of Ni Hsin Group Berhad
(Registration No. 200401014850 (653353-W))(Incorporated in Malaysia)
(Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key Audit Matters (continued)

The key audit matter of the Group (continued)

Valuation of inventories	
Refer to Note 9 Inventories	
The key audit matter	**How the matter was addressed in our audit**
The Group has RM19.2 million of inventories as at 30 June 2026. The Group has significant levels of inventories and significant management judgments are taken with regard to categorisation of inventories into slow-moving, specifically for stainless steel products and cookware inventories amounting to RM3.1 million, and which should therefore be considered for provision. Estimates are then involved in arriving at provisions against cost in respect of slow-moving inventories to arrive at valuation based on lower of cost and net realisable value. Given the level of significant management judgments and estimates involved this is considered to be a key audit matter.	We performed the following audit procedures, among others, around the valuation of inventories: ● We tested the accuracy of the ageing of inventories by testing the age profile of the inventory balances to the respective Goods Received Notes, Work Orders, and Handover documents. ● We evaluated the Group's inventory net realisable values for finished goods as at 30 June 2026 by comparing the carrying value of the inventories to sales made to external customers subsequent to year end to test whether these exceeded the carrying value of inventory at year end. ● For those inventories without sales subsequent to year end, we evaluated the Group's basis of provisioning for slow-moving inventories as at 30 June 2026 based on the utilisation of each component of these inventories. ● Based on the inventory ageing, we assessed the Group's adequacy of allowance for slow-moving inventories as at 30 June 2026 by comparing the Group's provision amount to provision computed by us based on our work performed above.

The key audit matter of the Company

Valuation of investment in subsidiaries	
Refer to Note 5 Investments in subsidiaries	
The key audit matter	**How the matter was addressed in our audit**
The carrying value of investments in subsidiaries amounted to RM72.9 million, which accounted for more than 87% of the Company's total asset as at 30 June 2026. Management determines at the end of each reporting period the existence of an objective evidence through which the Company's investment in subsidiaries may be impaired. If there are indicators of impairment, the deficit between recoverable amount of the subsidiary and its carrying value would be recognised in profit or loss. This is a key audit matter because of the significant judgement involved to evaluate management assumptions and estimates used in determining the recoverable amounts of the subsidiaries.	We performed the following audit procedures, among others, around the impairment of subsidiaries: ● We compared the carrying amount of the investments in subsidiaries with the respective subsidiaries' net assets value to identify whether the net assets values, being an approximation of their maximum recoverable amount, were in excess of the carrying amount for indication of impairment. ● We evaluated the basis and assumptions used by the management in the preparation of cash flow projections. ● We challenged the assumptions used in deriving the recoverable amount based on our knowledge of the subsidiary's operations, and compared them against historical forecast and performance. ● We used sensitivity analysis to determine those factors that were most sensitive within the valuation model.

INDEPENDENT AUDITORS' REPORT

To the members of Ni Hsin Group Berhad
(Registration No. 200401014850 (653353-W))(Incorporated in Malaysia)
(Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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 Directors' Report, Statement on Risk Management and Internal Control and Annual Report (but does not include the financial statements of the Group and of the Company and our auditors' report thereon), which we obtained prior to the date of this auditors' report, and the remaining parts of the annual report, which are expected to be made available to us after that date.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining parts of the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate actions in accordance with approved standards on auditing in Malaysia and International Standards on Auditing.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT

To the members of Ni Hsin Group Berhad
(Registration No. 200401014850 (653353-W))(Incorporated in Malaysia)
(Cont'd)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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: (continued)

- 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 ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the Directors with a statement that we have 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 year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors are disclosed in Note 5 to the financial statements.

OTHER MATTER

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.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Petaling Jaya

Date: 27 October 2026

Soo Tho Pei Yin
Approval Number: 03699/12/2026 J
Chartered Accountant

STATEMENT OF SHAREHOLDINGS

As at 30 September 2026

Total number of issued shares	625,302,294 ordinary shares (including shares held as treasury shares)
Class of shares	Ordinary Share
Voting rights	One vote per ordinary share

SIZE OF SHAREHOLDINGS AS AT 30 SEPTEMBER 2026

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of shares held	% of issued capital
Less than 100 shares	598	17.04	24,772	0.00
100 to 1,000 shares	475	13.54	157,362	0.03
1,001 to 10,000 shares	884	25.19	4,666,966	0.81
10,001 to 100,000 shares	1,137	32.40	41,014,660	7.12
100,001 to 28,797,847*	414	11.80	450,045,184	78.14
28,797,847 and above **	1	0.03	80,048,014	13.90
Total	**3,509**	**100.00**	**575,956,958**	**100.00**

Notes:

 # Excluding a total of 49,345,336 shares bought-back by the Company and retained as treasury shares as at 30 September 2026
** Less than 5% of issued shares (excluding treasury shares)*
*** 5% and above of issued shares (excluding treasury shares)*

DIRECTORS' SHAREHOLDINGS AS AT 30 SEPTEMBER 2026

(As per Register of Directors' Shareholdings)

		Direct Interest		Deemed Interest	
	Name of Directors	No. of shares held	% of issued capital*	No. of shares held	% of issued capital*
1	Sofiyan Bin Yahya	20,155,582	3.50	-	-
2	Rizvi Bin Abdul Halim	-	-	-	-
3	Ng Shwu Ching	-	-	2,000,000^	0.35
4	Khoo Wuan Ru	-	-	116,016,747#	20.14
5	Poo Chii Miin @ Chermaine Poo	-	-	-	-
6	Tung Fook Heng	-	-	-	-
7	Beh Ee Nah	-	-	-	-

Note:

** Excluding a total of 49,345,336 shares bought-back by the Company and retained as treasury shares as at 30 September 2026*
 # Deemed interest through ordinary shares held by father, Khoo Chee Kong
^ Deemed interest through ordinary shares held by spouse, Shu Hang Sheong

STATEMENT OF SHAREHOLDINGS

As at 30 September 2026
(Cont'd)

30 LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2026
(Without aggregating the securities from different securities accounts belonging to the same Depositor)

	Name of Shareholders	No. of shares held	% of issued capital*
1	Maybank Nominees (Tempatan) Sdn Bhd *Pledged securities account for Khoo Chee Kong*	80,048,014	13.90
2	AllianceGroup Nominees (Tempatan) Sdn Bhd *Pledged securities account for Yap Chee Kheng*	22,000,033	3.82
3	M & A Nominee (Tempatan) Sdn Bhd *Pledged securities account for Khoo Chee Kong*	21,639,433	3.76
4	Sofiyan Bin Yahya	20,047,249	3.48
5	TA Nominees (Tempatan) Sdn Bhd *Pledged securities account for Khoo Chee Kong*	14,329,300	2.49
6	Ng Meng Kee (Dato')	12,778,400	2.22
7	Tan Tiang Huat	11,748,400	2.04
8	Kenanga Nominees (Tempatan) Sdn Bhd *Pledged securities account for Chia Kee Siong*	11,434,526	1.99
9	UOB Kay Hian Nominees (Asing) Sdn Bhd *Exempt An for UOB Kay Hian Pte Ltd*	10,765,733	1.87
10	M & A Nominee (Tempatan) Sdn Bhd *Pledged securities account for Soo Yoke Mun*	10,300,091	1.79
11	Cartaban Nominees (Asing) Sdn Bhd *Exempt An for Interactive Brokers (U.K.) Limited*	10,142,000	1.76
12	Yeoh Weii Syuen	8,250,039	1.43
13	Lee Kok Seng	8,056,100	1.40
14	Oon Beng Chye	8,000,400	1.39
15	Ler Pei Fen	8,000,000	1.39
16	Teoh Khai Lin	7,890,000	1.37
17	RHB Nominees (Tempatan) Sdn Bhd *Ooi Kar Hui*	7,000,000	1.22
18	Maybank Nominees (Tempatan) Sdn Bhd *Pledged securities account for Chyo Ti Hau*	5,393,800	0.94
19	CGS International Nominees Malaysia (Tempatan) Sdn Bhd *Pledged securities account for Yap Chee Kheng*	5,200,000	0.90
20	Oh Gee Chuan	5,076,600	0.88
21	Ong Choon Keat	4,300,000	0.75
22	Lim Jit Hai	4,164,325	0.72
23	Navin@Datesh A/L Daneshwar	4,139,500	0.72
24	Wong Pang Yean	3,988,600	0.69
25	Moomoo Nominees (Tempatan) Sdn Bhd *Pledged securities account for Oon Chin How*	3,909,800	0.68
26	Citigroup Nominees (Asing) Sdn Bhd *UBS AG*	3,811,200	0.66
27	Chen Chee Seang	3,500,333	0.61

STATEMENT OF SHAREHOLDINGS

As at 30 September 2026
(Cont'd)

30 LARGEST SHAREHOLDERS AS AT 30 SEPTEMBER 2026 (CONTINUED)
(Without aggregating the securities from different securities accounts belonging to the same Depositor)

	Name of Shareholders	No. of shares held	% of issued capital*
28	Cimsec Nominees (Tempatan) Sdn Bhd *CIMB for Leong Kok Hou*	3,200,000	0.56
29	Khoo Peng Lai	3,100,000	0.54
30	Amsec Nominees (Tempatan) Sdn Bhd *Pledged securities account - Ambank (M) Berhad for Dato' Sri Gan Chow Tee*	3,073,100	0.53
Total		**325,286,976**	**56.48**

Note:

* *Excluding a total of 49,345,336 shares bought-back by the Company and retained as treasury shares as at 30 September 2026*

SUBSTANTIAL SHAREHOLDERS AS AT 30 SEPTEMBER 2026
(As per Register of Substantial Shareholders)

		Direct Interest		Deemed Interest	
	Name of Substantial Shareholder	No. of shares held	% of issued capital*	No. of shares held	% of issued capital*
1	Khoo Chee Kong	116,016,747	20.14	-	-

Note:

* *Excluding a total of 49,345,336 shares bought-back by the Company and retained as treasury shares as at 30 September 2026*

LIST OF PROPERTIES

As at 30 June 2026

No	Location	Description	Existing use	Tenure	Age of buildings (Years) #	Land Area (sq meters)	Built-up Area (sq meters)	Net Book Value RM'000	Year of Last Revaluation/ Acquisition
1	HS (D) 140097, PT No, 71214								
*	(formerly HS(D) 38402, PT No. 20620) Mukim of Kajang District of Ulu Langat Selangor Darul Ehsan Malaysia	Industrial Land with 2 Storey Office Building and 1 Storey Factory Building	Office Building and Factory	Freehold	36	9,854	6,320	55,660	2025 (revaluation)
*	(formerly HS(D) 23491, PT No. 20621) Mukim of Kajang District of Ulu Langat Selangor Darul Ehsan Malaysia	Industrial Land with 3 Storey Office Building and 1 Storey Factory Building	Office Building, Factory and Warehouse	Freehold	29	7,865	7,682	-	
2	Unit No. 06, Block BB, 3rd Floor, Taman Taming Jaya held under Strata Title Geran 34049/M2/4/102, Lot 19716 for Parcel No. 102, Level No. 4, Building No. M2 Mukim of Kajang District of Hulu Langat Selangor Darul Ehsan Malaysia	1 unit flat housing	Staff accommodation	Freehold	34	-	62	11.00	1990
3	Unit No. 07, Block BB, 3rd Floor, Taman Taming Jaya held under Strata Title Geran 34049/M2/4/103, Lot 19716 for Parcel No. 103, Level No. 4, Building No. M2 Mukim of Kajang District of Hulu Langat Selangor Darul Ehsan Malaysia	1 unit flat housing	Staff accommodation	Freehold	34	-	62	11.00	1990
4	Unit No. 08, Block BB, 3rd Floor, Taman Taming Jaya forming part of the land held under Master Title HS(D) 16865, PT No. 17962 Mukim of Kajang District of Hulu Langat Selangor Darul Ehsan Malaysia	1 unit flat housing	Staff accommodation	Freehold	34	-	62	11.00	1990

 # Age of buildings starts from the date of certificate of fitness issued.

** On 16 April 2009, the respective pieces of land have been amalgamated pursuant to the condition imposed by the Securities Commission during the initial public offering.*

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Second Annual General Meeting of the Company will be held at Parameswara Ballroom 1 & 2, Mines Beach Resort Hotel & Wellness, Jalan Dulang, Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia on Monday, 7 December 2026 at 9.30 a.m. to transact the following businesses:-

AGENDA

As Ordinary Business

1. To receive the Audited Financial Statements for the financial year ended 30 June 2026 together with the Directors' and Auditors' Reports thereon. **(Please refer to Note 8)**

2. To approve the Directors' fees and benefits payable to the Directors of the Company and its subsidiaries up to an aggregate amount of RM250,000 only for the period from 8 December 2026 and up to the date of the next Annual General Meeting ("**AGM**") of the Company, to be paid quarterly in arrears. **Ordinary Resolution 1**

3. To re-elect the following Directors who are retiring pursuant to Clause 95 of the Constitution of the Company:-

   i) Encik Sofiyan Bin Yahya **Ordinary Resolution 2**
   ii) Ms Ng Shwu Ching **Ordinary Resolution 3**
   iii) Mr Tung Fook Heng **Ordinary Resolution 4**

4. To re-appoint KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

As Special Business

To consider and, if thought fit, to pass the following resolutions with or without modifications:-

5. **Proposed Continuance in Office of Encik Sofiyan Bin Yahya as Independent Non-Executive Director**

   "THAT, contingent upon passing of Ordinary Resolution 2, approval be and is hereby given to Encik Sofiyan Bin Yahya who has served as an Independent Non-Executive Director ("**Independent Director**") of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Director of the Company until the conclusion of the next AGM of the Company in accordance with the Malaysian Code on Corporate Governance ("**MCCG**")." **Ordinary Resolution 6**

6. **Authority under Section 76 of the Companies Act 2016 ("the Act") for the Directors to allot and issue shares**

   "THAT pursuant to Section 76 of the Act, the Directors be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided 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 for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issuance.

   THAT in connection with the above, pursuant to Section 85 of the Act and Clause 59 of the Constitution of the Company, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion of their holdings at such price and at such terms to be offered arising from any issuance of new shares pursuant to this mandate by the Company.

NOTICE OF ANNUAL GENERAL MEETING
(Cont'd)

AND THAT the new shares to be issued shall, upon allotment and issuance, rank equally 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 which may be declared, made or paid before the date of allotment of such new shares."

Ordinary Resolution 7

7. **Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares ("Proposed Renewal of Share Buy-Back Authority")**

"THAT subject to the Act, the provisions of the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") and any other relevant authority or approval for the time being in force or as may be amended from time to time, the Directors of the Company be and are hereby authorised to utilise an amount not exceeding the audited retained profits of the Company to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:-

(a) the aggregate number of ordinary shares which may be purchased and/or held by the Company as treasury shares shall not exceed ten per centum (10%) of the total number of issued shares of the Company at any point in time of the said purchase(s);

(b) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained profits of the Company at the time of purchase; and

(c) the authority conferred by this resolution shall continue to be in force until:-

(i) the conclusion of the next AGM of the Company following the general meeting at which such resolution was passed at which time the said authority shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;

(ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or

(iii) revoked or varied by an ordinary resolution passed by the shareholders in general meeting,

whichever occurs first, but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any).

THAT upon completion of the purchase by the Company of its own ordinary shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manner:-

(a) distribute the shares as share dividends to the shareholders; and/or

(b) resell the shares or any of the shares on Bursa Securities; and/or

(c) transfer the shares or any of the shares for the purposes of or under an employees' shares scheme; and/or

(d) transfer the shares or any of the shares as purchase consideration; and/or

(e) cancel all the ordinary shares so purchased; and/or

(f) sell, transfer or otherwise use the shares for such other purposes as allowed by the Act.

NOTICE OF ANNUAL GENERAL MEETING
(Cont'd)

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary (including executing all such documents as may be required) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the Proposed Renewal of Share Buy-Back Authority with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the said Directors may deem fit and expedient in the best interests of the Company."

Ordinary Resolution 8

8. To transact any other business for which due notice shall have been given in accordance with the Act.

BY ORDER OF THE BOARD
TAI YIT CHAN (SSM PC No. 202008001023) (MAICSA 7009143)
TAN AI NING (SSM PC No. 202008000067) (MAICSA 7015852)
Company Secretaries

Selangor Darul Ehsan

Date: 29 October 2026

NOTES:-

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.

2. A member of the Company may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholdings to be represented by each proxy.

3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.

5. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the office of the Company's Share Registrar, Bina Management (M) Sdn. Bhd. at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof, otherwise the instrument of proxy should not be treated as valid. Any notice of termination of person's authority to act as a proxy must be forwarded to the Company prior to the commencement of the AGM or Adjourned AGM.

6. Pursuant to Paragraph 8.29A(1) of the MMLR of Bursa Securities, all the resolutions set out in the notice of the general meeting will be put to vote by way of poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.

7. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 30 November 2026 and only a Depositor whose name appears in such Record of Depositors shall be entitled to attend and vote at this meeting and entitled to appoint proxy or proxies.

8. The Audited Financial Statements in Agenda 1 is meant for discussion only as approval from shareholders is not required pursuant to the provision of Section 340(1)(a) of the Act. Hence, this Agenda is not put forward for voting by shareholders of the Company.

NOTICE OF ANNUAL GENERAL MEETING
(Cont'd)

9. EXPLANATORY NOTES

(i) Ordinary Resolution 1 on Directors' fees and benefits payable to Directors

Payment of Directors' fees and benefits under Section 230(1) of the Act provides amongst others, that the Directors' fees and any benefits payable to the Directors of the Company and its subsidiaries shall be approved at a general meeting. There is no revision to the amount proposed.

The amount of Directors' fees and benefits payable to each Director of the Company are as follows:-

Directors	Amount (RM)
Encik Sofiyan Bin Yahya	84,000
Ms Poo Chii Miin @ Chermaine Poo	48,000
Mr Tung Fook Heng	42,000
Ms Beh Ee Nah	36,000
Ms Ng Shwu Ching	-
Encik Rizvi Bin Abdul Halim	-
Ms Khoo Wuan Ru	-

In determining the estimated total amount of Directors' fees and benefits payable to the Directors of the Company, the Board has considered various factors including the number of scheduled meetings for the Board and Board Committees, current Board size and provisional sum as a contingency for future appointment of Director on the Board.

The Executive Directors have voluntarily waived their entitlement for Directors' fees and benefits payable.

(ii) Ordinary Resolutions 2, 3 and 4 on Re-election of Directors

Pursuant to the MCCG, the profiles of the Directors who are standing for re-election as per Agenda items 3 are set out in the Board of Directors' profile of the Annual Report 2026.

The performance, contribution, effectiveness and independence (as the case may be) of the retiring Directors, namely Encik Sofiyan Bin Yahya, Ms Ng Shwu Ching and Mr Tung Fook Heng (collectively "**Retiring Directors**") have been assessed by the Nomination Committee ("**NC**"). In addition, the NC has also conducted an assessment on the fitness and propriety of the Retiring Directors including the review of their fit and proper declarations and results of their background checks in accordance with the Directors' Fit & Proper Policy. The Retiring Directors have abstained from deliberations and decision on their own eligibility and suitability to stand for re-election.

Based on the recommendation of NC, the Board endorsed the same, having been satisfied with performance as well as fitness and propriety of the Retiring Directors.

(iii) Ordinary Resolution 6 - Proposed Continuance in Office of Encik Sofiyan Bin Yahya as Independent Non-Executive Director

Practice 5.3 of the MCCG provides that shareholders' approval be sought through a two-tier voting process in the event that the Company intends for an Independent Director who has served in the capacity for more than nine (9) years, to continue to act as an Independent Director of the Company.

Proposed Ordinary Resolution 6, if passed, will allow Encik Sofiyan Bin Yahya ("**Encik Sofiyan**") to continue to serve as an Independent Director of the Company until the conclusion of the next AGM of the Company.

Encik Sofiyan was appointed as an Independent Director of the Company on 22 November 2017 and will have served for a cumulative term of more than nine (9) years on 22 November 2026. The Board, through the NC, has assessed the independence of Encik Sofiyan and is satisfied that he remains independent, objective and impartial in the discharging of his duties as well as in exercising sound judgement and making decision in the best interest of the Company, its shareholders and stakeholders.

NOTICE OF ANNUAL GENERAL MEETING
(Cont'd)

Based on the recommendation of the NC, the Board recommended that Encik Sofiyan continues to serve as an Independent Director of the Company. His proposed continuance in office as an Independent Director of the Company is to ensure adequate plan in place for orderly succession planning for Independent Directors to the Board and to provide the Company with sufficient time to identify and appoint a suitable candidate, where appropriate. The detailed justifications are set out in the Corporate Governance Overview Statement of the Annual Report 2026.

Encik Sofiyan has abstained from the deliberation and decision on his proposed continuance in office as an Independent Director of the Company at the relevant Board meeting. In line with the MCCG, the Company will adopt a two-tier voting process in seeking annual shareholders' approval for the proposed continuance in office of Encik Sofiyan as an Independent Director at the Twenty-Second AGM of the Company.

(iv) Ordinary Resolution 7 - Authority under Section 76 of the Act for the Directors to allot and issue shares

The Company had, during its Twenty-First AGM held on 26 November 2025, obtained its shareholders' approval for the general mandate for issuance of shares pursuant to Section 76 of the Act. As at the date of this notice, the Company did not issue any shares pursuant to this mandate obtained.

The Ordinary Resolution 7 proposed under item 6 of the Agenda is to seek shareholders' approval of the general mandate for issuance of shares by the Company under Section 76 of the Act.

This proposed Ordinary Resolution 7, if passed, will provide additional flexibility for the Company for fund raising and enable the Company, should it required to allot and issue 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 to meet its funding requirements for working capital or strategic development of the Group and operational expenditure, expeditiously and efficiently during this challenging time to ensure the long-term sustainability of the Company and safeguard the interest of the Company and the shareholders. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares.

This authority, unless revoked or varied by the Company at a general meeting, will expire at the next AGM.

The waiver of pre-emptive rights pursuant to Section 85 of the Act and Clause 59 of the Company's Constitution will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to the issuance of new shares in the Company under the general mandate.

At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect thereof.

(v) Ordinary Resolution 8 - Proposed Renewal of Authority for the Company to Purchase its own Ordinary Shares

The explanatory notes on Ordinary Resolution 8 are set out in the Statement to Shareholders dated 29 October 2026.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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NI HSIN GROUP BERHAD
(Registration No. 200401014850 (653353-W))
(Incorporated in Malaysia)

No. of shares held	
CDS Account No.	

PROXY FORM

I/We*, _____ (full name of shareholder, in capital letters)

NRIC No./Passport No./Company No.* _____ of _____

_____ (full address)

telephone no. _____ and email address _____

being a member/members* of **NI HSIN GROUP BERHAD**, hereby appoint(s):-

Full Name (in Block)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			
Email Address			
Telephone No.			

and/ or*

Full Name (in Block)	**NRIC/Passport No.**	**Proportion of Shareholdings**	
		No. of Shares	**%**
Address			
Email Address			
Telephone 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 Twenty-Second Annual General Meeting of the Company to be held at Parameswara Ballroom 1 & 2, Mines Beach Resort Hotel & Wellness, Jalan Dulang, Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia on Monday, 7 December 2026 at 9.30 a.m. or at any adjournment thereof in respect of my/our shareholding in the manner indicated below:-

No.	**Resolutions**	**For**	**Against**
Ordinary Resolution 1	To approve the Directors' fees and benefits payable to the Directors of the Company and its subsidiaries up to an aggregate amount of RM250,000 only for the period from 8 December 2026 and up to the date of the next Annual General Meeting ("**AGM**") of the Company, to be paid quarterly in arrears.		
Ordinary Resolution 2	To re-elect Encik Sofiyan Bin Yahya who is retiring pursuant to Clause 95 of the Constitution of the Company.		
Ordinary Resolution 3	To re-elect Ms Ng Shwu Ching who is retiring pursuant to Clause 95 of the Constitution of the Company.		
Ordinary Resolution 4	To re-elect Mr Tung Fook Heng who is retiring pursuant to Clause 95 of the Constitution of the Company.		
Ordinary Resolution 5	To re-appoint KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.		
Ordinary Resolution 6	To approve the proposed continuance in office of Encik Sofiyan Bin Yahya as Independent Non-Executive Director		
Ordinary Resolution 7	To approve the authority under Section 76 of the Companies Act 2016 for the Directors to allot and issue shares.		
Ordinary Resolution 8	To approve the proposed renewal of authority for the Company to purchase its own ordinary shares.		

**Strike out whichever is not desired.*

[Please indicate with an "X" in the spaces provided whether you wish your votes to be cast for or against the resolutions. In the absence of specific directions, your proxy will vote or abstain as he/she thinks fit.]

_____
Signature/Common Seal of Member/(s)

Number of shares held: _____

Date: _____

Fold this flap for sealing

NOTES:

1. A member of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or proxies to attend and vote in his stead. A proxy may but need not be a member of the Company. There shall be no restriction as to the qualification of the proxy.
2. A member of the Company may appoint up to two (2) proxies to attend and vote at the same meeting. Where a member of the Company appoints two (2) proxies, the appointment shall be invalid unless the member specifies the proportion of his shareholdings to be represented by each proxy.
3. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, the instrument appointing a proxy must be executed under its Common Seal or under the hand of an officer or attorney duly authorised.
5. The instrument appointing a proxy, with the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority, shall be deposited at the office of the Company's Share Registrar, Bina Management (M) Sdn. Bhd. at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan, Malaysia not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof, otherwise the instrument of proxy should not be treated as valid. Any notice of termination of person's authority to act as a proxy must be forwarded to the Company prior to the commencement of the AGM or Adjourned AGM.

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AFFIX
STAMP

The Share Registrar
NI HSIN GROUP BERHAD
Registration No. 200401014850 (653353-W)
Lot 10, The Highway Centre
Jalan 51/205
46050 Petaling Jaya
Selagor Darul Ehsan
Malaysia

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6. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities, all the resolutions set out in the notice of the general meeting will be put to vote by way of poll. Poll Administrator and Independent Scrutineers will be appointed to conduct the polling process and verify the results of the poll respectively.
7. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company a Record of Depositors as at 30 November 2026 and only a Depositor whose name appears in such Record of Depositors shall be entitled to attend and vote at this meeting and entitled to appoint proxy or proxies.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and /or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 29 October 2026.









NI HSIN
Your Global Partner
SINCE 1989

Ni Hsin Group Berhad
(Registration No. 200401014850 (653353-W))

45, Jalan Taming Dua, Taman Taming Jaya, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia.

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