

## SUSTAINABILITY STATEMENT (CONT'D)

### RISK MANAGEMENT

Hong Seng is cognizant that the Group must place priority in risk management as part of its sustainability planning and initiatives. We align our risk management process to build readiness and resilience through the identification and management of potential risks encountered by the Group. As a result, the Group integrates its Enterprise Risk Management (“ERM”) framework with sustainability risks, in addition to our corporate, operational and financial risks.

The Group ensures all identified risks remain within our capacity, capability and risk appetite through constant revision and monitoring by our designated risk owners.

Material Matters	Risks	Opportunities
<b>Our Business Performance</b>		
Supply Chain Management	Non-compliance by suppliers, vendors and contractors affects our ethical principles, and safety culture which could expose business to operational disruptions.	Sound procurement governance attracts and retains credible suppliers, vendors and contractors. Regular assessment includes ESG assessment to uphold our commitment and high standards towards ESG aspects.
Business Conduct, Ethics & Compliance	Poor corporate governance practices tarnish reputation, credibility, and image.	Effective corporate governance practices enhance our reputation as a trustworthy group amongst stakeholders.
Financial Performance	Poor financial performance threatens credit worthiness and business continuity, and loss of investment opportunity.	Sustainable financial performance attracts investors and delivers long-term value for all stakeholders.
Product & Service Quality	Poor product quality and service lead to erosion of customers’ confidence and long-term prospects. Reputation risk.	Excellent product and service quality attract long-term business prospects and higher margins.
Customer Satisfaction & Relationship	Inability to meet customers’ expectations impacts on customers’ confidence and loyalty that leads to lower revenue.	Regular and consistent customer engagements facilitate continuous improvement to meet customers’ expectations.
Technology, Innovation & Development	Cyber threats including loss of sensitive information such as intellectual property designs and breach of customers’ data may lead to loss of customer trust and reputational harm.	Robust cybersecurity and improved data management protects critical internal information and data, such as customer data, and maintains trust in the Group.
<b>Our Environmental Management</b>		
Environmental Issue	Non-compliance with environmental/ climate-related regulations leads to potential financial and trade penalties especially in export markets.	Effective mitigation and adaptation strategy ensures business continuity and potential trade barriers.
Material Management	Failure to meet stakeholders’ demand for the use of sustainable materials may result in a loss of sales and/or market share.	Opting for sustainable materials enhances brand image and attracts more sustainably minded customers and investors.
Energy Management	Poor energy management leads to inefficiency, higher costs and potential scarcity of energy resources.	Efficient energy management may reduce operational costs and promote energy conservation behaviors.
Waste Management	Non-compliance with environmental regulations results in consequences from authorities and activists. Reputation risk.	Waste reduction and increased resource efficiency can result in cost savings for operations.
<b>Our People</b>		
Employees	Disengaged and underdeveloped employees contribute to lower productivity and performance. Unattractive remuneration and compensation packages affect employees’ motivation.	Effective talent development and upskilling programs with attractive benefits packages enable employee retention and attraction of top-quality talent as well as contribute to a high-performance culture.

## SUSTAINABILITY STATEMENT (CONT'D)

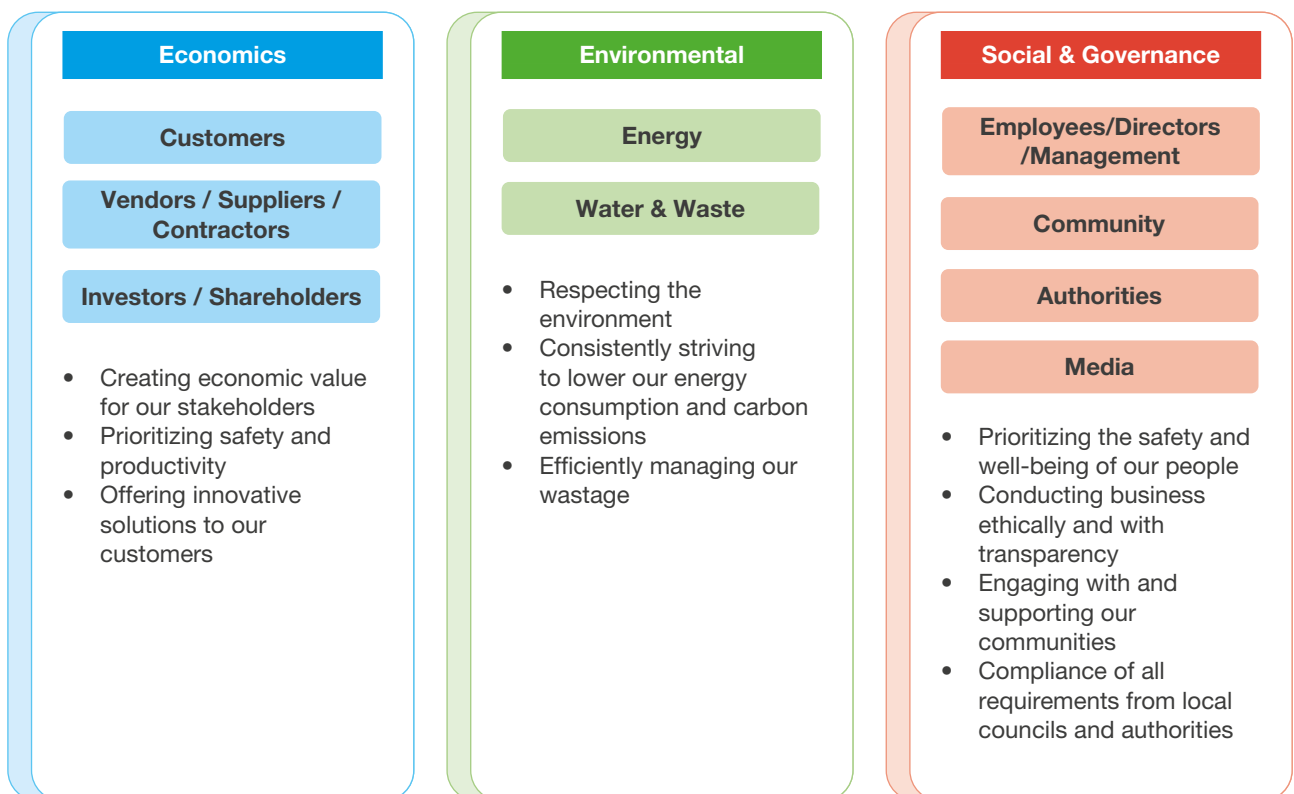
### RISK MANAGEMENT (CONT'D)

Material Matters	Risks	Opportunities
<b>Our People</b>		
Labour Practices & Human Rights	Breaches in labour practices and human rights practices lead to regulatory penalties, damage in reputation, and impact employee retention and culture.	Strong labor practices and human rights practices reinforce reputation as a responsible employer.
Employee Well Being, Health & Safety	Accidents and injuries lead to productivity loss, legal repercussions, and reputational damage.	Solid safety culture with conducive working environment improves employees' well being and productivity and maintains reputation.
Diversity, Equity & Inclusion	Discriminatory employment practices damage reputation.	Inclusive, diverse, and empowering work culture attracts talents and bring a range of viewpoints that enhances the quality of decision-making.
<b>Our Outreach</b>		
Local Community and Social Impact	Business activities that negatively impact communities affect our social license to operate.	Regular engagements through community impact programs strengthen our relationship with local communities.

### SUSTAINABILITY THEMES

In our efforts to achieve sustainable growth, we constantly monitor and deliberate on the industry trends, challenges faced in our business operations and stakeholder expectations, to produce sustainable long-term value to shareholders and stakeholders, especially the community around us.

We segmented sustainability management into three themes:



## SUSTAINABILITY STATEMENT (CONT'D)

### MATERIALITY ASSESSMENT

Hong Seng is cognizant of the fact that our material issues can directly and indirectly impact on our ability to create long-term value for our stakeholders. We believe that conducting a full-scale materiality assessment during the financial year or period involving our key internal and external stakeholders will ensure that their interests and concerns are addressed.

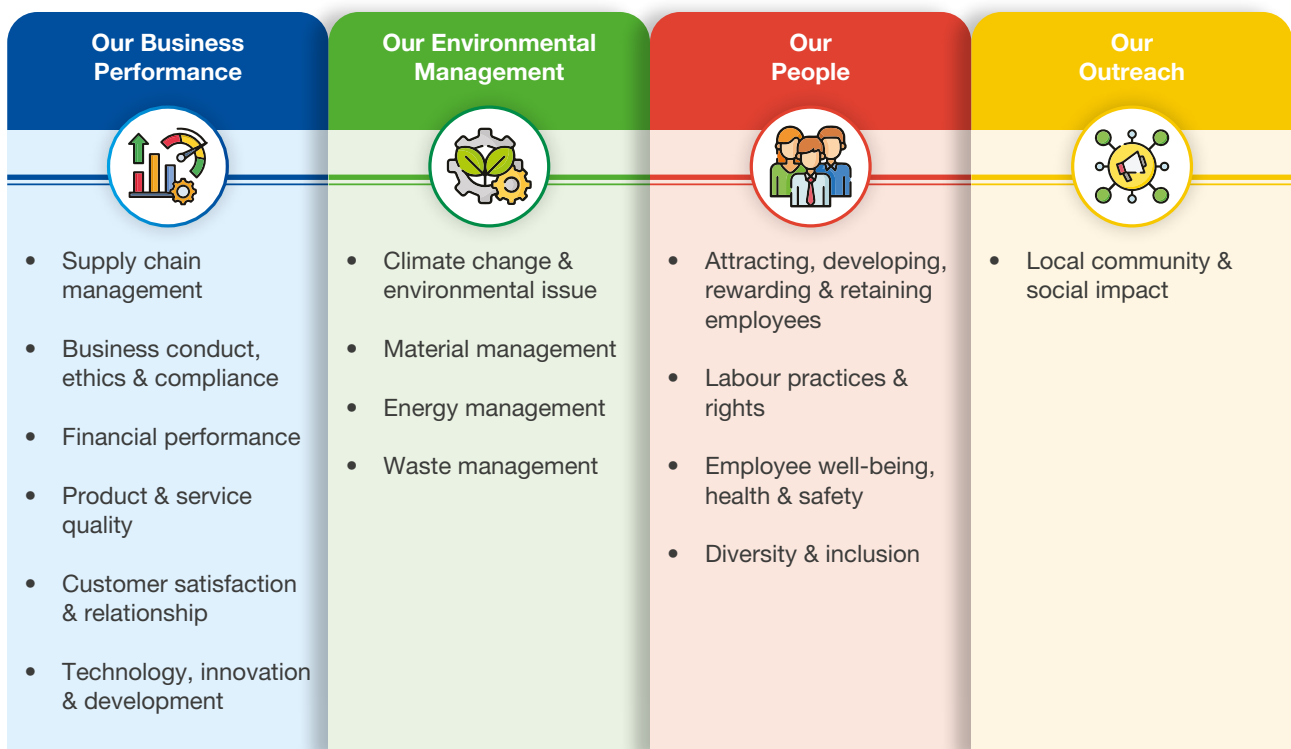
Our material matters influence our business strategy and decisions on allocation of our resources to materiality sustainability issues. While we plan to conduct a comprehensive materiality assessment once every 3 years, we plan to undertake an annual review of the relevance of our previously prioritized economic, environmental, social and governance impacts arising from our day-to-day activities.

The materiality assessment is to ensure that material matters are relevant and will remain relevant until the next materiality assessment. This will help in our approach to managing the sustainability risks and opportunities posed to our businesses and help us in ensuring that we prioritise the issues that have the greatest impact on our sustainability strategies and operation.

In the materiality assessment, we concluded that all our identified 15 material matters are aligned with our strategic priorities and stakeholder expectations. These matters were further categorized into sustainability themes, providing us with a focused approach to achieving our sustainability objectives. These were also benchmarked against our local and regional peers as well as considered emerging risks and relevant frameworks.

The result from the materiality assessment is presented in this Sustainability Statement.

Our top 15 material matters are as follows:



## SUSTAINABILITY STATEMENT (CONT'D)

### MATERIALITY ASSESSMENT (CONT'D)

#### United Nations Sustainable Development Goals (“UNSDGs”)

The UNSDGs are significant because they provide a universal framework that links global sustainability challenges with business practices.



The importance can be explained in several dimensions -

**(i) Strategic Alignment and Global Relevance**

By aligning business operations with the UNSDGs, we demonstrate that we are not only meeting local regulatory expectations but also **contributing to global priorities**. This enhances the Group’s international credibility and positions it as a responsible corporate citizen.

**(ii) Stakeholder Trust and Transparency**

Stakeholders, such as investors, regulators, customers, and communities, expect Hong Seng to demonstrate how our activities contribute to sustainable development. Linking activities to the UNSDGs provides **a transparent and standardized way of reporting**. This helps build trust, as stakeholders can clearly see the company’s positive contributions to issues that matter globally, such as climate action (SDG 13) or decent work (SDG 8).

**(iii) Risk Management and Opportunity Creation**

The UNSDGs highlight areas where businesses may face **emerging risks** (e.g., climate change, inequality, resource scarcity) and where we can **create and capture new opportunities**. In addition, we can proactively manage risks while positioning ourselves for growth in sustainable markets.

**(iv) Access to Capital and ESG Financing**

Global investors and financial institutions increasingly use the UNSDGs as a framework for sustainability-linked loans, bonds and sukuks, and investment screening. We plan to clearly align their strategies and disclosures with the UNSDGs, which are usually **more attractive to ESG-conscious investors, which can lower our cost of capital and improve our access to financing alternatives**.

## SUSTAINABILITY STATEMENT (CONT'D)

### MATERIALITY ASSESSMENT (CONT'D)

#### United Nations Sustainable Development Goals (“UNSDGs”) (Cont'd)

##### (v) Benchmarking and Performance Measurement

The UNSDGs provide measurable targets that help companies benchmark their performance. For example, energy efficiency and renewable adoption align with SDG 7, while gender equality metrics align with SDG 5. By embedding UNSDG targets into corporate KPIs, we can **set clear sustainability goals, track progress, and report consistently**.

##### (VI) Integration Across Business Segments





Hong Seng strongly supports the UNSDG’s 2030 Global Goals where the 17 identified Goals are to **lead communities, corporations, and governments into creating a better world** for all of us. We are integrating the following Sustainability Development Goals (“SDGs”) into our main business segments.

This multi-layered governance structure ensures that ESG risks and opportunities are not considered in isolation but are integrated into enterprise risk management, capital allocation, and business decision-making. This mapping demonstrates how each business segment contributes to broader sustainable development, linking core operations to global challenges and solutions. In addition, this combined framework ensures accountability from the top down, with Directors directly responsible for ESG integration in their respective domains.

During FPE 2025, we also internally selected the relevance of our SDGs for Hong Seng and its group of companies, by taking into consideration our material matters, business strategies, principal risks, stakeholder influence and effects on our community.

The 4 SDGs that were identified as the most relevant are as follows -

#### Top Four SDGs of Hong Seng

Sustainable Development Goals	Definition	Key Stakeholders Impacted
 3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote wellbeing for all at all ages	<ul style="list-style-type: none"> <li>• Employees/ Management/ Directors</li> <li>• Community</li> </ul>
 8 DECENT WORK AND ECONOMIC GROWTH	Promote sustainable economic growth, full and productive employment, and decent work for all	<ul style="list-style-type: none"> <li>• Customers</li> <li>• Investors and Shareholders</li> <li>• Employees/ Management/ Directors</li> <li>• Community</li> </ul>
 11 SUSTAINABLE CITIES AND COMMUNITIES	Ensure sustainable developments, occupancy, and dwellings	<ul style="list-style-type: none"> <li>• Customers</li> <li>• Community</li> </ul>
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> <li>• Customers</li> <li>• Community</li> <li>• Vendors/Suppliers/ Contractors</li> </ul>

## SUSTAINABILITY STATEMENT (CONT'D)

### MATERIALITY MATRIX

Hong Seng views materiality as a critical part of our corporate sustainability strategy especially when we are in an environment that is volatile and unpredictable. We need to ensure that we can provide our stakeholders with the sustainability information most relevant to them and applicable to our business operations.

The Materiality Matrix is not simply a reporting tool but a **strategic compass**. It had enabled Hong Seng to –

- Prioritize sustainability initiatives that matter most to stakeholders and the business.
- Allocate resources efficiently, ensuring high-impact areas are addressed first.
- Anticipate risks and opportunities that influence long-term enterprise value.
- Align ESG strategies with international frameworks (UNSDGs, IFRS S1/S2).

By visualizing stakeholder expectations against business relevance, the Materiality Matrix helped Hong Seng to maintain its transparency and build trust.

During FPE 2024, Hong Seng conducted a systematic materiality assessment process, which was guided principally by the Bursa Malaysia Sustainability Reporting Guide and their toolkits, EESG indicators. **For FPE 2025, we did not conduct another materiality assessment as the Board deliberated and concluded that the materiality assessment conducted in FPE 2024 is still relevant and applicable to our corporate sustainability strategy in FPE 2025.**

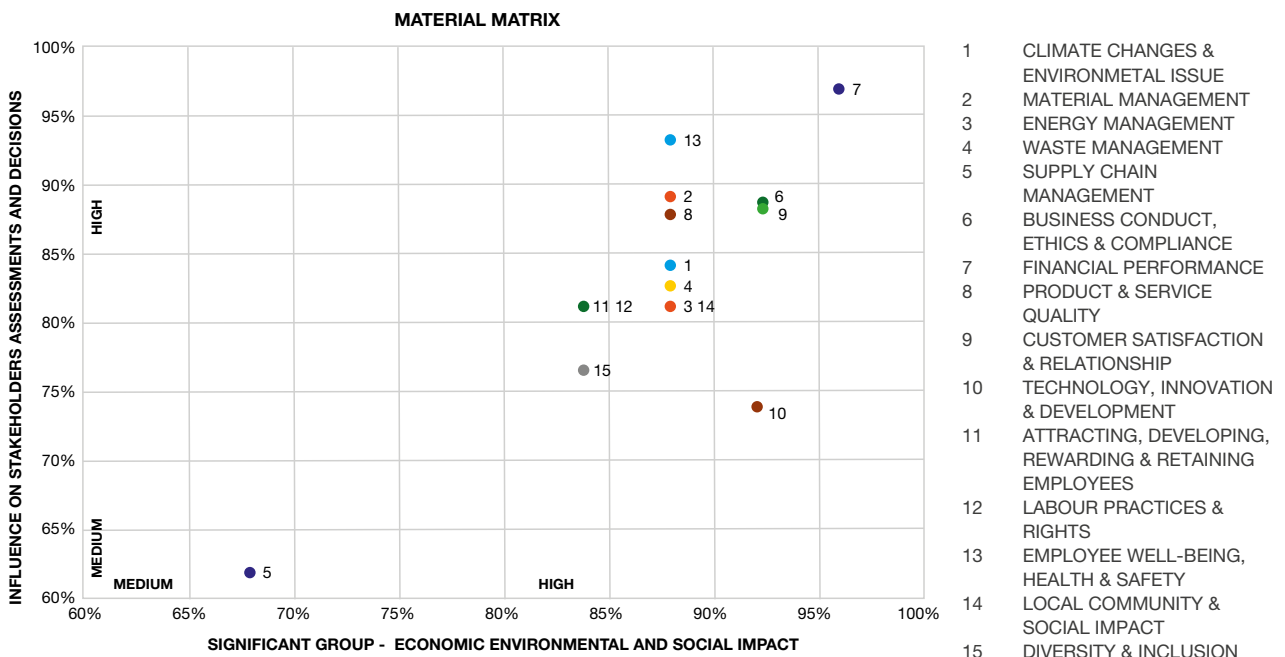
Our SWG identified all relevant sustainability aspects for our business, in conjunction with our operating context that was discussed earlier. We considered the following:

- issues that matter to the Group’s business performance;
- issues that matter to the Group’s stakeholders; and
- issues that presently have or could potentially have an impact on the Group.

This initial analysis was then refined to identify ‘material’ sustainability aspects, based on:

- The significance of their impact on economic, environmental, and social matters; or
- The extent of their influence on the assessments and decisions of our stakeholders.

Our materiality matrix for FPE 2025 is shown below:



## SUSTAINABILITY STATEMENT (CONT'D)

### OUR BUSINESS PERFORMANCE

#### Overview of Economic Contribution

HONG SENG's economic performance extends beyond traditional profitability. The Group creates value not only for shareholders but also for employees, suppliers, communities, and the government. By maintaining stable financial results across its business segments, Hong Seng contributes to national development while aligning growth with sustainability commitments.

#### Value Creation for Stakeholders

- **Employees:** Competitive salaries, benefits, training, and career development opportunities ensure that staff share in the company's success.
- **Suppliers and Contractors:** Payments to local suppliers strengthen domestic economic resilience and support inclusive growth. Hong Seng strives to prioritize fair and timely payments, with a growing emphasis on ESG-compliant procurement.
- **Government:** Through corporate taxes, regulatory compliance, and indirect contributions such as employment generation, Hong Seng supports Malaysia's fiscal stability and socio-economic objectives.
- **Communities:** CSR investments in education, infrastructure, and disaster relief create long-term community benefits.

#### Linking Economic Performance with ESG

- **Environmental:** Economic results are increasingly tied to resource efficiency and emissions reduction.
- **Social:** Workforce productivity and employee retention directly influence profitability, making investment in health, safety, and training economically significant.
- **Governance:** Transparent reporting and compliance reduce financial risks and improve investor confidence, lowering the cost of capital.

Our approach to sustaining and registering robust economic performance is by ensuring our business strategy stays relevant to the current and foreseeable future trend, supported by the latest in technology advancement and a talented team of human resource, and funded by healthy cash flow and a robust balance sheet. We are also mindful of the identifiable and inherent risks faced by our businesses and take strategic steps in mitigating such risks.

The Group changed its financial year end from 31 March 2025 to 30 September 2025, resulting in an 18-month financial period. Similarly, the Group also changed its financial year ended 31 March 2024 from 30 September 2023. As a result, there is no comparative figure for the period-to-date.

FPE	1 April 2024 – 30 Sept 2025 (18 months) RM'000	1 Oct 2022 – 31 Mac 2024 (18 months) RM'000	1 Oct 2021 – 30 Sep 2022 (12 months) RM'000
Revenue	16,822	22,422	198,401
Profit Before Tax	22,851	(99,365)	119,170
Profit After Tax	22,772	(101,200)	102,372
Shareholders' Fund	311,913	299,272	388,327
Total Assets	384,317	345,872	431,939

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## SUSTAINABILITY STATEMENT (CONT'D)

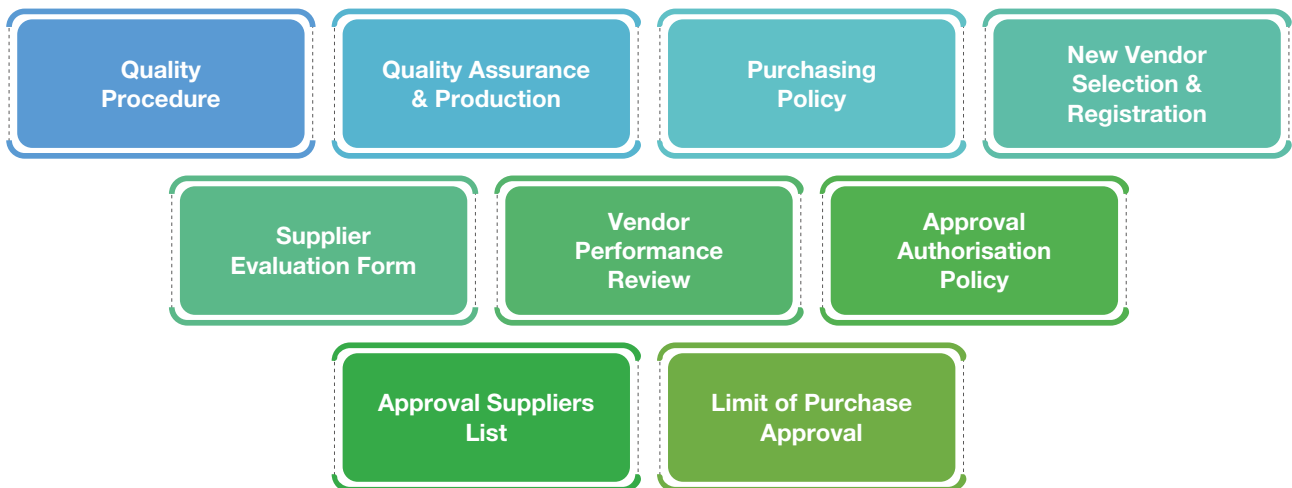
### OUR BUSINESS PERFORMANCE (CONT'D)

#### Supply Chain Management

The supply chain of Hong Seng extends across raw materials, logistics, subcontractors, and technology providers, making it a critical element of the Group’s sustainability performance. Recognizing that a company is only as sustainable as its supply chain, we have made supplier engagement and accountability a strategic ESG priority.

Sound supply chain management and solid procurement practices ensure our business grows on a solid platform. Suppliers are our valued business partners, and we always stress the importance of collaborating with them especially in project and product developments. This is to ensure we form a good understanding of our needs and their abilities to meet our product quality expectations.

#### (i) Supplier Standards and Policies



Suppliers must demonstrate compliance with both Malaysian regulations and international benchmarks such as the International Labour Organization (“ILO”) conventions. Our policy includes termination for repeated violations.

#### (ii) Local Sourcing and Economic Development

We prioritize local suppliers, wherever possible. This reduces supply risks, logistics-related emissions, stabilizes costs, and supports community development, while contributing to the nation building.

Local sourcing also increases resilience by reducing dependence on distant suppliers vulnerable to geopolitical or climate-related disruptions.

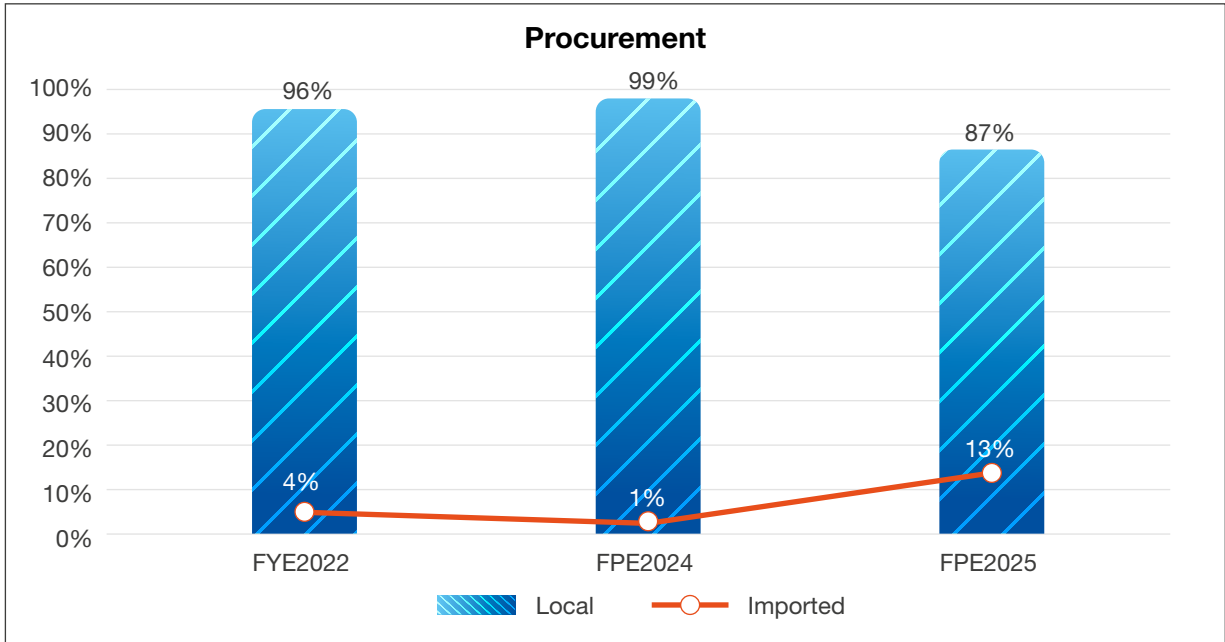
During FPE 2025, we sourced 87% of its procurements from local suppliers. The increase in the percentage of importation, is largely due to the purchases of imported former in the production of gloves.

# SUSTAINABILITY STATEMENT (CONT'D)

## OUR BUSINESS PERFORMANCE (CONT'D)

### Supply Chain Management (Cont'd)

#### (ii) Local Sourcing and Economic Development (Cont'd)



#### (iii) Sustainable Innovation with Partners

We work with suppliers to explore eco-friendly solutions, recycled aggregates, and low-carbon materials. These collaborations enable innovation while reducing environmental impact.

The Group also support ESG-initiatives of our funding partners, such as financial institutions that practice sustainable finance.

#### (iv) Financial Linkage

Stronger supply chain governance reduces risks of operational disruption, legal penalties, or reputational damage. At the same time, sustainable procurement practices improve eligibility for green-certified projects and financing opportunities. Financially, a resilient supply chain lowers operational disruptions and enhances eligibility for ESG-certified projects.

Overall, we constantly review and improve our supply chain management for all business segments, to ensure that we are cost-efficient and effective, and sustainable in our operations.

## SUSTAINABILITY STATEMENT (CONT'D)

### OUR BUSINESS PERFORMANCE (CONT'D)

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#### Product & Service Quality And Customer Satisfaction

**(i) Commitment to Excellence**

Hong Seng places product and service quality at the heart of its value proposition. Across all business segments, the Group is committed to delivering reliable, safe, and sustainable solutions that meet or exceed customer expectations. Quality is not treated as an afterthought but as a driver of competitiveness, brand reputation, and long-term stakeholder trust.

**(ii) Customer Engagement and Satisfaction**

Constant customer engagements and feedback are systematically gathered through surveys, after-sales engagement, project review sessions, and digital support channels. Issues raised are tracked in a central system, with corrective and preventive actions monitored by senior management. Satisfaction metrics are reported quarterly to the heads of Division, ensuring accountability at the highest level.

We understand the importance of these engagements where we will strengthen areas in which we receive praise while we strive to rectify areas receiving negative feedback and work on constructive suggestions. The planned periodic customer satisfaction survey allows us to measure our performance in various aspects, for instance, product quality, delivery lead time, communication response, enquiry response, complaint response and courtesy from our staff.

**(iii) Link to ESG and Risk Management**

Product and service quality is directly linked to environmental and social outcomes. Poor-quality materials or services can lead to project delays, safety hazards, or environmental harm. By prioritizing quality, Hong Seng reduces operational risk, protects communities, and strengthens customer trust. From a financial perspective, quality assurance minimizes warranty claims, regulatory fines, and reputational risks, while creating opportunities for growth in premium sustainable markets.

#### Future Outlook

Going forward, Hong Seng plans to implement the following –

- Expand ISO certifications across all business units.
- Introduce lifecycle assessments for key products.
- Leverage digital technologies (artificial intelligence (“AI”) and Internet of Things (“IoT”)) for predictive quality monitoring in manufacturing and construction.
- Enhance financial technology platforms to provide ESG-linked financial products with measurable social impact.

# SUSTAINABILITY STATEMENT (CONT'D)

## OUR ENVIRONMENTAL MANAGEMENT

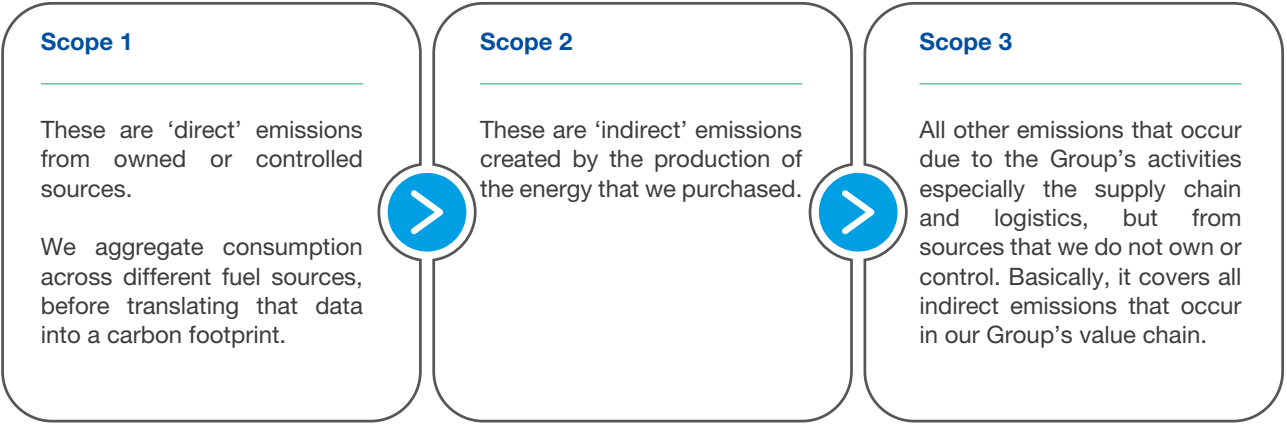
### Commitment to Environmental Stewardship

Hong Seng recognizes that environmental responsibility is central to its long-term sustainability and competitiveness. The Group acknowledges that its operations generate environmental impacts, particularly in the form of greenhouse gas emissions, energy use, and resource consumption. Managing these impacts effectively is both a regulatory requirement and a moral obligation to stakeholders and future generations.

### Carbon Footprint and Greenhouse Gas (“GHG”) Management

We undertake a systematic annual assessment of its carbon footprint across its business segments. This involves the calculation of the following –

#### GHG Scopes



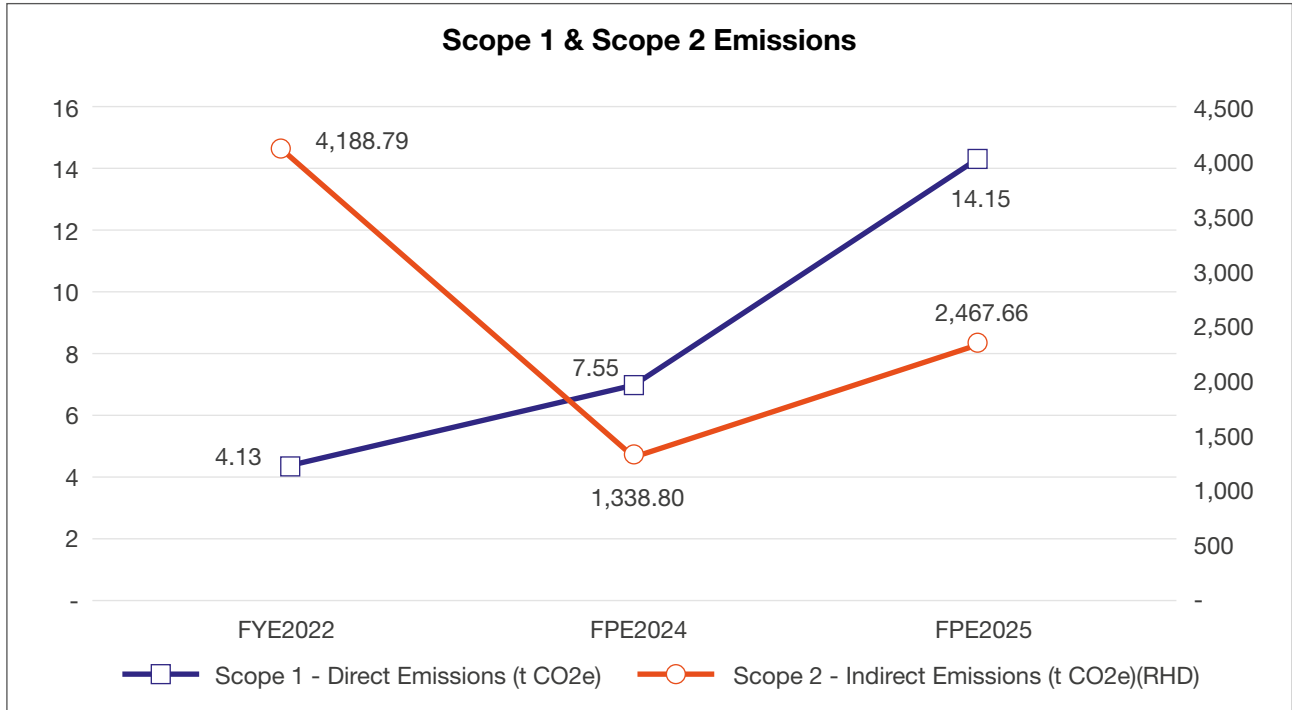
During FPE 2025, Hong Seng reported the following -

Greenhouse Gas	Emissions
<b>Scope 1 Emissions</b>	14.15 t CO <sub>2</sub> e, primarily from fuel combustion in plants and machinery
<b>Scope 2 Emissions</b>	2,467.66 t CO <sub>2</sub> e from electricity usage across facilities
<b>Scope 3 (Partial)</b>	Logistics-related emissions. Full supply chain reporting initiatives underway to reflect full Scope 3 reporting by FYE 2027.

## SUSTAINABILITY STATEMENT (CONT'D)

### OUR ENVIRONMENTAL MANAGEMENT (CONT'D)

#### Carbon Footprint and Greenhouse Gas (“GHG”) Management (Cont'd)



\* Adjusted

#### Carbon footprint and GHG Reduction Strategies

The GHG management framework of Hong Seng integrates **emissions monitoring, reduction, and offsetting strategies** into operational and strategic decisions.

Strategies	On-Going Actions
<b>Energy Transition</b>	Transitioning manufacturing plants to energy-efficient equipment and cleaner fuels. Replacing older combustion systems with <b>energy-efficient motors and low-emission boilers</b> .
<b>Renewable Integration</b>	Expanding the Group’s <b>solar and hybrid projects</b> to reduce reliance on grid electricity.
<b>Electrification of Equipment</b>	Implementing stricter monitoring and reporting of site emissions. Using electric equipment and vehicles, and tools to lower diesel consumption.
<b>Process Optimization</b>	Gradually installing <b>real-time monitoring systems</b> to track energy use, leaks, and inefficiencies.
<b>Logistics Efficiency</b>	Optimizing transportation routes, using fuel-efficient vehicles, and exploring biofuel alternatives for delivery fleets.

By managing GHG emissions systematically, Hong Seng not only reduces environmental risks but also positions itself for compliance with potential future carbon pricing mechanisms.

## SUSTAINABILITY STATEMENT (CONT'D)

### OUR ENVIRONMENTAL MANAGEMENT (CONT'D)

#### Carbon Offset and Circular Economy

Recognizing that not all emissions can be eliminated immediately, we **plan to invest in carbon offset initiatives** that create co-benefits -

Carbon Offset Initiatives	Details
Community-Based Projects	Supporting replanting and mangrove restoration programs in collaboration with local NGOs.
Circular Economy	Using recycled aggregates, reducing upstream emissions embedded in materials.

#### Energy Efficiency and Resource Optimization

Efforts to optimize energy and resource use include:

- Installation of energy-efficient motors, LED lighting, and smart monitoring systems at plants.
- Increasing recycling rates.
- Ongoing reduction in water intensity through closed-loop water systems at selected facilities.

#### Green Initiatives and Circular Economy

We are committed to green initiatives that align with national and international sustainability priorities -

- **Research:** Exploring low-carbon, bio-based alternatives to petroleum-based materials.
- **Renewable Energy Expansion:** Scaling solar and hybrid projects to support Malaysia's renewable energy goals.
- **Green Construction:** Integrating sustainable materials and pursuing green certifications for major projects.
- **Financial Technology Solutions:** Developing ESG-linked financing products such as green micro-loans and carbon-credit trading platforms.

Circular economy practices are also being embedded into business processes.

#### Climate Resilience and Risk Management

Environmental management is directly linked to climate risk preparedness. Floods, storms, and heatwaves could affect operations and supply chains, and we are integrating these risks into its **enterprise risk management framework**. By lowering its carbon footprint and diversifying into renewable energy, the Group builds resilience against both regulatory and physical climate risks.

#### Integration into Risk and Financial Decisions

Hong Seng plans to integrate Carbon and GHG data into its enterprise risk management ("**ERM**") and **capital allocation decisions**. For example -

- Carbon-intensive projects are stress-tested under different carbon pricing scenarios.
- Renewable energy investments are prioritized not only for sustainability but also to hedge against future regulatory and market risks.
- Financial technology solutions are being developed to facilitate **green loans** and **carbon credit trading**, creating new revenue streams.

## SUSTAINABILITY STATEMENT (CONT'D)

### OUR ENVIRONMENTAL MANAGEMENT (CONT'D)

#### Targets and Pathway

Hong Seng has set ambitious yet realistic targets for reducing its carbon footprint:

Period	Target
<b>Short-term (FYE 2026 – 2030)</b>	<ul style="list-style-type: none"> <li>Fully disclose Scope 3 emissions across the supply chain.</li> <li>15% energy efficiency improvement across plants.</li> <li>Introduce product lifecycle assessments to quantify environmental impact.</li> </ul>
<b>Medium-term (FYE 2031 - 2035):</b>	<ul style="list-style-type: none"> <li>Increase renewable energy share to 30% of total energy use.</li> <li>Achieve a 50% waste diversion rate through recycling and reuse.</li> <li>40% reduction in carbon intensity (t CO<sub>2</sub>e per RM revenue).</li> </ul>
<b>Long-term (&gt; FYE 2035)</b>	<ul style="list-style-type: none"> <li>Net Zero emissions through a combination of deep decarbonization and offsetting.</li> </ul>

### ENERGY MANAGEMENT

#### Commitment to the Environment

Hong Seng recognizes that responsible environmental management is fundamental to securing its long-term competitiveness and social license to operate. The Group’s operations inevitably interact with natural ecosystems and resource systems. Therefore, we are committed to minimizing environmental impacts, reducing its carbon footprint, and contributing to the transition toward a low-carbon, climate-resilient economy.

#### Greenhouse Gas and Carbon Footprint Management

A central component of environmental responsibility is the systematic monitoring and management of greenhouse gas emissions. Hong Seng calculates and discloses its **Scope 1, and Scope 2**, annually in alignment with the **GHG Protocol**.

Greenhouse Gas	Sources	Target
<b>Scope 1 (Direct Emissions)</b>	Derived from on-site fuel consumption.	<ul style="list-style-type: none"> <li>Transitioning to energy-efficient machinery and electrified equipment.</li> </ul>
<b>Scope 2 (Indirect Emissions)</b>	Generated through purchased electricity across production facilities and offices.	<ul style="list-style-type: none"> <li>Expanding renewable energy adoption in manufacturing and other operations.</li> <li>Introducing real-time digital energy monitoring to improve efficiency.</li> </ul>
<b>Scope 3 (Value Chain Emissions)</b>	Currently measured in logistics and transportation, with a commitment to expand full value-chain reporting by FYE 2027	<ul style="list-style-type: none"> <li>Pursuing carbon offset projects, such as rehabilitation of sites and community-based planting.</li> <li>By FYE 2030 onwards, Hong Seng targets a 40% reduction in carbon intensity and adoption of renewable energy for at least 30% of its total energy use.</li> </ul>

## SUSTAINABILITY STATEMENT (CONT'D)

### ENERGY MANAGEMENT (CONT'D)

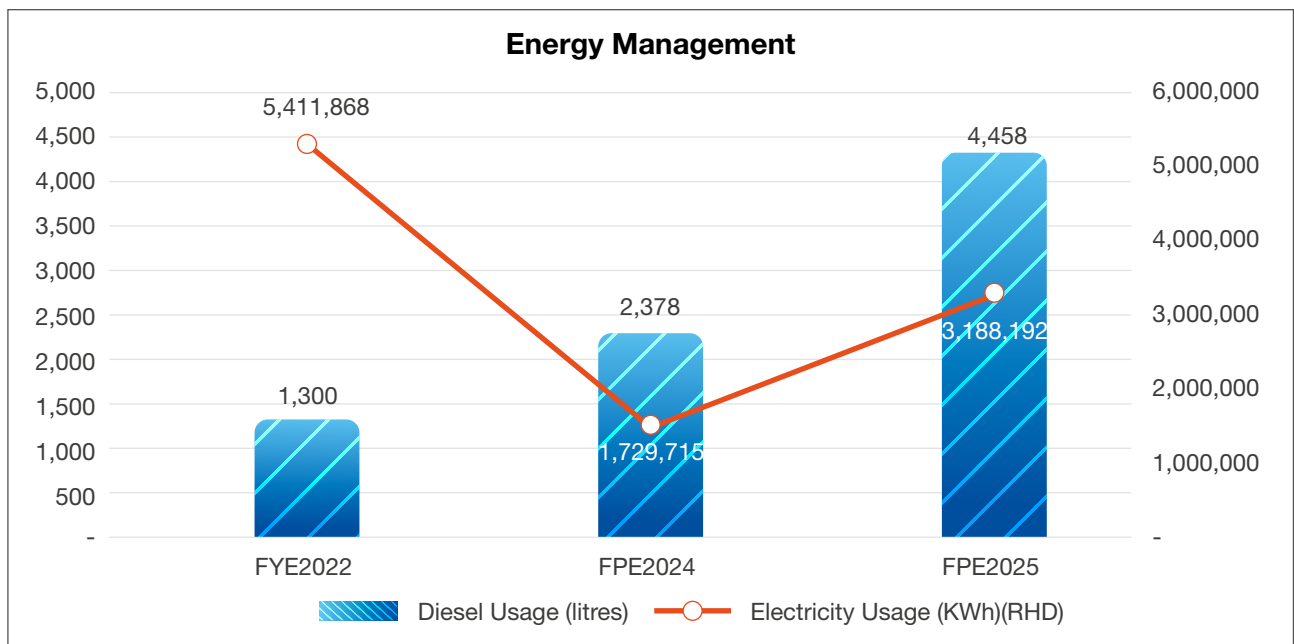
#### Energy Consumption Management of Key Business Segments

The energy consumption of Hong Seng primarily derives from diesel and electricity due to heavy machinery usage, transportation and the utilization of generator sets in our manufacturing facilities. Other sources of energy include purchased electricity, diesel, and petrol.

Our calculated carbon emission based on the consumption of diesel and electricity was 2,481.81 t CO<sub>2</sub>e for FPE 2025 compared to 1,346.35 t CO<sub>2</sub>e recorded during the last financial period. The increase was mainly due to the increase in the utilization of electricity and diesel in glove production.

FPE	1-Oct-21 - 30 Sep 22 (12 months)	1 Oct 2022 - 31 Mac 2024 (18 months)	1-Apr-24 - 30 Sep 25 (18 months)
Electricity Usage (KWh)	5,411,868	1,729,715	3,188,192
Diesel Usage (litres)	1,300	2,378	4,458
Carbon Emission (t CO <sub>2</sub> e)	4,192.91	1,346.35	2,481.81

The energy consumption of the Group primarily derives from electricity due to heavy machinery usage in the manufacturing of gloves.



Comparison between the last 3 financial periods may not be meaningful as the business activities during FYE 2022, FPE 2024 and FPE 2025 were over a 12-month, 18-month and 18-month period respectively, and there was a spill-over effect from the Covid-19 pandemic into FYE 2022.

# SUSTAINABILITY STATEMENT (CONT'D)

## ENERGY MANAGEMENT (CONT'D)

### Energy Efficiency and Resource Optimization

Resource optimization is a pillar of the Group’s environmental responsibility. Key initiatives include:

- Deploying **smart energy management systems** to reduce operational consumption.
- Replacing traditional lighting and equipment with energy-efficient alternatives.
- Implementing **closed-loop water recycling systems** at production facilities to reduce water intensity.

These measures improve productivity, reduce costs, and lower environmental risk exposure.

### Green Innovation and Circular Economy

Hong Seng is investing in green innovation to align with Malaysia’s transition toward a sustainable economy:

- **Renewable Energy Expansion:** Scaling up solar and hybrid projects in line with Malaysia’s National Energy Transition Roadmap.
- **Circular Economy:** Repurposing by-products into aggregates and rehabilitating quarries into biodiversity zones or community spaces.
- Seeking financial technology solutions to support sustainability, such as **green micro-loans** and **carbon credit trading platforms**.

### Climate Resilience and Adaptation

Environmental responsibility also means preparing for climate-related physical risks. The Group has integrated climate risk into its ERM framework, identifying flooding, heatwaves, and extreme weather as potential disruptors of supply chains and operations. Adaptive measures include enhancing site drainage, weather-proofing critical assets, and diversifying energy sources to increase resilience.

### Future Commitments

Looking ahead, Hong Seng will –

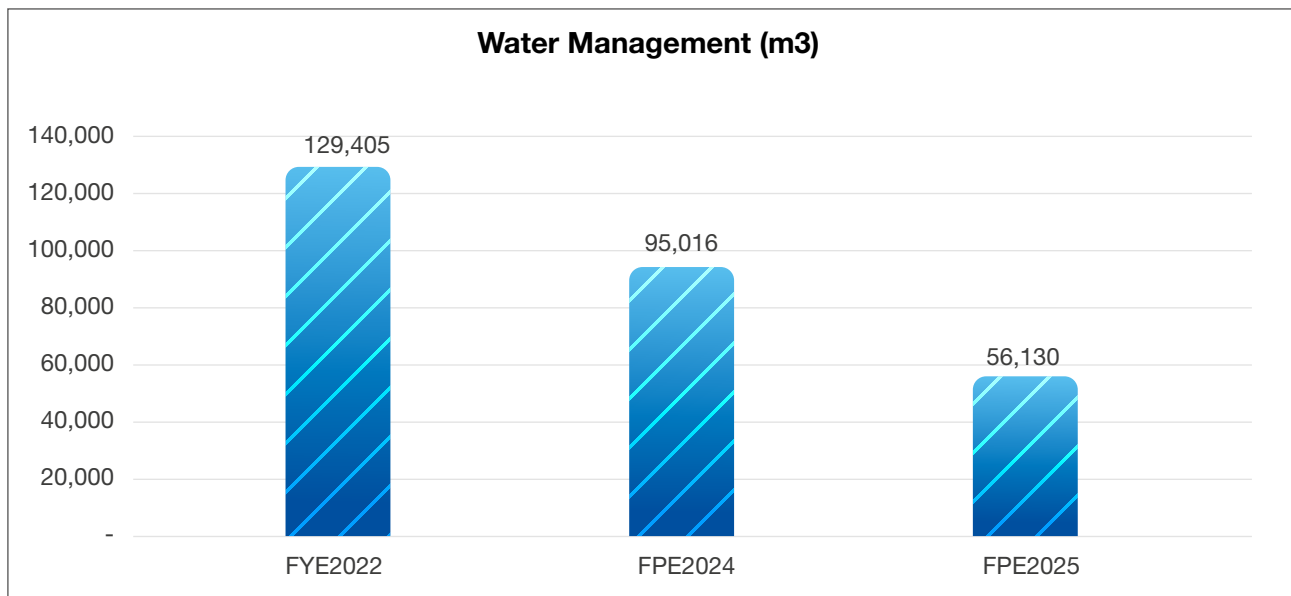
Future Commitments
<ul style="list-style-type: none"> <li>• Expand Scope 3 GHG reporting to cover the entire supply chain.</li> <li>• Introduce product lifecycle assessments for major offerings.</li> <li>• Increase the use of recycled and low-carbon materials across its value chain.</li> <li>• Strengthening biodiversity programs.</li> <li>• Align all environmental disclosures with <b>IFRS S1 &amp; S2</b>, TCFD recommendations, and Bursa Malaysia requirements.</li> </ul>

## SUSTAINABILITY STATEMENT (CONT'D)

### WATER MANAGEMENT PRACTICES

#### Commitment to the Environment

The Group takes proactive steps to reduce water use, improve efficiency, and ensure that water discharges meet regulatory and environmental standards. This is despite the utilization of water among our business segments is insignificant as compared to our energy consumption and waste management. Hong Seng is cognizant of the importance of water management especially on an ESG basis, hence, we are monitoring our water consumption pattern and will be tracking and reporting our water management in the future.



Water Management	Actions Taken
<b>Efficient Use</b>	Closed-loop water recycling systems are gradually being introduced at our facilities, allowing for water to be reused in various activities.
<b>Monitoring and Compliance</b>	Discharge wastewater quality is regularly monitored to ensure compliance with DOE standards. Wastewater is treated before release, with pH, turbidity, and pollutant levels monitored to prevent contamination of natural waterways.
<b>Water Intensity Reduction</b>	Similar to Energy Management, we are taking initiatives to reduce the utilization of water in our facilities.
<b>Risk Management</b>	Water scarcity is recognized as a material climate risk. We are conducting site-level water risk assessments to identify vulnerabilities to droughts, floods, and changing rainfall patterns.
<b>Community Responsibility</b>	We ensure that our water use does not negatively impact local communities, particularly in areas where resources are shared. Collaborations with local stakeholders are ongoing to maintain access to clean water.

# SUSTAINABILITY STATEMENT (CONT'D)

## WATER MANAGEMENT PRACTICES (CONT'D)

### Future Targets

By financial year ended 2027 (**FYE 2027**), Hong Seng plans to expand water recycling across all major operations and adopt smart water meters to improve tracking and efficiency.

### Link to ESG Value Creation

Effective waste and water management supports -

Goals	Details
<b>Environmental Goals</b>	Reduced emissions and resource consumption, aligned with SDG 6 (Clean Water & Sanitation) and SDG 12 (Responsible Consumption & Production).
<b>Social Goals</b>	Protection of community water access and improved worker health through safer disposal practices.
<b>Governance Goals</b>	Compliance with DOE regulations and transparent reporting, reducing legal and reputational risks.

### Commitment to the Environment

Hong Seng adopts a **waste hierarchy approach**, prioritizing reduction, reuse, recycling, and responsible disposal. As a result, the Group believes in recycle, reuse and reduce (“**RRR**”) the materials we utilize in our production process and day-to-day operations. These initiatives include reducing the need to use unnecessary components and capping the production of by-products. We make a point to recycle our used materials and paper, particularly in packaging and wrapping. Most importantly, we are working hard to minimize the waste generated from our production and construction.

We adopt the following steps in our waste management -



## SUSTAINABILITY STATEMENT (CONT'D)

### WATER MANAGEMENT PRACTICES (CONT'D)

#### Commitment to the Environment (Cont'd)

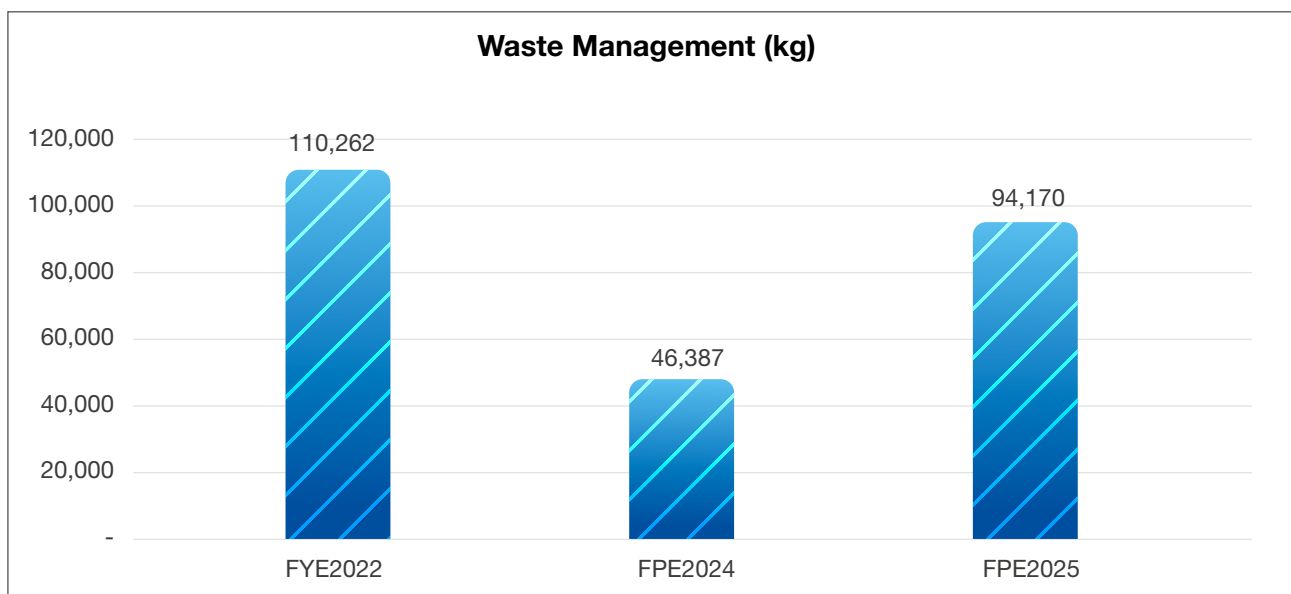
Water Management	Actions Taken
<b>Industrial Waste</b>	We segregate hazardous and non-hazardous waste. Hazardous waste is disposed of through licensed contractors in compliance with the Department of Environment (“DOE”) guidelines.
<b>Recycling and Recovery</b>	We are planning to adopt material recovery processes, where leftover materials are repurposed, if possible.
<b>Innovation in Circular Economy</b>	We are planning to integrate recycled materials and to reuse by-products into our production cycle. This reduces both costs and environmental impact.
<b>Community Engagement</b>	Employees and local communities are engaged in awareness campaigns on waste segregation, reinforcing a culture of sustainability.

Electronic Scheduled Waste Information System (“eSWIS”) is one of the environmental mainstreaming tools maintained by the Ministry of Natural Resources, Environment and Climate Change Malaysia. eSWIS is an online portal which allows users to file any scheduled waste consignment and inventory details, review of submitted consignment notes for transfer and receiving, in an efficient and secure environment.

Waste generator, waste transporter and waste receiver shall be properly recorded, tracked, and monitored their waste movement, consignment in compliance to Environmental Quality (Scheduled Waste) Regulation 2005 and Environmental Quality (Prescribed Premises) (Scheduled Waste Treatment and Disposal Facilities) Regulation 1989).

All the scheduled waste generated shall be fully recorded into eSWIS, the details including waste information, waste code, waste name, waste component, waste type, and waste packaging. As for recurring scheduled waste, the waste code, quantity and packaging shall be updated in eSWIS.

As per environmental policy of the Group, whenever our company’s scheduled waste either accumulated up to 20 metric tons or stored for maximum of 6 months whichever achieved, we are required to arrange for our licensed waste contractors to collect and dispose of the scheduled waste from our premises.



We are working towards minimising the waste and water generated from our production, especially in our manufacturing of gloves. We also constantly send our competent personnel to attend environmental training. This is to ensure that all the staff in the Group are aware of the scheduled waste compliance such as scheduled waste handling, labeling, packaging and storing.

## SUSTAINABILITY STATEMENT (CONT'D)

### WATER MANAGEMENT PRACTICES (CONT'D)

#### Future Targets

From FYE 2030 onwards, the Group aims to achieve a **50% waste diversion rate**, with expanded recycling facilities at construction sites and increased adoption of bio-based and recycled.

#### Future Outlook

Hong Seng will continue to invest in technologies and partnerships that advance circular economy practices, water conservation, and resource efficiency. By embedding waste and water management into strategic planning, the Group ensures that operational efficiency, environmental stewardship, and stakeholder trust remain mutually reinforcing pillars of sustainable growth.

#### Commitment to Resource Efficiency

We recognize that responsible waste and water management is a critical part of environmental stewardship. The Group seeks to minimize waste generation, maximize resource efficiency, and reduce water intensity. These efforts are closely aligned with Bursa Malaysia’s disclosure requirements and Malaysia’s environmental regulatory framework.

## OUR PEOPLE

### COMMITMENT TO OUR PEOPLE

Hong Seng acknowledges that its success is inseparable from the well-being of its employees, where the Group views employees as its vital stakeholder. To attract and retain talent, the Group provides competitive remuneration, career pathways, and inclusive policies.

Social responsibility is embedded into the Group’s sustainability framework to ensure fair labour practices, safe workplaces, community empowerment, and inclusivity in every aspect of its operations.

#### Workforce Development and Employee Welfare

Hong Seng is committed to creating a workplace where employees feel valued, motivated, and empowered to grow. The Group understands and emphasizes the importance of labour rights and therefore we continue to update ourselves on any update on the Employment Act. Key initiatives include -

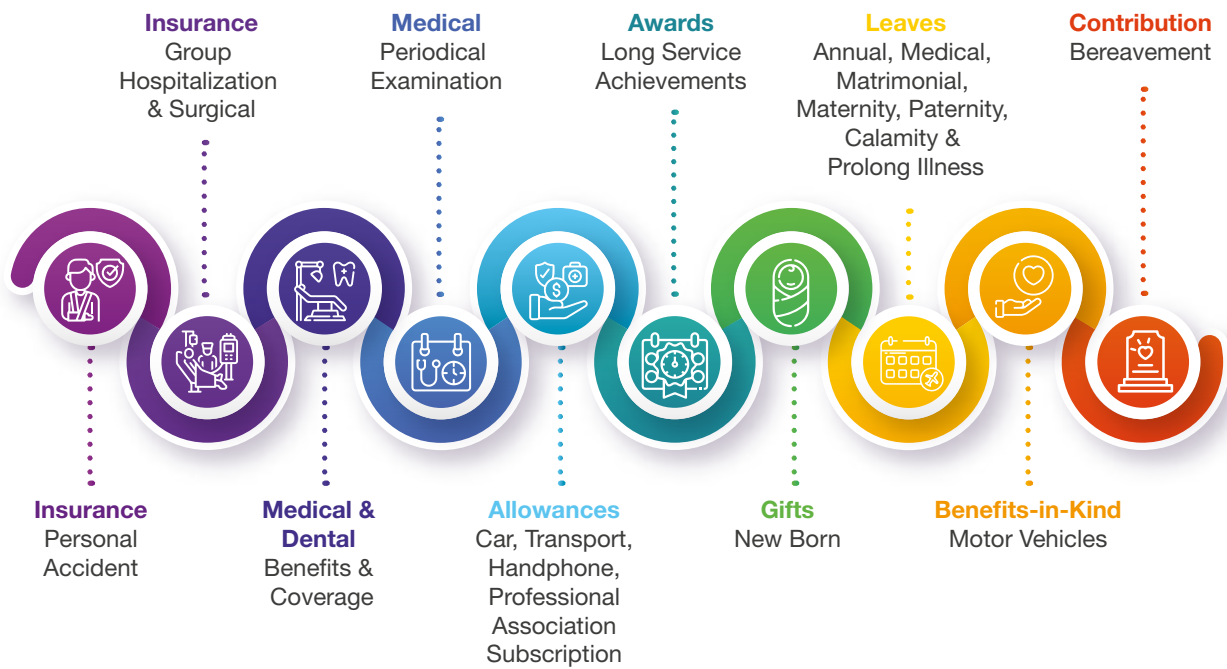
Key initiatives	Details
Fair Compensation and Benefits	Competitive remuneration packages, allowances, and incentive schemes ensure that employees are rewarded fairly.
Learning, Training and Development	During FPE 2025, human resource focused on covering technical expertise, leadership, safety protocols, and ESG awareness.
Talent Retention	Career progression frameworks and mentoring programs support succession planning and long-term employee retention.
Diversity and Inclusion	Women now make up 25% of the workforce in FPE 2025, with policies in place to further increase female representation and youth leadership opportunities.

## SUSTAINABILITY STATEMENT (CONT'D)

### COMMITMENT TO OUR PEOPLE

#### Workforce Development and Employee Welfare (Cont'd)

The diagram below shows our benefits to our employees -



In addition to the above-mentioned benefits, we also organize departmental and company trips and celebrate various festivals to strengthen bonding relationships between employees and create a healthy working environment. We also will take the opportunity to invite our stakeholders such as selected clients and suppliers to join us in the celebrations.



# SUSTAINABILITY STATEMENT (CONT'D)

## COMMITMENT TO OUR PEOPLE (CONT'D)

### Workforce Development and Employee Welfare (Cont'd)



## SUSTAINABILITY STATEMENT (CONT'D)

### COMMITMENT TO OUR PEOPLE (CONT'D)

#### Occupational Health and Safety

Hong Seng puts top priority on matters concerning the health and safety of our most important assets, employees in our business operations and workplaces. We aim to minimize injuries and illnesses among those working within our premises by emphasizing a safe, healthy, and conducive environment. Our priority includes suppliers, contractors, and visitors to our premises. We strongly believe that such a priority will lead to improvement in efficiency and output.

Our Safety and Health Policy outlines how our business operations are conducted in a safe manner, through the implementation of various measures and controls by all levels of our workforce. We are monitoring the pattern on lost-time incidence and wishes to report that there is no major lost-time incident.

Best Practices	Results
<b>Performance</b>	Zero fatalities were recorded during FPE 2025.
<b>Preventive Measures</b>	Regular safety drills, digital hazard reporting systems, and enhanced PPE standards are enforced.
<b>Culture of Safety</b>	Employees and contractors receive mandatory safety training, and leadership walkabouts reinforce a safety-first mindset.



#### Labour Practices and Rights

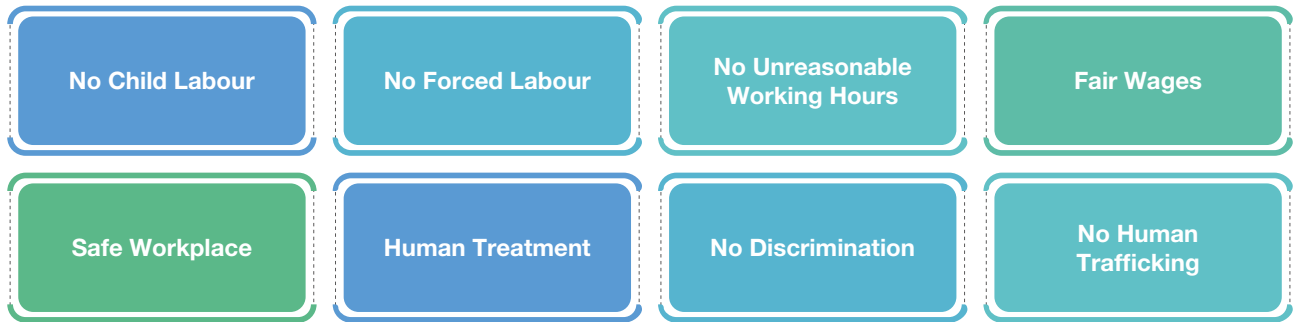
We foster an inclusive and diverse work environment as we emphasize upholding the labour rights of our staff force. Our Code of Conduct and other human resource and labour policies protect labour rights and is based on local employment regulations, such as the Malaysian Employment Act 1955, and relevant industry standards.

## SUSTAINABILITY STATEMENT (CONT'D)

### COMMITMENT TO OUR PEOPLE (CONT'D)

#### Labour Practices and Rights (Cont'd)

The labour rights we uphold include –



Hong Seng upholds the highest standards of labour practices -

Best Practices	Results
<b>Compliance with ILO Conventions</b>	Strict prohibition of forced labour, child labour, and workplace discrimination.
<b>Grievance Mechanism</b>	Confidential channels enable employees to raise issues without fear of retaliation, with cases reviewed independently to ensure fair outcomes. During FPE 2025, Hong Seng did not receive any report of grievances.
<b>Employee Conduct and Discipline</b>	A transparent framework guides behaviour, discipline, and grievance resolution, protecting both employee rights and organizational standards.

These initiatives reflect our holistic approach to social responsibility, supporting both its workforce and the broader communities where it operates.

#### Link to ESG and Value Creation

Social responsibility initiatives directly contribute to our ESG objectives:

Link	Details
<b>Environmental Link</b>	Training workers in sustainable practices reduces emissions and waste at operational sites.
<b>Governance Link</b>	Upholding human rights and fair labour practices reduces reputational risks and builds investor confidence.
<b>Economic Link</b>	By investing in employees and communities, we seek to enhance productivity, reduces turnover, and ensures stable stakeholder relationships.

## SUSTAINABILITY STATEMENT (CONT'D)

### COMMITMENT TO OUR PEOPLE (CONT'D)

#### Future Outlook

Looking forward, Hong Seng aims to -

#### Future Outlook

- Seek to achieve female representation of at least 25%.
- Establish a formal community engagement framework with measurable impact indicators.
- Expand partnerships with Human Resource Development Corporation (“HRD Corp”) and academic institutions to enhance workforce upskilling.
- Strengthen the Employee Well-Being Program, incorporating mental health and wellness support.
- Increase annual CSR investment to ensure communities thrive alongside business growth.

### GOVERNANCE AND ETHICAL CONDUCT

#### Commitment to Strong Governance

We view strong governance as the foundation of its sustainability strategy and overall corporate resilience. Effective governance not only ensures regulatory compliance but also builds investor confidence, fosters stakeholder trust, and enhances long-term value creation. The Board of Directors plays a central role by providing oversight, setting ethical standards, and ensuring that sustainability is fully integrated into business decisions.

#### GOVERNANCE FRAMEWORK

The Group’s governance structure ensures that checks and balances are embedded into every level of decision-making:

Governance Structure		Roles & Duties
Board of Directors		Provides strategic oversight and ultimate accountability for ESG matters.
Audit Committee		Ensures the integrity of financial reporting, risk oversight, and compliance. Oversees ESG integration, climate risk disclosures, and stakeholder engagement.
Sustainability Group	Working Group	Executes initiatives and reports on performance to the BSC and Board.

This structure is supported by a robust **ERM framework**, which integrates ESG-related risks such as climate change, cybersecurity, supply chain vulnerabilities, and regulatory shifts.

#### CODE OF ETHICS AND BUSINESS CONDUCT

We are committed to ensuring the highest standards of corporate governance throughout the Group so that the affairs of the Group are conducted with integrity and professionalism with the objective of safeguarding shareholders’ investment and enhancing shareholders’ value, while reinforcing confidence of our stakeholders in the group. As a result, the high standards of business ethics and compliance across the group reflect our core values, which are **Honesty, Integrity and Operational Excellence**.

## SUSTAINABILITY STATEMENT (CONT'D)

### CODE OF ETHICS AND BUSINESS CONDUCT (CONT'D)

We have adopted a comprehensive **Code of Ethics and Business Conduct** that applies to all employees, directors, and business partners. We require all our employees to maintain the highest standards of conduct and integrity when conducting business with customers, suppliers, and other stakeholders. In addition, we do not tolerate any breach of the Group's Code of Ethics and Conduct ("**Code**") and encourage our employees to highlight any instances of malpractice and non-compliance.

The Code sets out expectations for:

- Integrity in all business dealings.
- Fair competition and responsible marketing.
- Confidentiality of company and client information.
- Compliance with all applicable laws and regulations.

Regular training and awareness campaigns ensure that employees fully understand their responsibilities under the Code.

Our corporate governance practices include the following -



### ANTI-BRIBERY AND CORRUPTION (“ABC”) POLICY

The Anti-Corruption Amendments requires Public Listed Companies (“**PLCs**”) on Bursa Malaysia to establish and implement policies and procedures on anti-corruption and whistleblowing to prevent corrupt practices, which will enable PLCs to have a measure of defense against corporate liability for corruption under Section 17A of the MACC Act. In addition, the Anti-Corruption Amendments require PLCs and their board of directors to review the policies and procedures periodically or at least once every three years to assess their effectiveness. The Anti-Corruption Amendments also require PLCs to ensure that corruption risks are included in the annual risk assessment of PLCs and their group of companies.

Hong Seng is fully committed to ensuring the highest business conduct, upholding integrity, and good corporate governance. The Group has a **zero-tolerance approach** to bribery and corruption. The ABC Policy applies across all business units and supply chain partners. Key features include:

- Mandatory declaration of conflicts of interest.
- Prohibition of facilitation payments and kickbacks.
- Due diligence for suppliers, contractors, and third parties.
- Training sessions for employees in high-risk functions, such as procurement and project management.

During FPE 2025, we conducted ABC training as part of our staff orientation for new joiners.

Internal audits and Audit Committee oversight ensure compliance, with disciplinary actions, including termination and enforcement for breaches. We are glad to announce that there are no reported incidents of corruption and bribery during the financial year under review.

## SUSTAINABILITY STATEMENT (CONT'D)

### CORPORATE GOVERNANCE

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We believe that good Corporate Governance is a pre-requisite for the Group to build sustainable long-term value for its shareholders. We are therefore guided by legislative and regulatory requirements, including corporate governance, best practices published by the relevant authorities.

Our Corporate Governance Overview Statement forms part of our Annual Report.

### WHISTLEBLOWER POLICY

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To strengthen transparency, we have established a **Whistleblower Policy** that allows employees, contractors, and stakeholders to report suspected misconduct safely and anonymously. Multiple reporting channels are available, including independent third-party hotlines. All reports are investigated confidentially, with protection guaranteed against retaliation. Outcomes are reported to the Audit committee for accountability.

The Whistleblower Policy of Hong Seng was formulated based on the Whistle Blower Protection Act 2010. This Whistle Blower Protection Act provides assurance and confidence to our employees and external parties that we have an effective channel to report on any activity that breaches our Code and/or any breach of ethics or omission by an employee of Hong Seng.

Our Whistleblower Policy can be accessed from our website at [www.hongseng.com.my](http://www.hongseng.com.my). Whistle blowers can write to [whistleblowing@hongseng.com.my](mailto:whistleblowing@hongseng.com.my) and the report will go directly to Chairman of Audit Committee.

Furthermore, there were no whistleblowing reports received during the financial year.

### STANDARD CODE OF ETHICS AND EMPLOYEES' DISCIPLINE & CONDUCT ("Code")

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The Group enforce a clear framework for employee conduct and discipline. This framework -

- Ensures fairness in disciplinary proceedings.
- Provides clear escalation procedures for grievances.
- Reinforces company values of respect, professionalism, and accountability.
- Links performance evaluation with compliance to ethical standards, not just financial results.

All employees of the Group are expected to comply with the Code which is adopted at all levels within the group. It covers the principles by which behaviours are assessed and guides an employee's direct and indirect roles and responsibilities inside and outside the group. These principles are shared with all employees and emphasized during training sessions. Upon employment within the Group, employees pledge their agreement to the Code when signing their letter of offer.

By aligning conduct with values, the Code strengthens workplace culture while protecting employee rights.

## SUSTAINABILITY STATEMENT (CONT'D)

### STANDARD CODE OF ETHICS AND EMPLOYEES' DISCIPLINE & CONDUCT ("Code") (CONT'D)

The Code encompasses the following policies –



### COMPLIANCE WITH LAWS AND REGULATIONS

Hong Seng ensures full compliance with Bursa Malaysia Listing Requirements, Malaysia Companies Act, environmental regulations, labour laws, and data protection requirements ("PDPA").

For financial technology operations, Hong Seng complies with Bank Negara Malaysia guidelines and international cybersecurity standards. Regular legal reviews are conducted to anticipate regulatory changes and maintain compliance.

### CULTURE OF ETHICAL LEADERSHIP

Governance and ethical conduct are not limited to policies. They are driven by leadership tone at the top. Directors and senior management lead by example, embedding ethical behaviour into daily operations. Ethical leadership is reinforced through -

- Quarterly reviews of governance practices.
- Open-door policies encouraging employee feedback.
- Commitment to transparency in reporting and disclosures.

#### Integration with ESG and Value Creation

Strong governance and ethical conduct directly enhance our ESG performance by -

- Reducing legal, operational, and reputational risks.
- Improving access to sustainability-linked financing.
- Building trust with regulators, investors, and communities.
- Aligning with global frameworks such as IFRS S1.

By ensuring governance structures are robust and ethical conduct is ingrained, the Group not only complies with regulations but also positions itself as a responsible and trustworthy corporate leader.

## SUSTAINABILITY STATEMENT (CONT'D)

### CULTURE OF ETHICAL LEADERSHIP (CONT'D)

#### Future Actions

HONG SENG will continue to strengthen governance by –

#### Future Actions

- Expanding digital tools for compliance monitoring.
- Enhancing third-party due diligence for suppliers.
- Increasing Board and management training on emerging ESG regulations.

### COMMUNITY ENGAGEMENT & SOCIAL RESPONSIBILITY

Hong Seng always engages with local communities through philanthropic initiatives, focusing on education, healthcare, and skill development. Our CSR initiatives are designed to uplift the communities where we operate, creating shared value for all stakeholders. Through these efforts, we aim to contribute to the sustainable development of the communities that we serve and operate in.

#### Corporate Social Responsibility (“CSR”)

We engage in meaningful community projects, such as supporting welfare societies and fund-raising activities especially for the under privileged communities.

#### Philanthropy

As part of our CSR initiatives, Hong Seng contributes to charitable causes, particularly those aligned with education, healthcare, and social welfare. This can involve donating a portion of profits or organizing fundraising events in partnership with local NGOs

#### Local Economic Development

By supporting local suppliers and vendors, Hong Seng can help boost local economies and create sustainable livelihoods. This also aligns with promoting responsible sourcing and reducing environmental impact.

However, Hong Seng undertook an internal reorganisation exercise during these two financial periods, which led to higher workforce turnover. During this time, the Group’s focus was placed on strengthening internal human capital planning, which resulted in more limited emphasis on community engagement and CSR initiatives.

# SUSTAINABILITY STATEMENT (CONT'D)

## COMMUNITY ENGAGEMENT & SOCIAL RESPONSIBILITY (CONT'D)

### Ethical Customer Relations

We prioritize transparency and ethical practices in our customer interactions.

#### Customer Engagement and Education - Ethical Marketing

Transparency is of utmost importance to customers. Our brand name and practices are stamped with integrity whenever we communicate with customers.

#### Customer Feedback and Satisfaction

We establish strong channels for customer feedback and continuously improve our customers' experience, which also reward customers for supporting sustainable and ethical practices, while encouraging long-term, positive engagement.

#### Product Quality and Safety

We ensure that all products meet high industry safety standards.

#### Ethical Customer Service

We ensure that customer interactions reflect ethical practices, promoting honesty, fairness, and transparency in all business dealings.

### Commitment to Continuous Improvement

Sustainability is an ongoing journey, and Hong Seng is dedicated to continuously improving our ESG performance. As a result, we are committed to monitoring and transparently reporting our progress in these areas, ensuring that we contribute positively to the environment, economy, and society.

#### Stakeholder Engagement - Investor and Stakeholder Dialogue

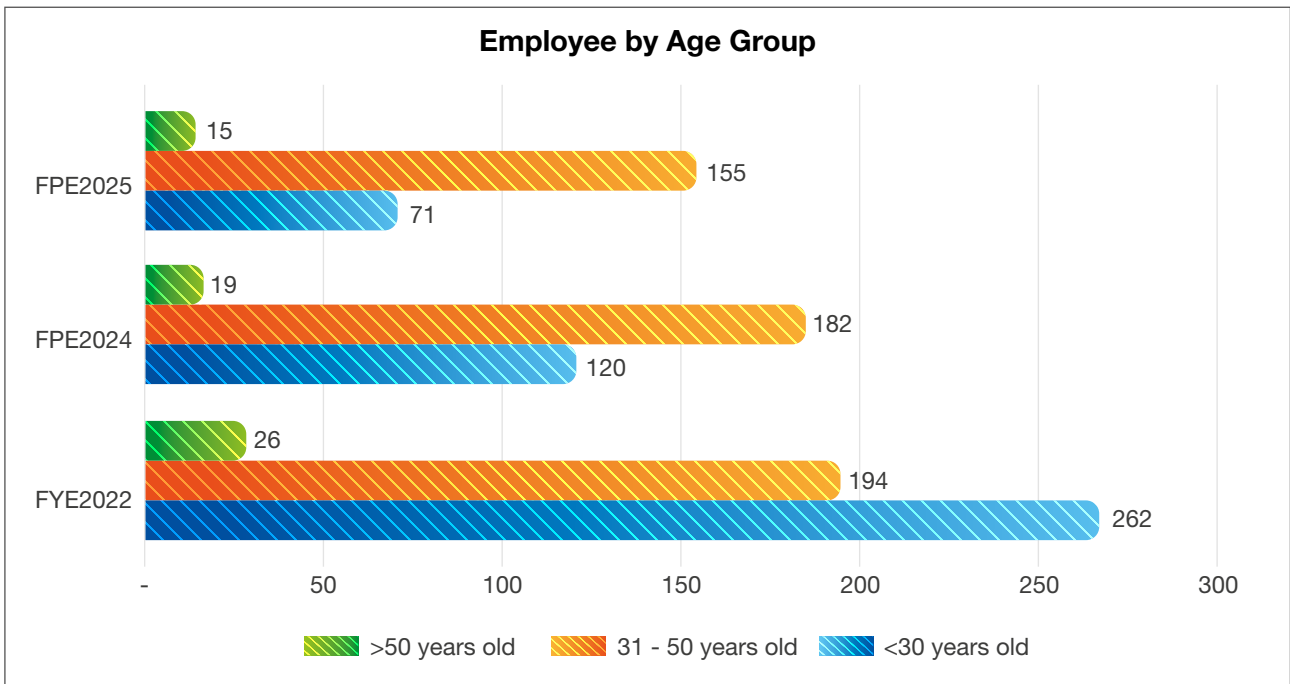
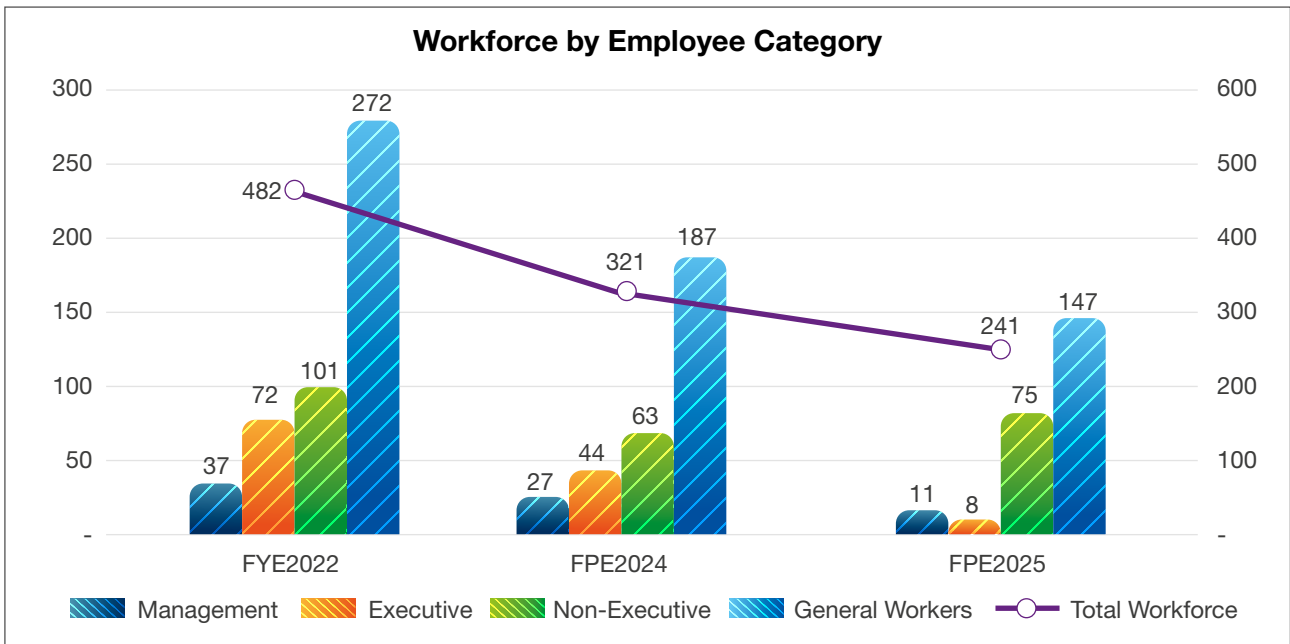
We maintain open and transparent communication with stakeholders, including investors, customers, and employees, about their social impact initiatives. We seek to gradually improve our sustainability reporting and updates on our ESG performance, to foster trust and long-term partnerships.

# SUSTAINABILITY STATEMENT (CONT'D)

## DIVERSITY, EQUITY & INCLUSION (“DEI”) - WORKFORCE

### Commitment to an Inclusive Workforce

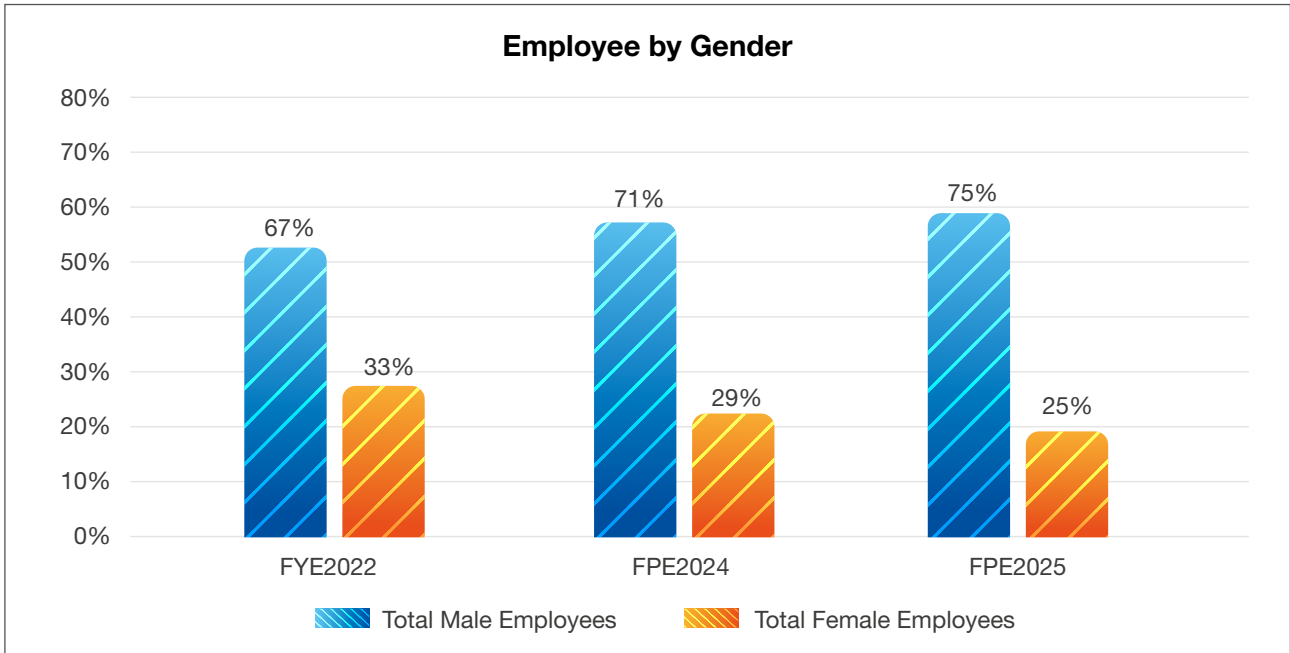
Hong Seng believes that diversity, equity, and inclusion are not just ethical imperatives but also strategic drivers of innovation, productivity, and long-term value creation. The Group is committed to building a workplace that reflects the diversity of the communities it serves, where every employee, regardless of gender, age, ethnicity, religion, background, or ability, feels respected, valued, and empowered to contribute.



## SUSTAINABILITY STATEMENT (CONT'D)

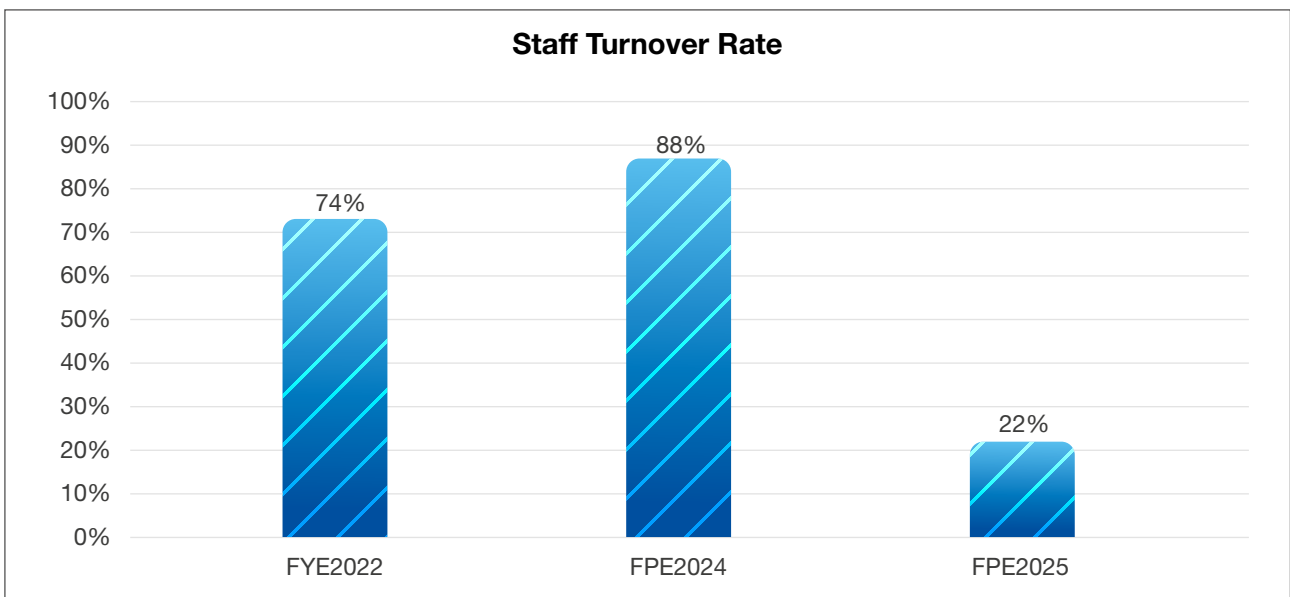
### DIVERSITY, EQUITY & INCLUSION (“DEI”) - WORKFORCE (CONT'D)

#### Commitment to an Inclusive Workforce (Cont'd)



Hong Seng has been undergoing an internal reorganization of its businesses and workforce, to remain competitive. As a result, our workforce has been reduced gradually over the past financial year and periods. The number of staff within each age category has also experienced a reduction too. Meanwhile, we are trying to maintain our total female employees at a rate of 25% of our total workforce.

Hong Seng is focusing on grooming its next level of workforce that are managerial material and ready to support the future growth of the Group.



During FPE 2025, Hong Seng managed to reduce its staff turnover rate from a high of 88% in FPE 2024 to 22% in FPE 2025. We are stepping up on our retention program to invest in our employees through training and staff development programs.

## SUSTAINABILITY STATEMENT (CONT'D)

### DIVERSITY, EQUITY & INCLUSION (“DEI”) - WORKFORCE (CONT'D)

#### Diversity Across the Workforce

The Group’s workforce includes employees from a wide range of professional, cultural, and educational backgrounds. This diversity strengthens Hong Seng’s ability to adapt to changing markets and customer expectations.

Diversity	Details
<b>Gender Diversity</b>	During FPE 2025, women account for 25% of the workforce, with an explicit target to raise female representation in leadership positions.
<b>Age and Generational Diversity</b>	The Group benefits from the energy of younger employees and the experience of senior professionals. Structured mentoring programs encourage knowledge transfer across generations.
<b>Cultural and Ethnic Representation</b>	Reflecting Malaysia’s multicultural society, Hong Seng values the perspectives of employees from different backgrounds, ensuring inclusive decision-making.

#### Equity in Opportunities and Rewards

Equity ensures that employees have **fair access to growth opportunities**, regardless of personal background or status. Key initiatives include -

Equity	Details
<b>Equal Pay for Equal Work</b>	Regular benchmarking exercises ensure that pay structures are competitive and non-discriminatory.
<b>Transparent Promotion Pathways</b>	Career advancement is merit-based, supported by performance appraisals and leadership assessments.
<b>Targeted Development Programs</b>	Leadership programs for women and underrepresented groups support career progression into senior management.
<b>Inclusive Benefits</b>	Employee benefits are designed to support both full-time and contract staff, ensuring equitable treatment.

#### Inclusion in Culture and Practices

Inclusion means creating an environment where every voice is heard and valued. Hong Seng fosters an inclusive culture through –

Inclusion	Details
<b>Employee Engagement</b>	Regular town halls, feedback surveys, and open-door policies ensure employees have a say in company direction.
<b>Flexible Work Practices</b>	Where possible, flexible hours and remote work arrangements accommodate employees’ diverse needs.
<b>Cultural Awareness</b>	Celebrations of cultural and religious events foster unity and mutual respect within the workforce.
<b>Accessibility</b>	The Group is assessing workplace facilities to ensure greater accessibility for employees with disabilities.

## SUSTAINABILITY STATEMENT (CONT'D)

### DIVERSITY, EQUITY & INCLUSION (“DEI”) - WORKFORCE (CONT'D)

#### Governance and Accountability for DEI

DEI is overseen by the Board and monitored by the Sustainability Committee, supported by the Sustainability Working Group. Clear KPIs on diversity and inclusion are incorporated into management performance reviews. Progress is reported annually in the Sustainability Statement, ensuring transparency and accountability.

#### Link to ESG and Global Goals

DEI contributes directly to several UNSDGs –

SDG	Details
<b>SDG 5 (Gender Equality)</b>	Promoting women in leadership
<b>SDG 8 (Decent Work and Economic Growth)</b>	Ensuring fair pay and safe, inclusive workplaces.
<b>SDG 10 (Reduced Inequalities)</b>	Providing equitable opportunities for all.

From a business perspective, diverse teams improve problem-solving, creativity, and resilience, while inclusive practices reduce employee turnover and enhance employer branding.

#### Future Commitments

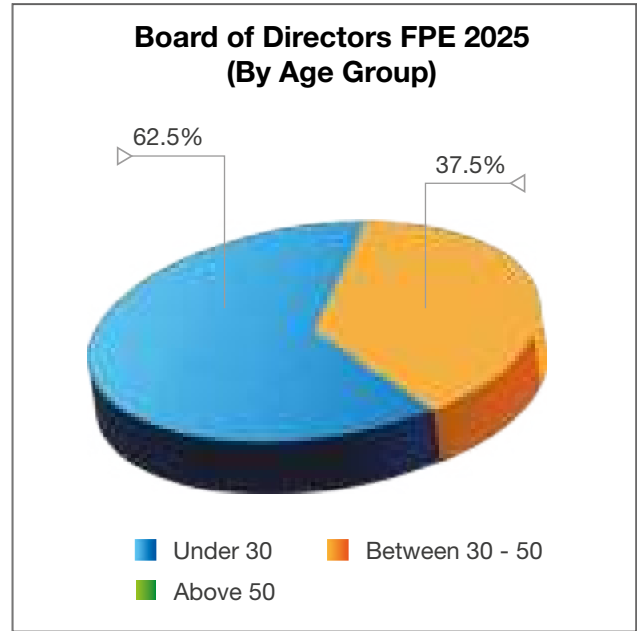
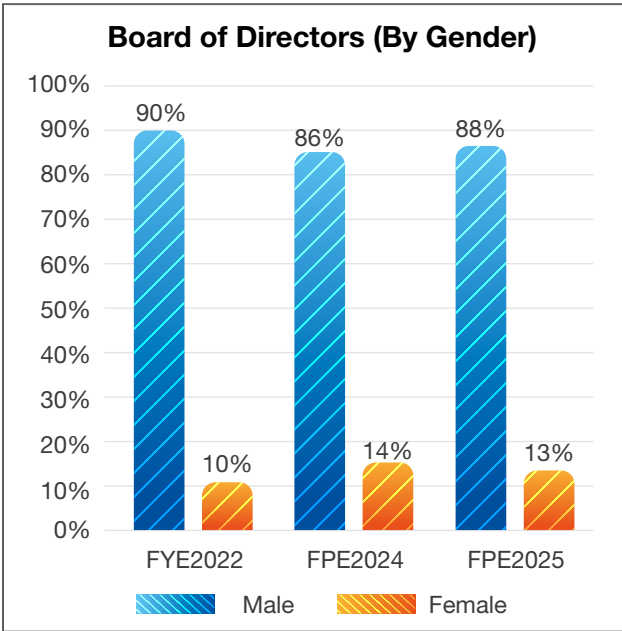
To strengthen its DEI journey, HONG SENG will -

Future Commitments
<ul style="list-style-type: none"> <li>• Gradually increase women’s participation.</li> <li>• Establish a <b>formal DEI Policy</b> endorsed by the Board.</li> <li>• Introduce <b>annual DEI training programs</b> for all employees, focusing on unconscious bias and inclusive leadership.</li> <li>• Implement metrics for monitoring pay equity across genders and roles.</li> <li>• Expand opportunities for underrepresented groups, including persons with disabilities, through targeted hiring initiatives.</li> </ul>

# SUSTAINABILITY STATEMENT (CONT'D)

## DIVERSITY, EQUITY & INCLUSION (“DEI”) – BOARD OF DIRECTORS

Hong Seng recognizes that diversity, equity, and inclusion at the Board level are essential drivers of better governance, more robust decision-making, and the long-term sustainability of the organization. The Board is committed to ensuring that its makeup reflects a breadth of perspectives—across gender, cultural backgrounds, age, tenure, expertise, and independence—to strengthen strategic oversight and stakeholder trust.



### Diversity on the Board

Diversity	Details
<b>Gender Diversity</b>	The Board ensures that there is female representation, in line with Hong Seng’s Diversity Policy, at least one-woman director is maintained on the Board in accordance with regulatory expectations (per Bursa / Listing Requirements).
<b>Cultural &amp; Ethnic Diversity</b>	Given Malaysia’s multicultural society, Hong Seng plans to have a Board composition that includes representation from different ethnic and cultural backgrounds. This diversity enhances sensitivity to community issues and stakeholder engagement across various demographic groups.
<b>Age &amp; Tenure Diversity</b>	The Board is balanced between experienced long-serving members and newer directors, ensuring continuity of institutional knowledge while infusing fresh perspectives and adaptability.
<b>Independence &amp; Expertise Diversity</b>	A proportion of independent non-executive directors strengthens impartial oversight. Directors bring diverse functional expertise (finance, law, operations, technology, ESG) and international exposure, enhancing the Board’s collective capabilities.

## SUSTAINABILITY STATEMENT (CONT'D)

### DIVERSITY, EQUITY & INCLUSION (“DEI”) – BOARD OF DIRECTORS (CONT'D)

#### Equity and Inclusion at Board Level

Equity	Details
<b>Equitable Access</b>	Board nomination processes evaluate candidates based on merit, expertise, and alignment with DEI principles, not solely on networks or legacy criteria.
<b>Inclusive Decision-Making</b>	The Board fosters a culture where all directors, particularly those from underrepresented groups (if any) are encouraged to contribute fully, voice alternative views, and influence decisions without bias.
<b>Succession Planning &amp; Pipeline Development</b>	The Board, via the Nomination Committee, supports mentorship and capacity-building initiatives to cultivate a diverse pipeline of future board candidates.
<b>Performance &amp; Accountability</b>	DEI objectives are included in Board evaluations. Metrics such as gender ratio, attendance of diverse directors, and inclusivity in committee roles are tracked and reported.

#### Forward Commitments & Actions

Commitments	Actions
<b>Targets</b>	Maintaining high percentage of female representation.
<b>Talent Sourcing</b>	Expand candidate search beyond traditional networks to include underrepresented groups and cross-sector profiles.
<b>Mentorship &amp; Sponsorship</b>	Participate in board mentoring programs to support women and diverse candidates to progress to board positions.
<b>DEI Reporting</b>	Disclose board DEI metrics annually (gender ratio, attendance, diversity in committee roles) with trends across years.
<b>Capacity Building</b>	Provide DEI and unconscious-bias training for the Board and Nomination Committee to strengthen inclusive decision culture.

### EMPLOYEE LEARNING & DEVELOPMENTS

#### Commitment to Continuous Growth

Hong Seng recognizes that the development of its employees is integral to sustaining business performance and ensuring long-term resilience. A well-trained workforce enhances operational efficiency, drives innovation, strengthens safety culture, and improves employee engagement. The Group views learning and development (“L&D”) not as a one-off activity, but as a continuous journey of upskilling, reskilling, and empowering its people to meet evolving industry challenges.

## SUSTAINABILITY STATEMENT (CONT'D)

### EMPLOYEE LEARNING & DEVELOPMENTS (CONT'D)

#### Strategic Focus Areas in L&D

As a result of Hong Seng's internal reorganization exercise over the past 2 financial periods, the Group experienced high staff turnover across its rankings. This resulted in our human resource focusing on training for relevant skills sets, especially in upskilling exercise and mandatory training.

Our staff training programs are identified based on business strategies and operational needs, meeting regulatory requirements, and ensuring the development of our people's technical, interpersonal, business and management skills.

The training programs that we have arranged for our management and staffs during the FPE 2025 are as follows: -

Total Hours of Training by Employee Category Training Programme for FPE 2025	Management	Executive	Non-Executive	General Workers
Mandatory Accreditation Programme Part II: Leading For Impact	24	-	-	-
Mandatory Accreditation Programme Part I	8	-	-	-
Mandatory Accreditation Programme II	16	-	-	-
MIA MFRS Seminar MFRS 15 & MFRS 16	8	-	-	-
MIA MFRS Webinar	8	-	-	-
MIA Webinar Series	8	-	-	-
Mandatory Accreditation Programme II	24	-	-	-
Mandatory Accreditation Programme II	8	-	-	-
MIA Webinar Training	8	-	-	-
Healthy Workforce, Safe Workforce	-	18	-	-
Kursus Pengurusan Disiplin Pekerja & Pematuhan Audit Perburuhan Malaysia, Siri 1/2024	-	17	-	-
Info-Tech Hrms Professional Seminar 5.4	-	84	-	-
Seminar Organisasi Keselamatan Kebakaran	-	36	-	-
Info-Tech Hrms Professional Seminar 6.1	-	84	-	-
Info-Tech Hrms Professional Seminar 7.0	-	84	-	-
Alliance Bank E-Invoicing Expo With LHDN	-	8	-	-
Seminar On Environmental Management & Sustainability: Making Peace With Nature	-	19	-	-
Taklimat Pelaksanaan E-Invoice Fasa 2 & 3	-	8	-	-
Info-Tech Year-End Seminar	-	17	-	-
Seminar Keselamatan Dan Kesihatan Pekerjaan: Pengurusan Keselamatan Loji Dan Psikososial Di Tempat Kerja 2025	-	36	-	-
Seminar On Schedule Waste Management And ESWIS V2 Hands On	-	-	36	-
	<b>112</b>	<b>411</b>	<b>36</b>	<b>-</b>

## SUSTAINABILITY STATEMENT (CONT'D)

### EMPLOYEE LEARNING & DEVELOPMENTS (CONT'D)

#### Link to ESG and Long-Term Value

Employee learning and development directly support SDG 4 (Quality Education) and SDG 8 (Decent Work and Economic Growth). By investing in people, Hong Seng not only strengthens internal capabilities but also enhances community and industry resilience. A skilled workforce contributes to higher quality products and services, improved customer satisfaction, and stronger stakeholder confidence.

#### Impact and Outcomes

The benefits of L&D are evident across our business segments -

Benefits
<ul style="list-style-type: none"> <li>Improved <b>operational efficiency</b> in construction projects with reduced rework rates.</li> <li>Enhanced <b>safety performance</b>, with a measurable decline in incidents due to increased awareness and compliance.</li> <li>Stronger <b>employee retention</b>, as professional growth opportunities rank among the top factors in employee satisfaction surveys.</li> <li>Greater <b>adaptability</b>, with employees better prepared to embrace digital transformation and ESG-linked innovations.</li> </ul>

#### Future Commitments

Looking ahead, Hong Seng plans to expand its L&D agenda by –

Future Commitments
<ul style="list-style-type: none"> <li>Introducing AI-powered training analytics to customize learning pathways.</li> <li>Launching a Sustainability Academy to provide structured ESG training to employees, contractors, and suppliers.</li> <li>Partnering with universities and professional bodies to offer certification programs in engineering, finance, and renewable energy.</li> <li>Embedding L&amp;D KPIs into performance reviews, ensuring accountability for continuous skill enhancement.</li> </ul>

### CYBERSECURITY & IT MANAGEMENT

We are witnessing the increasing of various trends involving digitalization, largely due to automation, e-commerce and remote working, which has propelled to the adoption of digital technologies and infrastructure.

As a result, cybersecurity is integral to Hong Seng’s ESG framework, especially within financial technology. Cybersecurity not only prevents costly breaches but also builds customer trust, accelerating financial technology adoption and enhancing investor confidence. Many of our customers, both domestic and international, have adopted digital technologies in our communications and transactions. Similar happenings are occurring in our supply chain, particularly our procurements from major suppliers, and logistics. With the Group’s activity in financial services and the increasing digitization of operations, cybersecurity and data governance have become essential components of sustainability.

# SUSTAINABILITY STATEMENT (CONT'D)

## CYBERSECURITY & IT MANAGEMENT (CONT'D)

### Cybersecurity Framework

The rapid rise in digitalisation has also made data and information more susceptible to cybersecurity risks. Hong Seng sees the need to manage the growing threat of cyber-attacks including external hacking or cyber penetration, protecting the sensitive information of our group and customers, and to prevent any leaks, threats or loss of our group and customer information. As a result, protecting sensitive information, whether customer financial data, employee records, or supplier contracts is not only a regulatory obligation but also a cornerstone of digital trust.

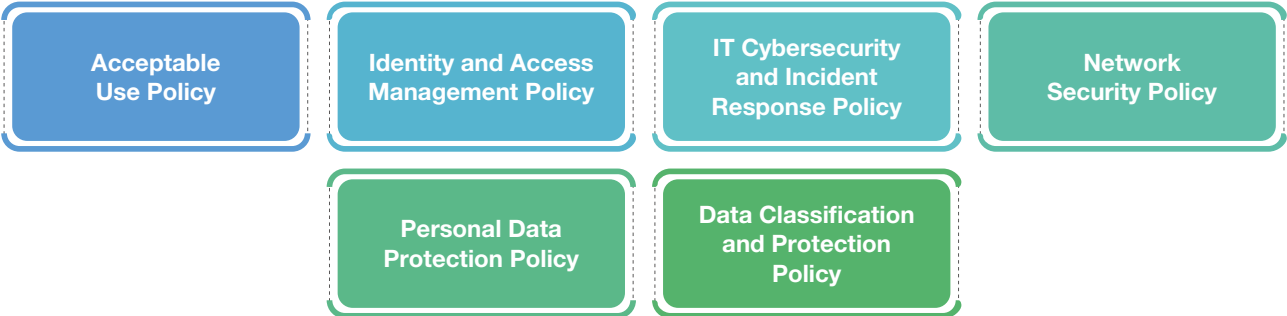
Hong Seng has implemented a multi-layered **Cybersecurity Framework**, supported by -

Actions	Details
Technical Defenses	Firewalls, encryption protocols, multi-factor authentication, and intrusion detection systems.
Monitoring	AI-powered systems for real-time threat detection and automated incident response.
Testing	Regular penetration tests and vulnerability assessments to identify and mitigate risks.

As a result, we continue to place great importance on our internal control framework to protect the privacy and security of data, information and intellectual properties belonging to us and our stakeholders.

For our day-to-day operations, we continue to emphasize on the importance of implementing internal mitigative measures such as antivirus, endpoint protection and firewall protection, as well as 24-hour real time monitoring and detection of malicious network traffic. Our IT team constantly test the effectiveness of our IT processes and systems, while they also conduct regular IT asset management and audits of our systems. In addition, we periodically review and upgrades the computer and server protection from conventional anti-virus software to the latest protection software.

We have established a range of policies related to cybersecurity and IT management and we constantly review, upgrade and improvise to ensure that they are up-to-date, and our employees are aware of the latest threats. The policies are as follow -



# SUSTAINABILITY STATEMENT (CONT'D)

## CYBERSECURITY & IT MANAGEMENT (CONT'D)

### Data Protection and Compliance

The Group complies fully with Malaysia’s **Personal Data Protection Act (PDPA)** and ensures that customer and employee data is collected, processed, stored, and disposed of securely. FinTech platforms are designed with “**privacy by design**” principles, embedding data security from the ground up.

### Culture of Awareness

Employees undergo mandatory cybersecurity and data protection training annually, with simulated phishing exercises and refresher courses to reinforce awareness. Vendors and technology partners are also required to meet minimum security standards before being onboard.

### Incident Response and Business Continuity

We have a team tasked with managing breaches, coordinating responses, and reporting to the management. Cybersecurity risks are fully integrated into the Group’s enterprise risk management framework and linked with its Business Continuity Plan.

### Financial Linkage

Robust cybersecurity prevents costly breaches and supports the scaling of financial technology offerings. By safeguarding data, Hong Seng enhances revenue potential from digital services while reducing exposure to fines and litigation.

### Risks and Opportunities

Opportunities	Risks
Strong cybersecurity enhances investor confidence, attracts customers to FinTech products, and provides a competitive advantage in ESG-conscious markets.	Cyberattacks could result in financial losses, reputational harm, and regulatory fines.

# SUSTAINABILITY STATEMENT (CONT'D)

## HONG SENG CONSOLIDATED BERHAD

Date &amp; Time: 2026-01-22\_20:48:41

BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks	Footnote Sustainability Matter
Anti-Corruption	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Management	Percentage	100.0%	100.0%	Internal	-	-
Anti-Corruption	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	100.0%	100.0%	Internal	-	-
Anti-Corruption	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Non-Executive/Technical Staff	Percentage	100.0%	100.0%	Internal	-	-
Anti-Corruption	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - General Workers	Percentage	0.0%	100.0%	Internal	-	-
Anti-Corruption	Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.0%	100.0%	Internal	-	-
Anti-Corruption	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	Internal	-	-
Community/Society	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	0	-	Internal	-	-
Community/Society	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0	-	Internal	-	-
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category : Age Group by Employee Category - Management Under 30	Percentage	0.0%	-	Internal	-	-
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category : Age Group by Employee Category - Management Between 30-50	Percentage	45.5%	-	Internal	-	-
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category : Age Group by Employee Category - Management Above 50	Percentage	54.5%	-	Internal	-	-
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category : Age Group by Employee Category - Executive Under 30	Percentage	12.5%	-	Internal	-	-

# SUSTAINABILITY STATEMENT (CONT'D)

**HONG SENG CONSOLIDATED BERHAD** Date & Time: 2026-01-22\_20:48:41  
 BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks	Footnote Sustainability Matter
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category : Age Group by Employee Category - Executive Between 30-50	Percentage	875%	-	Internal	-	-
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category : Age Group by Employee Category - Executive Above 50	Percentage	0.0%	-	Internal	-	-
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category : Age Group by Employee Category - Non-executive/Technical Staff Under 30	Percentage	34.7%	-	Internal	-	-
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category : Age Group by Employee Category - Non-executive/Technical Staff Between 30-50	Percentage	60.0%	-	Internal	-	-
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category : Age Group by Employee Category - Non-executive/Technical Staff Above 50	Percentage	5.3%	-	Internal	-	-
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category : Age Group by Employee Category - General Workers Under 30	Percentage	29.9%	-	Internal	-	-
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category : Age Group by Employee Category - General Workers Between 30-50	Percentage	66.7%	-	Internal	-	-
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category : Age Group by Employee Category - General Workers Above 50	Percentage	3.4%	-	Internal	-	-
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category : Gender Group by Employee Category-Management Male	Percentage	81.8%	-	Internal	-	-
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category : Gender Group by Employee Category - Management Female	Percentage	18.2%	-	Internal	-	-

## SUSTAINABILITY STATEMENT (CONT'D)

### HONG SENG CONSOLIDATED BERHAD

Date &amp; Time: 2026-01-22\_20:48:41

BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks	Footnote Sustainability Matter
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category : Gender Group by Employee Category - Executive Male	Percentage	50.0%	-	Internal	-	-
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category : Gender Group by Employee Category - Executive Female	Percentage	50.0%	-	Internal	-	-
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category : Gender Group by Employee Category - Non-executive/Technical Staff Male	Percentage	44.0%	-	Internal	-	-
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category : Gender Group by Employee Category - Non-executive/Technical Staff Female	Percentage	56.0%	-	Internal	-	-
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category : Gender Group by Employee Category - General Workers Male	Percentage	91.8%	-	Internal	-	-
Diversity	Bursa C3(a) Percentage of employees by gender and age group, for each employee category : Gender Group by Employee Category - General Workers Female	Percentage	8.2%	-	Internal	-	-
Diversity	Bursa C3(b) Percentage of directors by gender and age group - Male	Percentage	87.5%	-	Internal	-	-
Diversity	Bursa C3(b) Percentage of directors by gender and age group - Female	Percentage	12.5%	-	Internal	-	-
Diversity	Bursa C3(b) Percentage of directors by gender and age group - Under 30	Percentage	0.0%	-	Internal	-	-
Diversity	Bursa C3(b) Percentage of directors by gender and age group - Between 30-50	Percentage	44.4%	-	Internal	-	-
Diversity	Bursa C3(b) Percentage of directors by gender and age group - Above 50	Percentage	55.6%	-	Internal	-	-
Energy Management	Bursa C4(a) Total energy consumption	Megawatt	3,188,192	-	Internal	-	-
Health & Safety	Bursa C5(a) Number of work-related fatalities	Number	0	0	Internal	-	-
Health & Safety	Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0	0	Internal	-	-

# SUSTAINABILITY STATEMENT (CONT'D)

**HONG SENG CONSOLIDATED BERHAD** Date & Time: 2026-01-22\_20:48:41  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks	Footnote Sustainability Matter
Health & Safety	Bursa C5(c) Number of employees trained on health and safety standards	Number	108	-	Internal	-	-
Labour Practices & Standards	Bursa C6(a) Total hours of training by employee category - Management	Hours	112	-	Internal	-	-
Labour Practices & Standards	Bursa C6(a) Total hours of training by employee category - Executive	Hours	411	-	Internal	-	-
Labour Practices & Standards	Bursa C6(a) Total hours of training by employee category - Non-executive/Technical Staff	Hours	36	-	Internal	-	-
Labour Practices & Standards	Bursa C6(a) Total hours of training by employee category - General Workers	Hours	0	-	Internal	-	-
Labour Practices & Standards	Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	270%	-	Internal	-	-
Labour Practices & Standards	Bursa C6(c) Total number of employee turnover by employee category - Management	Number	5	-	Internal	-	-
Labour Practices & Standards	Bursa C6(c) Total number of employee turnover by employee category - Executive	Number	14	-	Internal	-	-
Labour Practices & Standards	Bursa C6(c) Total number of employee turnover by employee category - Non-executive/Technical Staff	Number	8	-	Internal	-	-
Labour Practices & Standards	Bursa C6(c) Total number of employee turnover by employee category - General Workers	Number	25	-	Internal	-	-
Labour Practices & Standards	Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	Internal	-	-
Supply Chain & Management	Bursa C7(a) Proportion of spending on local suppliers	Percentage	870%	100.0%	Internal	-	-
Data Privacy & Security	Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	Internal	-	-
Water	Bursa C9(a) Total volume of water used	Megalitres	56130	-	Internal	-	-

# SUSTAINABILITY STATEMENT (CONT'D)

**HONG SENG CONSOLIDATED BERHAD** Date & Time: 2026-01-22\_20:48:41  
IFRS S1

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks	Footnote Sustainability Matter
-	-	-	-	-	No assurance	-	-

**HONG SENG CONSOLIDATED BERHAD** Date & Time: 2026-01-22\_20:48:41  
IFRS S2

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks	Footnote Sustainability Matter
-	-	-	-	-	No assurance	-	-

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Hong Seng Consolidated Berhad (“Hong Seng” or the “Company”) believes that the practice of good corporate governance is important to ensure long-term sustainability and business prosperity and to preserve shareholders’ trust. The Board is fully committed to maintaining high standards of corporate governance practices set out in the Malaysian Code on Corporate Governance (“MCCG”) throughout Hong Seng and its subsidiaries (“Group”) to safeguard the interests of its shareholders and stakeholders.

This Corporate Governance Overview Statement (“Statement”) is augmented with a Corporate Governance Report (“CG Report”) based on a prescribed format as enumerated in Paragraph 15.25 of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) so as to provide a detailed articulation on the application of the Group’s corporate governance practices as set out in the MCCG throughout the financial period ended 30 September 2025 (“FPE 2025”).

This Statement should also be read together with the CG Report for the FPE 2025 which is available on the Company’s website at <https://www.hongseng.com.my> as well as via an announcement on the website of Bursa Securities at [www.bursamalaysia.com](http://www.bursamalaysia.com).

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

PRINCIPLE A	PRINCIPLE B	PRINCIPLE C
Board Leadership and Effectiveness	Effective Audit and Risk Management	Integrity in Corporate Reporting and Meaningful Relationship with Stakeholder

## PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

### PART I – BOARD RESPONSIBILITIES

#### 1.1 Board and Board Committees

The Board is primarily responsible for determining the Company’s strategic objectives and policies and monitoring the progress toward achieving the objectives and policies. In this regard, the Board is guided by the principles and practices set out in the approved Board Charter to ensure that all Board members, acting collectively and individually on behalf of the Company, are aware of the specific functions of the Board, their duties and responsibilities and that the principles and practices of good corporate governance are applied in all their dealings in respect of, and on behalf of the Company.

To ensure the effectiveness in discharging its duties and responsibilities, the Board has delegated certain responsibilities to the following committees appointed by the Board:-



Each Board Committee operates its functions in accordance with clearly defined Terms of Reference (“TOR”) adopted by the Board. These Committees are authorised by the Board to deal with and to deliberate on matters delegated to them within their respective TOR and report to the Board on their proceedings and deliberation together with its recommendations to the Board for approval. The Board Committees’ TOR can be accessed via the Company’s website, <https://www.hongseng.com.my>.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### PART I – BOARD RESPONSIBILITIES (CONT'D)

##### 1.2 Chairman of the Board

The Board is chaired by Mr. Ng Keok Chai, an Independent Non-Executive Chairman who is supported by the Executive Directors and other Board members with experience in a wide range of expertise and they collectively play an important role in the stewardship of the direction and operations of the Group. The Board acknowledges its key responsibilities in directing the strategic plans, monitoring its performance targets, and developing the long-term goals of businesses of the Group.

##### 1.3 Chairman and Executive Directors (“EDs”)

The roles of the Chairman and EDs are distinctly separate, each with specific responsibilities aimed at ensuring effective leadership within both the Board and the Group. The Chairman of the Board oversees the leadership and efficient operation of the Board itself. Meanwhile, the EDs are responsible for managing the Group, including the overall business operations, day-to-day management of the Company, and the execution of the Board's policies and decisions.

The EDs also ensure that the Group's corporate identity, products and services are of high standard and reflect the market environment, and that business practices and activities are in compliance with regulatory requirements.

The roles and responsibilities of the EDs are detailed in the Board Charter which is available at the Company's website at <https://www.hongseng.com.my>.

##### 1.4 Qualified and Competent Company Secretaries

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

The Company Secretaries consistently participate in relevant training programs, conferences, or seminars organised by authorities and professional bodies. This ensures they stay updated on corporate governance developments and regulatory changes pertinent to their role, enabling them to provide valuable advisory services to the Board.

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

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

Overall, the Board is satisfied with the performance and support rendered by the Company Secretaries and their team to the Board in the discharge of their duties and functions.

##### 1.5 Meeting of Board and Board Committees

To facilitate the Directors' time planning, an annual meeting calendar is prepared in advance of each new year by the Company Secretaries. The meeting calendar provides the Directors with scheduled dates for meetings of the Board and Board Committees as well as the annual general meeting (“AGM”). The closed periods for dealings in securities by Directors and principal officers based on the scheduled dates of meetings for making announcements of the Company's quarterly results were also provided therein.

The Board meets at least once every quarter and additional meetings are convened as and when necessary. Notices of the Board and Board Committees meetings together with the meeting materials (including meeting minutes) are usually circulated to the Directors/Board Committee Members at least seven (7) days before the meeting to enable the Directors to review and consider the agenda items to be discussed and where necessary, to obtain further explanations in order to be fully briefed before the meeting.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### PART I – BOARD RESPONSIBILITIES (CONT'D)

##### 1.5 Meeting of Board and Board Committees (Cont'd)

The Company Secretaries ensure that all Board and Board Committees' meetings are properly convened. Draft meeting minutes are circulated to the chairman of the meeting for review within a reasonable timeframe after the meetings. Meeting minutes record the proceedings of the meeting and resolutions passed by the Board/Board Committees including the names of the Directors who abstained from voting or deliberation on a particular matter.

All the records of proceedings and resolutions passed are kept at the registered office of the Company.

For matters which require the Board's decision on an urgent basis outside of Board Meetings, relevant supporting documents along with the Directors' Written Resolution will be circulated for the Board's consideration. All written resolutions approved by the Board will be tabled for notation at the next Board Meeting.

##### 1.6 Board Charter

The Board has formalised and adopted a Board Charter which sets out the roles, duties and responsibilities as well as the composition and processes to enable all Board members, to be aware of their duties and responsibilities at all times. The Board Charter is available at the Company's website at <https://www.hongseng.com.my>.

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

##### 1.7 Code of Conduct and Ethics

The Board has also adopted a Code of Conduct and Ethics which provides guidance to stakeholders on the ethical behaviour to be expected from the Group and sets out the Board's responsibilities as well as the Management's responsibilities to communicate, measure and monitor its values and performance to achieve objectives and to instill values. The Code of Conduct and Ethics is available on the Company's website at <https://www.hongseng.com.my>.

##### 1.8 Whistle Blowing Policy

A Whistle Blowing Policy and Procedures were adopted by the Board to provide a platform for employees, directors and others to report serious concerns about risks of wrongful activities or reports of wrongdoing or to raise any concern or suspicion without fear of victimization or recrimination. The implementation of the Whistle Blowing Policy is in line with the Companies Act 2016 and Section 17A of the Malaysian Anti-Corruption Commission Act 2018 ("the Acts"), where provisions have been made to protect the officers who make disclosures on breach or non-observance of any requirement or provision of the Acts or any serious offence involving fraud and dishonesty.

The Whistle Blowing Policy offers a clear and confidential channel for employees and members of the public to report any violations or misconduct within the Group. It ensures that individuals who report concerns in good faith are protected from retaliation.

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

The Whistle Blowing Policy and Procedures is available on the Company's website at <https://www.hongseng.com.my>.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### PART I – BOARD RESPONSIBILITIES (CONT'D)

##### 1.9 Anti-Bribery and Corruption Policy (“ABAC Policy”)

In line with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (“MACC Act 2018”), the Company has put in place ABAC Policy to encourage a culture of integrity and transparency in all of the Group’s activities. The ABAC Policy which adheres to the Listing Requirements of Bursa Securities and the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACC Act 2018, generally set out the responsibilities of the Company, and all individuals who work for the Group, in observing and upholding the Group’s position on bribery and corruption and provides key anti-bribery and corruption principles that apply to all interactions with the Group’s customers, business partners, and other third parties, as well as guidelines for the prevention, management, and remediation of bribery and corruption related risks.

The ABAC Policy will be reviewed at least once in every three (3) years and in accordance with the needs of the Company. The ABAC Policy are available on the Company’s website at <https://www.hongseng.com.my>.

##### 1.10 Directors’ Fit and Proper Policy

In line with the Paragraph 15.01A of the Listing Requirements of Bursa Securities, the Board had adopted the Directors’ Fit and Proper Policy to ensure a transparent and rigorous process for the appointment and/or re-election of Directors and Key Senior Management of the Group. The Directors’ Fit and Proper Policy shall be reviewed by the Board and be revised at any time as it may deem necessary to ensure that it remains consistent with the Board’s objectives, current regulations and practices.

The Directors’ Fit and Proper Policy is available on the Company’s website at <https://www.hongseng.com.my>.

##### 1.11 Sustainability Governance

The Board recognises that sustainable business practices are integral to long-term value creation and believes that responsible business conduct is fundamental to achieving operational excellence. Accordingly, the Board is committed to providing oversight of the Group’s sustainability strategies, priorities and targets, while Management is responsible for the operational execution of Environmental, Social and Governance (“ESG”) initiatives as part of the Group’s overall corporate strategy.

As fiduciaries to the Company’s shareholders, the Board remains dedicated to upholding high standards of corporate governance that emphasise ethics, integrity and corporate responsibility. The Board also ensures that the Company’s internal and external stakeholders are adequately informed of the Group’s sustainability strategies, priorities, targets and overall performance. In this regard, this Annual Report provides a detailed account of the Company’s sustainability efforts.

During the financial period, the Board reviewed and approved relevant enhancements to its governance framework, including the incorporation of an assessment of Directors’ understanding of sustainability matters into the annual Board performance evaluation, recognising the importance of sustainability to the Company’s overall performance. The Board remains committed to the continuous review and enhancement of its sustainability practices to ensure alignment with evolving best practices and to support the creation of long-term value for all stakeholders.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### PART II – BOARD COMPOSITION

#### 2.1 Board Composition and Balance

The Board currently consists of eight (8) members and the composition of the current Board is set out in the table below:-

No.	Name of Board Members	Designation
1.	Ng Keok Chai <i>(Appointed on 7 November 2025)</i>	Independent Non-Executive Chairman
2.	Datuk Dr. Yacob Bin Mustafa <i>(Appointed on 2 September 2024 and Redesignated on 7 November 2025)</i>	Non-Independent Non-Executive Deputy Chairman
3.	Lester Chin Kent Lake	Executive Director
4.	Wong Weng Yew <i>(Appointed on 30 September 2024)</i>	Executive Director
5.	Yap Kien Ming	Independent Non-Executive Director
6.	Leong Kam Soon	Independent Non-Executive Director
7.	Dato' Kang Chez Chiang	Independent Non-Executive Director
8.	Lim Poh Leng <i>(Appointed on 30 September 2024)</i>	Independent Non-Executive Director

Two (2) out of eight (8) Directors are Executive Directors, while the remaining five (5) Directors are Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Deputy Chairman. Furthermore, one (1) of the Independent Non-Executive Director is a female Director, namely Ms. Lim Poh Leng representing 12.5% female representation at the Board level.

The Board members have diverse backgrounds and experiences in various fields. Collectively, they bring a wide range of skills, experience and knowledge to manage the Group's business. The profile of these Directors is provided in this Annual Report.

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

It also align with Practice 5.2 of the MCCG, ensuring that at least half of the Board consists of Independent Non-Executive Director. The composition is able to provide independent and objective judgement as well as provide an effective check and balance to safeguard the interest of the minority shareholders and other stakeholders, and ensure high standards of conduct and integrity are maintained.

The presence of Independent Directors ensures that views, consideration, judgment and discretion exercised by the Board in decision making remain objective and independent whilst assuring the interest of other parties such as minority shareholders are fully addressed and adequately protected as well as being accorded with due consideration.

#### 2.2 Tenure of Independent Non-Executive Directors

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

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

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### PART II – BOARD COMPOSITION (CONT'D)

#### 2.2 Tenure of Independent Non-Executive Directors (Cont'd)

During the FPE 2025, none of our Directors has served the Board as an Independent Director of the Company for a cumulative term of more than nine (9) years. Further, based on the independence assessment carried out during the financial year under review, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their abilities to act in the best interest of the Company.

#### 2.3 Appointment to the Board

The principal responsibility for making recommendations on the appointment of new Directors and the re-election of retiring Directors has been delegated to the NC.

In evaluating potential candidates, the NC considers not only academic qualifications but also relevant industry experience, to ensure that candidates are able to contribute meaningfully to the Board and support the Company's growth. In making recommendations to the Board on candidates for directorship, the NC assesses and nominates candidates based on objective criteria, including, inter alia:-

- (a) skills, knowledge, expertise and experience;
- (b) professionalism;
- (c) integrity;
- (d) time commitment to the Company, taking into account the number of directorships held; and
- (e) for candidates to the position of Independent Non-Executive Director, the ability to discharge the roles and responsibilities expected of an Independent Non-Executive Director.

All Directors comply with the requirement under Paragraph 15.06 of the Listing Requirements of Bursa Securities, which limits the number of directorships held in listed issuers to not more than five (5).

During the financial period under review, there were four (4) new appointment of Directors, as recommended by the NC, as follows:-

Name	Date of Appointment	Designation
(a) Ng Keok Chai	7 November 2025	Independent Non-Executive Chairman
(b) Datuk Dr. Yacob Bin Mustafa	2 September 2024	Non-Independent Non-Executive Deputy Chairman
(c) Wong Weng Yew	30 September 2024	Executive Director
(d) Lim Poh Leng	30 September 2024	Independent Non-Executive Director

#### 2.4 Board Diversity and Senior Management Team

The Board is supportive of the diversity of the Board and Senior Management Team. The Group strictly adheres to the practice of non-discrimination of any form, whether based on race, age, religion and gender throughout the organisation, including the selection of Board members and Senior Management. The Board encourages a dynamic and diverse composition by nurturing suitable and potential candidates equipped with competency, skills, experience, character, time commitment, integrity and other qualities in meeting the future needs of the Group.

Where and when appropriate, the Board, through the NC, will prioritise the female representation when identifying suitable candidates. However, the selection of a new Board member will not be based solely on gender but will also consider the candidate's skill sets, experience, and knowledge. The Company's primary focus in new appointments is always to choose the most qualified candidates. Therefore, the usual selection criteria, emphasising a robust combination of competencies, skills, extensive experience, and knowledge to enhance the Board, remains paramount.

In view of the gained attention of boardroom diversity as an important element of a well-functioned organisation, the Gender Diversity Policy was adopted to provide a framework for the Company to improve its gender diversity at the Board and Senior Management level and the same is available on the Company's website at <https://www.hongseng.com.my>.

Currently, there is a female Director on the Board, namely, Ms. Lim Poh Leng.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### PART II – BOARD COMPOSITION (CONT'D)

#### 2.5 Board Committees

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

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

Composition	Designation	AC	NC	RC
Ng Keok Chai <i>(Appointed on 7 November 2025)</i>	Independent and Non-Executive Chairman	N/A	N/A	N/A
Datuk Dr. Yacob Bin Mustafa <i>(Appointed on 2 September 2024 and Redesignated on 7 November 2025)</i>	Non-Independent Non-Executive Deputy Chairman	N/A	N/A	N/A
Lester Chin Kent Lake	Executive Director	N/A	N/A	N/A
Wong Weng Yew <i>(Appointed on 30 September 2024)</i>	Executive Director	N/A	N/A	N/A
Yap Kien Ming	Independent Non-Executive Director	Member	Chairman	Chairman
Leong Kam Soon	Independent Non-Executive Director	Chairman	Member	Member
Dato' Kang Chez Chiang	Independent Non-Executive Director	Member	Member	N/A
Lim Poh Leng <i>(Appointed on 30 September 2024)</i>	Independent Non-Executive Director	N/A	N/A	Member

The TOR of the respective Board Committees are published on the Company's website, <https://www.hongseng.com.my>.

#### 2.6 NC

The NC of the Company comprises the following members, all of them being Independent Non-Executive Directors:-

- Mr. Yap Kien Ming, Chairman
- Mr. Leong Kam Soon, Member
- Dato' Kang Chez Chiang, Member

The NC oversees the overall composition of the Board in terms of size, a mix of skills, experience and core competencies, as well as the balance between Executive Directors and Independent Non-Executive Directors.

The members of the Board are to be appointed in a formal and transparent practice as endorsed by the MCCG. The NC will scrutinise the candidates and recommend the same for the Board's approval. In discharging this duty, the NC will assess the suitability of an individual by taking into account the individual's mix of skill, functional knowledge, expertise, experience, professionalism, integrity and/or other commitments that the candidate can bring to complement the Board.

The NC also assists the Board in its annual review of the required mix of skills and experience and other qualities including core competencies that Directors should bring to the Board and assess the effectiveness of the Board as a whole, as well as, look into succession planning, boardroom and gender diversity and training courses.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### PART II – BOARD COMPOSITION (CONT'D)

#### 2.6 NC (Cont'd)

The NC undertook the following activities during the FPE 2025:

- (a) Evaluated the balance of skills, knowledge and experience of the Board. Carries out the assessment and rating of each Director's performances against the criteria as set out in the annual assessment form. The performance of Non-Executive Directors was also carefully considered, including whether they could devote sufficient time to the role.
- (b) Undertaken an effectiveness evaluation exercise of the Board and its Committees as a whole with the objective of assessing its effectiveness.
- (c) Reviewed and assessed the performance and effectiveness of the Board and Board Committees as a whole with the objective of assessing its effectiveness.
- (d) Reviewed and assessed the independence of the Independent Directors of the Company.
- (e) Reviewed and assessed the contribution and performance of the AC.
- (f) Considered and recommended to the Board the re-election of Directors who retired pursuant to the Company's Constitution at the AGM.

#### 2.7 Re-election and Re-appointment Process

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

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

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

#### 2.8 Annual Assessment of Effectiveness of the Board and Board Committees as whole

The Board has, through the NC, undertaken a formal and objective annual evaluation to assess the effectiveness of the Board and the Board Committees as a whole and the contribution of each Director, including the independence of the Independent Non-Executive Directors, referring to the guides available and the good corporate governance compliance.

In evaluating the performance of Independent Directors, certain criteria were established and adopted, amongst others, attendance at Board or Committee meetings, key responsibilities of the adequate preparation for Board and/or Committee meetings, regular contribution to Board or Committee meetings, personal input to the role and other contributions to the Board or Committee as a whole.

In evaluating the performance of Executive Directors, an assessment was carried out against diverse key performance indicators, amongst others, financial, strategic and sustainability, conformance and compliance, business acumen or increase shareholders' wealth, succession planning and personal input to the role.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### PART II – BOARD COMPOSITION (CONT'D)

#### 2.9 Attendance of Board and Board Committees' Meetings

The records of attendance for the Board and Board Committees' Meetings held during the FPE 2025 are as follows:-

Director/Type of Meetings	Number of Meetings Attended			
	Board	AC	NC	RC
Ng Keok Chai ( <i>Appointed on 7 November 2025</i> )	N/A	N/A	N/A	N/A
Datuk Dr. Yacob Bin Mustafa ( <i>Appointed on 2 September 2024 and Redesignated on 7 November 2025</i> )	5/5	N/A	N/A	N/A
Christopher Chan Hooi Guan ( <i>Resigned on 30 November 2024</i> )	3/4	N/A	N/A	N/A
Lee Li Chain ( <i>Resigned on 30 September 2024</i> )	3/3	N/A	N/A	N/A
Lester Chin Kent Lake	8/8	N/A	N/A	N/A
Wong Weng Yew ( <i>Appointed on 30 September 2024</i> )	5/5	N/A	N/A	N/A
Leong Seng Wui ( <i>Resigned on 31 October 2025</i> )	8/8	N/A	N/A	N/A
Yap Kien Ming	8/8	8/8	2/2	2/2
Leong Kam Soon	8/8	8/8	2/2	2/2
Dato' Kang Chez Chiang	8/8	8/8	2/2	N/A
Lim Poh Leng ( <i>Appointed on 30 September 2024</i> )	5/5	N/A	N/A	1/1

The Board meets at least once in every quarter on a scheduled basis and additional meetings are to be convened as when deemed necessary by the Board. All the Directors have complied with the minimum 50% attendance requirement as stipulated in the Listing Requirements. The Board is satisfied with the level of time commitment given by the Directors of the Company towards fulfilling their duties and responsibilities. This is evidenced by the attendance record of the Directors as set out herein above.

#### 2.10 Directors' Training

The Directors are encouraged to attend seminars and/or conferences organised by relevant regulatory authorities and professional bodies to keep abreast with the latest developments in the marketplace and new statutory and regulatory requirements. The training needs of each Director would be assessed and proposed by the individual Director. Each Director determines the areas of training that he may require for personal development as a Director or as a member of the Board Committees.

Details of training attended by the Directors during the FPE 2025 are as follows:-

Director	Training Programmes
Ng Keok Chai	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme Part II: Leading for Impact ("MAP Part II")</li> <li>• Singapore Institute of Directors: CTP 15 – Growth and Impact with Advisory Boards</li> <li>• Key Amendments to the Listing Requirements of Bursa Securities</li> </ul>
Datuk Dr. Yacob Bin Mustafa	<ul style="list-style-type: none"> <li>• MAP Part II</li> <li>• Key Amendments to the Listing Requirements of Bursa Securities</li> </ul>
Lester Chin Kent Lake	<ul style="list-style-type: none"> <li>• MAP Part II</li> <li>• Key Amendments to the Listing Requirements of Bursa Securities</li> </ul>
Wong Weng Yew	<ul style="list-style-type: none"> <li>• MAP Part II</li> <li>• Key Amendments to the Listing Requirements of Bursa Securities</li> </ul>
Yap Kien Ming	<ul style="list-style-type: none"> <li>• Bursa Malaysia's Building Sustainable Credibility: Assurance, Greenwashing and the Rise of Green-Hushing</li> <li>• MAP Part II</li> <li>• Key Amendments to the Listing Requirements of Bursa Securities</li> </ul>

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### PART II – BOARD COMPOSITION (CONT'D)

##### 2.10 Directors' Training

Details of training attended by the Directors during the FPE 2025 are as follows:- (Cont'd)

Director	Training Programmes
Leong Kam Soon	<ul style="list-style-type: none"> <li>MAP Part II</li> <li>Key Amendments to the Listing Requirements of Bursa Securities</li> <li>Virtual MIA International Accountants Conference 2025</li> </ul>
Dato' Kang Chez Chiang	<ul style="list-style-type: none"> <li>MAP Part II</li> <li>Key Amendments to the Listing Requirements of Bursa Securities</li> </ul>
Lim Poh Leng	<ul style="list-style-type: none"> <li>Key Amendments to the Listing Requirements of Bursa Securities</li> <li>Mandatory Accreditation Programme Part I in relation to the Directors' roles, duties and liabilities</li> <li>MAP Part II</li> <li>Tax Seminar on Budget 2026</li> <li>Anti-Bribery and Anti-Corruption Training</li> </ul>

The Board would continuously, evaluate and assess the training needs of each Director to keep them abreast with the state of the economy, technological advances, regulatory updates, management strategies and development in various aspects of the business environment to enhance the Board's skills and knowledge in discharging its responsibilities.

#### PART III - REMUNERATION

##### 3.1 Remuneration Policy

The RC is tasked to review the remuneration policy for the Directors and Senior Management of the Group. The Remuneration Committee comprises the following members, all being Independent Non-Executive Directors: -

- Mr. Yap Kien Ming, Chairman
- Mr. Leong Kam Soon, Member
- Ms. Lim Poh Leng, Member

The Board had established a formal and transparent Remuneration Policy as a guide for the Board and the RC to determine the remuneration of Directors and/or Senior Management of the Company, which takes into account the demands, complexities and performance of the Company as well as skills and experience required.

The annual Directors' fee and benefits payable to the Non-Executive Directors are endorsed by the Board for approval by the shareholders of the Company at the AGM. The Directors do not participate in decisions regarding their own remuneration packages.

The Remuneration Policies and Procedures are available at the Company's website at <https://www.hongseng.com.my>.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### PART III - REMUNERATION (CONT'D)

#### 3.2 Remuneration of Directors

The details of the remuneration of the Directors of the Company received from the Company and the Group during the FPE 2025 are as follows:- (Cont'd)

##### The Group

Name of Directors	Fees (RM'000)	Allowance (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefits- in-kind (RM'000)	Other emoluments (RM'000)	Total (RM'000)
Ng Keok Chai <i>(Appointed on 7 Nov 2025)</i>	-	-	-	-	-	-	-
Datuk Dr. Yacob Bin Mustafa <i>(Redesignated on 7 Nov 2025)</i>	130	-	-	-	-	-	130
Christopher Chan Hooi Guan <i>(Resigned on 30 Nov 2024)</i>	8	40	-	-	-	-	48
Lee Li Chain <i>(Resigned on 30 Sept 2024)</i>	-	5	186	-	-	24	215
Lester Chin Kent Lake	-	-	90	-	-	13	103
Wong Weng Yew <i>(Appointed on 30 Sept 2024)</i>	-	-	600	-	-	74	674
Leong Seng Wui <i>(Resigned on 31 Oct 2025)</i>	-	-	89	-	-	13	102
Yap Kien Ming	54	-	-	-	-	-	54
Leong Kam Soon	54	-	-	-	-	-	54
Dato' Kang Chez Chiang	54	-	-	-	-	-	54
Lim Poh Leng <i>(Appointed on 30 Sept 2024)</i>	36	-	-	-	-	-	36
<b>Total</b>	<b>336</b>	<b>45</b>	<b>965</b>	<b>-</b>	<b>-</b>	<b>124</b>	<b>1,470</b>

All Executive Directors are also senior management of the Group, hence their remuneration is as detailed in the table above.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE B – EFFECTIVENESS AUDIT AND RISK MANAGEMENT

#### PART I – AC

##### 4.1 Effective and Independent AC

The AC comprises three (3) members, Independent Non-Executive Director and is chaired by an Independent Non-Executive Director namely Mr. Leong Kam Soon. The Chairman of the AC is not the Chairman of the Board. The Chairman of the AC is a member of The Association of Chartered Certified Accountants, The Chartered Institute of Management Accounts and the Malaysian Institute of Accountants.

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

The TOR of the AC requires a former partner of the external audit firm of the Company to observe a cooling-off period of at least (3) years before being appointed as a member of the AC. None of the members of AC was a former partner of the external audit firm of the Company and in order to uphold utmost independence, the Board has no intention to appoint any former key audit partner as a member of the AC.

Collectively, the AC possesses a wide range of necessary skills to discharge its duties and members of the AC are financially literate and are able to understand matters under the purview of the AC including the financial reporting process. In order to strengthen the present financial literacy of each member, all members of the AC will balance their participation in continuous professional development programmes on accounting and auditing standards, practices and rules.

##### 4.2 External Auditors

For effectiveness and independent conduct of the Audit Committee's functions, the AC has separate discussions with the External Auditors without the presence of the Executive Directors and Management as and when necessary to discuss matters that the AC or the auditors believe should be discussed privately or to have a discussion about any matters of significance that arose during the audit process.

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

Overall, the Board is satisfied with the performance, suitability and independence of the External Auditors of the Company, Morison LC PLT had recommended their re-appointment to the shareholders for approval at the forthcoming AGM of the Company.

In addition, the External Auditors are invited to attend the Company's AGM so that they are available to answer any questions from shareholders on the conduct of the statutory audit and contents of the Audited Financial Statement.

#### PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

##### 5.1 Risk Management and Internal Control

The Board acknowledges its overall responsibility for maintaining a sound system of internal control to safeguard shareholders' investments and the Company's assets. The system of internal control covers not only financial controls but operational and compliance controls and risk management.

The Board has delegated the responsibility of reviewing the adequacy and effectiveness of the risk management and internal control systems to the AC.

Details of the Group's risk management and internal control framework are set out in the Statement on Risk Management and Internal Control of the Annual Report 2025.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK (CONT'D)

##### 5.2 Internal Audit Function

The Internal Audit Function is outsourced to an independent professional firm namely OAC Consulting Sdn. Bhd. (“OAC” or “Internal Auditors”) to assist in managing the risk and establishing the internal control system and processes of the Group by providing an independent assessment of the adequacy, efficiency and effectiveness of the Group’s risk management and internal control system and processes. The Internal Auditors are free from any relationships or conflict of interest which could impair their objectivity and independence.

The Company adopts the COSO (Committee of Sponsoring Organisations of the Treadway Commission) control framework throughout our implementation as a basis for assessing the adequacy and effectiveness of the Company’s risk and control processes.

The Internal Auditors performed their work by referring to a recognised framework such as the standards recommended by the International Professional Practices Framework of the Institute of Internal Auditors.

The internal audit functions and activities carried out during the FPE 2025 are as disclosed in the AC Report in this Annual Report.

### PRINCIPLE C - INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### PART I – ENGAGEMENT WITH STAKEHOLDERS

##### 6.1 Continuous Communication with Stakeholders

The Company recognises the importance of keeping shareholders and investors informed of the Group’s business and corporate developments. Such information is disseminated via the Company’s annual reports, various disclosures to Bursa Securities including quarterly financial results and various announcements made from time to time.

The Group maintains a website at <https://www.hongseng.com.my> where shareholders or investors may access information on the Group under “Investors” link encompassing corporate information, latest financial results, latest annual reports, announcements to Bursa Securities, Board Charter, Code of Conduct and Ethics of the Board, TOR of the Board Committees, Whistleblowing Policy and Procedure, etc. Stakeholders can at any time seek clarification or raise queries through the corporate website, by email at [finance@hongseng.com.my](mailto:finance@hongseng.com.my).

The Board is committed to provide effective communication to its shareholders and the general public regarding the business, operations and financial performance of the Group and where necessary, information filed with regulators is in accordance with all applicable legal and regulatory requirements.

##### 6.2 Corporate Disclosure Policy

The Company has adopted a formal Corporate Disclosure Policy to promote comprehensive, accurate and timely disclosures pertaining to the Company and the Group to the regulators, shareholders and stakeholders.

#### PART II - CONDUCT OF GENERAL MEETINGS

##### 7.1 Conduct of General Meetings

The Company’s general meeting remains the principal forum for dialogue with shareholders, in particular, private investors, whereby they are provided with an opportunity to participate, raise questions pertaining to issues in the Annual Report, Audited Financial Statements and corporate developments/proposals of the Group, the resolutions being proposed and/or on the business of the Group and communicate their expectations and possible concerns.

In line with Practice 13.1 of MCCG, the notice convening the Twenty-Third AGM (“23<sup>rd</sup> AGM”) was issued to shareholders at least 28 days before the 23<sup>rd</sup> AGM date, which gives shareholders sufficient time to prepare themselves to attend the 23<sup>rd</sup> AGM or to appoint a proxy to attend and vote on their behalf.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

#### PART II - CONDUCT OF GENERAL MEETINGS (CONT'D)

##### 7.1 Conduct of General Meetings (Cont'd)

In addition, the Board also ensures that the Notice of AGM contains details of resolutions proposed along with background information and relevant explanatory notes. The explanation will assist the shareholders in making their informed decisions and exercising their voting rights.

In line with Paragraph 8.29A (1) of the Listing Requirements of Bursa Securities, all resolutions set out in the notice of general meetings will be put to vote by poll. The Company also appoints an independent scrutineer to validate the votes cast in the general meetings. The outcome of the general meetings will then be announced to Bursa Securities on the same meeting day while the summary of key matters of the annual general meeting, if any, discussed during the said general meetings will be posted on the Company website.

##### 7.2 Effective Communication and Proactive Engagement

All Directors, with the exception of Datuk Dr. Yacob Bin Mustafa (appointed on 2 September 2024), Mr. Wong Weng Yew, Ms. Lim Poh Leng (both appointed on 30 September 2024), and Mr. Ng Keok Chai (appointed on 7 November 2025), attended the 23<sup>rd</sup> AGM held on 29 August 2024 and be accountable to the shareholders for their stewardship of the Company. The Board welcomes questions and feedback from the shareholders during the 23<sup>rd</sup> AGM and ensures that their questions are responded to in a proper and systematic manner. The Senior Management and External Auditors also attended the AGM.

From the Company's perspective, the AGM provides a valuable opportunity for Directors to personally engage with shareholders to understand their needs and seek their feedback. The Board encourages questions and feedback from the shareholders during the shareholders' meetings and ensures their queries are responded to properly and systematically.

The Board had ensured that the required infrastructure and tools were in place to enable the smooth broadcast of the 23<sup>rd</sup> AGM and meaningful engagement with the shareholders. The summary of the key matters discussed at the 23<sup>rd</sup> AGM was also published on the Company's website for the shareholders' information.

#### STATEMENT BY THE BOARD ON THE CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board has deliberated, reviewed and approved this Statement. The Board considers and is satisfied that to the best of its knowledge, the Company has fulfilled its obligations under the MCCG, the relevant chapters of the Listing Requirements of Bursa Securities on corporate governance and all applicable laws and regulations throughout the FPE 2025, except for the departures set out in the CG Report.

The Board shall continue to strive for high standards of corporate governance throughout the Group, and the highest level of integrity and ethical standards in all of its business dealings.

## ADDITIONAL COMPLIANCE INFORMATION

### 1. STATUS OF UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

The Company did not raise any funds through any corporate proposals during the financial period ended 30 September 2025 ("FPE 2025").

### 2. MATERIAL CONTRACTS INVOLVING INTERESTS OF DIRECTORS AND/OR MAJOR SHAREHOLDERS

The Company and its subsidiaries ("the Group") have not entered into any material contracts (not being contracts entered into in the ordinary course of business) involving the interests of the Directors and/or major shareholders during the FPE 2025.

### 3. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid/payable to the External Auditors by the Group and the Company for the services rendered for the FPE 2025 are as follows:-

	Group (RM'000)	Company (RM'000)
Audit Fees	380	197
Non-audit Fees	6	6

### 4. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT") OF A REVENUE OR TRADING NATURE

The list of recurrent related party transactions entered by the Group during the FPE 2025 is disclosed in the audited financial statements. For the FPE 2025, no shareholders mandate was required for the recurrent related party transactions of a revenue or trading nature entered by the Group pursuant to Paragraph 10.09 of the Listing Requirements of Bursa Securities Malaysia Berhad.

## DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors (“Directors”) of the Company are responsible for ensuring the financial statements of the Company and its subsidiaries (“the Group”) are properly drawn up in accordance with the provisions of the Companies Act 2016 (“CA 2016”) and applicable approved accounting standards prescribed by the Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of the Group as at the end of the financial period and of the financial performance of the Group.

In preparing the financial statements of the Group for the financial period ended 30 September 2025, the Directors have:

- responsible for ensuring proper accounting records are kept, which disclose with reasonable accuracy;
- applied relevant and appropriate accounting policies consistently and in accordance with applicable approved accounting standards;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable financial reporting standards have been followed, subject to any material departures disclosures and explained in the financial statements; and
- prepared it on a going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for ensuring that proper accounting records are kept, which disclose with reasonable accuracy, at any time, the financial position of the Group and of the Company are in compliance with the provisions of the CA 2016.

In addition, the Directors have general responsibilities for taking such steps that are reasonably available to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Board of Directors (“the Board”) of Hong Seng Consolidated Berhad (“the Company”) is pleased to present the Statement on Risk Management and Internal Control of the Company and its subsidiaries (“the Group”) which outlines the nature and scope of risk management and the internal control systems of the Group for the financial period ended 30 September 2025 (“FPE 2025”) in accordance with Paragraph 15.26(b) of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the Principles and Best Practices provisions relating to risk management and internal controls provided in the Malaysian Code on Corporate Governance. This Statement is guided by the Statement on Risk Management and Internal Control: Guideline for Directors of Listed Issuers.

## BOARD’S RESPONSIBILITIES

The Board recognises and affirms its overall responsibility for the Group’s system of internal controls, which includes the establishment of an appropriate risk and control framework as well as the review of its effectiveness, adequacy and integrity. It should be noted, however, that such systems are designed to manage rather than to eliminate the risk of failure to achieve business objectives. In addition, it should be noted that these systems can only provide reasonable but not absolute assurance against material misstatement or fraud and losses.

The Board is assisted by Management in implementing the Board’s policies and procedures on risk and control by identifying and assessing the risks faced, and in the design, operation and monitoring of suitable internal controls to manage and control these risks.

## RISK MANAGEMENT AND INTERNAL CONTROL

The key features of the risk management and internal control systems are described below:-

### Risk Management Framework

The Group has established a proper risk management framework that ensures an ongoing process for identifying, evaluating, managing and reporting risk that may affect the achievement of the Group’s business objectives and strategies. The process has been in place during the period up to the date of approval of the annual report and is subject to review by the Board.

The Group has in place risk profiles of major business units. Key risks of major business units were identified, assessed and categorised to highlight the source of risk, their impacts and the likelihood of occurrence.

The risk profiles of the major business units of the Group are being monitored by its respective key Management staff. Key risks of the Group are discussed at Management Meetings on a need basis.

Management will update the results of risk assessment including preparing detailed risk registers and documenting all discussions at Management and Board meetings on key risks and action plans to address the key risks.

### Internal Control System

The key elements of the Group’s internal control system include:-

- Clearly defined organisation structure, reporting lines of responsibilities and appropriate level of delegation;
- Clearly defined roles and responsibilities, authority and accountability within the Group;
- Limit of Authority (“LOA”) matrix that clearly outlines Management limits and approval authority across various key processes;
- Recruitment of adequate experienced, skilled and professional staff with the necessary caliber to fulfill the respective responsibilities and ensure that minimum controls are in place;
- Establishment of effective segregation of duties via independent checks, review and reconciliation activities to prevent human errors, fraud and abuses;

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

#### Internal Control System (Cont'd)

The key elements of the Group's internal control system include:- (Cont'd)

- Annual budgeting process which requires all business units/divisions to prepare budget and business plan on an annual basis;
- Establishment of the internal policies and procedures for key functional units within the Group and regularly update the policies and procedures to reflect changing risks and business needs or to resolve operational deficiencies;
- Operations review meetings are held on a regular basis by the respective business units to monitor the progress of business operations, deliberate significant issues and formulate corrective measures;
- Management meetings are held on a regular basis to review and discuss business performance, strategy, business development and key management issues;
- Regular review of actual sales performance against the target set by the Management. This enables effective monitoring of significant variances and deviations from the target and business objectives;
- Engage and appoint solicitors, financial advisors and other competent professionals as may be required in respect of any corporate exercise undertaken by the Group;
- Periodic review of the adequacy and effectiveness of the system of internal control by the internal audit function; and
- The Audit Committee ("AC") holds quarterly meetings to deliberate on the findings and recommendations for improvement by internal auditors, external auditors as well as regulatory authorities. The AC reviews the actions taken to rectify the findings in a timely manner, and to evaluate the effectiveness and adequacy of the Group's internal control systems.

#### INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to OAC Consulting Sdn. Bhd. ("OAC" or "Internal Auditors"). During the financial period under review, OAC has carried out independent reviews to ascertain the adequacy and integrity of the Group's system of internal controls and, ensure compliance with applicable laws and regulations, safeguarding shareholders' interest, Company's assets and the reliability of financial information to safeguard the shareholders' interest and Company's assets.

The Internal Auditors conducted the audit reviews in accordance with the Internal Audit Plan approved by the AC. The Internal Auditors use the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control system, where improvement gaps are identified as a result of the reviews, remedial and improvement measures are recommended to strengthen controls; and follow-up reviews are conducted by the Internal Auditors to assess the status of the implementation of the recommendations thereof by the Management. OAC is free from any relationship or conflict of interest that could impair their objectivity and independence. All findings and recommendations from both external and internal auditors are directly reported to the AC.

Further details of the Internal Audit Functions are set out in the AC Report of this Annual Report.

For the FPE 2025, the total fees incurred for the internal audit function was RM30,000.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### REVIEW BY BOARD

The Board considered the adequacy and effectiveness of the risk management and internal control process in the Group during the financial period.

A review of the adequacy and effectiveness of the risk management and internal controls systems has been undertaken based on information from:

- Management within the organisation is responsible for the development and maintenance of the risk management and internal control framework;
- Assessments of major business units and functional controls by respective Management to complement the above input in providing a holistic view of the Group risk and control framework effectiveness; and
- The work carried out by the Internal Auditors which includes the documents on Internal Audit Strategy highlighting the key processes and potential key risks for the Group and Internal Audit Report was tabled to the AC together with recommendations for improvement.

During the financial period under review, a number of improvements to internal controls were identified and addressed. The Board and Management will continue to take measures to strengthen the risk and control environment and monitor the health of the risk and internal controls framework.

The AC will address and monitor the implementation of key action plans and any internal control weaknesses and ensure continuous process improvement.

The Board also received assurance from the Executive Directors of the Company that the Group's current 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.

Whilst the Board is satisfied with the adequacy and effectiveness of the Group's risk management and internal control system, the Board acknowledges that a sound system of internal control can reduce, but cannot eliminate, the possibility of poor judgment in decision making; human error; control processes being deliberately circumvented by employees; management overriding controls and occurrence of unforeseen circumstances.

### REVIEW BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of Listing Requirements of Bursa Securities, the External Auditors of the Company have reviewed this Statement on Risk Management and Internal Control. Their review was performed in accordance with Audit and Assurance Practice Guides 3 ("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. Based on their review, nothing has come to their attention that causes them to believe that this statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guideline for Directors of Listed Issuers to be set out, nor is the Statement factually inaccurate.

# AUDIT COMMITTEE REPORT

The Board of Directors (“the Board”) of Hong Seng Consolidated Berhad (“the Company”) is pleased to present the Audit Committee (“AC”) Report for the financial period ended 30 September 2025 (“FPE 2025”).

The primary objective of the AC is to assist the Board in discharging its statutory duties and responsibilities relating to the corporate accounting and financial reporting practices for the Company and its subsidiaries (“the Group”) and to ensure the adequacy and effectiveness of the Group’s system of internal controls, providing oversight of both external and internal audit functions.

## COMPOSITION AND MEMBERS OF THE AC

The members of the AC, all being Independent Non-Executive Directors are as follows:

AC Members	Designation
Leong Kam Soon, <i>Chairman</i>	Independent Non-Executive Director
Yap Kien Ming, <i>Member</i>	Independent Non-Executive Director
Dato’ Kang Chez Chiang, <i>Member</i>	Independent Non-Executive Director

The Company has complied with Paragraph 15.09(1)(a) and (b) of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) as well as Practice 9.1 and Practice 9.4 under the Principle B of the Malaysian Code of Corporate Governance.

In addition, the AC Chairman, Mr. Leong Kam Soon is a Fellow member of both The Association of Chartered Certified Accountants and the Chartered Institute of Management Accountants. He is also a member of the Malaysian Institute of Accountants. In this respect, the composition of the AC members complies with Paragraphs 15.09(1)(c)(i) of the Listing Requirements of Bursa Securities.

## TERMS OF REFERENCE

The authorities and duties of the AC are clearly governed by the Terms of Reference of the AC. The Terms of Reference of the AC can be accessed from the Company’s website at [www.hongseng.com.my](http://www.hongseng.com.my).

## ATTENDANCES OF THE MEETINGS

During the FPE 2025, the AC held a total of eight (8) meetings. Details of attendance of the AC members are as follows:

AC Members	Attendance
Leong Kam Soon, <i>Chairman</i>	8 of 8
Yap Kien Ming, <i>Member</i>	8 of 8
Dato’ Kang Chez Chiang, <i>Member</i>	8 of 8

A full agenda and comprehensive set of meeting papers were circulated to each AC member with sufficient notification prior to each meeting. The Internal and External Auditors were invited to brief AC on the relevant issues arising from the audit process and any other matter of interest.

The representatives from the Management attended the meetings by invitation for the purposes of briefing the AC on reports presented at the meeting and to clarify on issues that the AC may have with regard to the activities involving their areas of responsibilities.

The Chairman of the AC shall report to the Board on a quarterly basis on all significant matters discussed, deliberated upon and dealt with at the AC meetings. Among others, it covers the AC’s recommendation to approve the quarterly financial result for release to Bursa Securities, the annual financial statements as well as significant audit issues raised by the Internal and/or External Auditors.

## AUDIT COMMITTEE REPORT (CONT'D)

### SUMMARY OF ACTIVITIES DURING THE FPE 2025

The following is a summary of the activities carried out by the AC during the FPE 2025 in discharging their duties and responsibilities:

- i. Reviewed the Company and the Group's compliance with the Listing Requirements, the requirements of the Companies Act 2016, applicable approved accounting standards in Malaysia and other relevant regulatory requirements, to ensure that the quarterly announcements of financial results and the audited financial statements are properly prepared.
- ii. Reviewed the quarterly unaudited financial results and annual audited financial statements of the Group including the announcements pertaining thereto, before recommending to the Board for their approval and release of the Group's results to Bursa Securities.
- iii. Reviewed with the External Auditors, the Audit Review Memorandum, Audit Completion Report Audit Planning Memorandum and scope of the statutory audit of the Group's financial statements for the FPE 2025 before the audit commenced to ensure that the scope of the external audit is comprehensive.
- iv. Reviewed with the External Auditors on the results, observations, significant audit findings and adjustments arising from their audit of the financial year-end statements and their resolutions of such issues highlighted in their report to the AC.
- v. Considered and recommended the re-appointment of Morison LC PLT as the External Auditors based on the competency, efficiency and transparency as demonstrated by them during their audit for the financial period ended.
- vi. Met with the External Auditors without the presence of the Management to facilitate discussions on additional matters in relation to audit issues and internal control weaknesses noted in the course of their audit.
- vii. Reviewed with the Internal Auditors, the internal audit plan, work done and reports, for the internal audit function and considered the findings of internal audit investigations and management responses thereon and ensure that appropriate actions were taken on the recommendations raised by the Internal Auditors.
- viii. Reviewed the related party transactions and/or recurrent related party transactions that transpired during the financial year under review entered by the Group to ensure that the transactions entered were at arm's length.
- ix. The disclosures of conflict of interest ("COI") involving the Directors and key senior management of the Group and concluded that no significant conflict were identified that would necessitate further examination and implementation of specific mitigation measures.
- x. Reviewed and recommended to the Board for approval on the Corporate Governance Overview Statement, AC Report, Statement on Risk Management and Internal Control, Sustainability Statement, and Additional Compliance Information to ensure adherence to legal and regulatory reporting requirements before recommending to the Board for approval for inclusion in the Company's Annual Report.
- xi. Reviewed the Corporate Governance Report before recommending it to the Board for approval.
- xii. Reviewed the Circular to Shareholders in relation to the Recurrent Related Party Transactions Mandate and made a statement of its view and recommended the same to the Board to seek shareholders' approval for the said Mandate.
- xiii. Evaluated the performance of the External Auditors based on competency, efficiency and transparency as demonstrated during their audit, recommendation on their re-appointment and proposed audit fee to the Board for consideration and approval.
- xiv. Annual self-appraised performance of the AC and submission of the evaluation forms to the Nomination Committee for assessment.
- xv. Reviewed the Sustainability Framework Policy and sustainability statement prepared by the Sustainability Consultant.
- xvi. The assessment of the Internal Auditors' performance is based on various criteria, among others, including caliber and quality of the engagement team, the level of its audit governance and independence, as well as the effectiveness and efficiency of their internal audit services.

## AUDIT COMMITTEE REPORT (CONT'D)

### INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent professional consulting company, OAC Consulting Sdn. Bhd. (“OAC” or “Internal Auditors”) to assist the AC in discharging its duties and responsibilities in reviewing and assessing the adequacy and effectiveness of the Group’s internal control system.

The Internal Auditors conducted the audit reviews in accordance with the Internal Audit Plan approved by the AC. The Internal Auditors use the Committee of Sponsoring Organisations of the Treadway Commission (COSO) Internal Control – Integrated Framework as a basis for evaluating the effectiveness of the internal control system, where improvement gaps are identified as a result of the reviews, remedial and improvement measures are recommended to strengthen controls; and follow-up reviews are conducted by the Internal Auditors to assess the status of the implementation of the recommendations thereof by the Management. OAC is free from any relationship or conflict of interest that could impair their objectivity and independence. All findings and recommendations from both external and internal auditors are directly reported to the AC.

The Internal Auditors prepared and tabled the Internal Audit Plan for the consideration and approval of the AC. It conducts independent reviews of the key activities with the Group’s operations based on the Internal Audit Plan approved by the AC.

During the FPE 2025, the following internal audit reviews had been carried out by the Internal Auditors:

Reporting month	Name of Entity Audited	Audited Areas
July 2024	AIMAX Capital Sdn Bhd <i>(a.k.a. Hong Seng Capital Sdn. Bhd.)</i>	Moneylending
February 2025	AIMAX Healthcare Sdn. Bhd. <i>(a.k.a HKL Dynamics Sdn. Bhd.)</i>	Procurement
August 2025	AIMAX Healthcare Sdn. Bhd. <i>(a.k.a HKL Dynamics Sdn. Bhd.)</i>	Payment

Prior to the presentation of the report to the AC, comments from the Management are obtained and incorporated into the internal audit findings and reports.

The total fees incurred during the FPE 2025 in relation to the internal audit function were RM30,000.

The AC is of the view that the internal audit function is independent and the Internal Auditors have performed their audit assignments with impartiality, proficiency and due professional care.



# FINANCIAL STATEMENTS

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# DIRECTORS' REPORT

## DIRECTORS' REPORT

The directors of **HONG SENG CONSOLIDATED BERHAD** have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial period ended 30 September 2025.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in business as an investment holding company.

The principal activities of the subsidiary companies are disclosed in Note 12 to the financial statements.

## CHANGE OF FINANCIAL PERIOD END

On 1 July 2025, the Company changed its financial period end from 31 March to 30 September to facilitate financial reporting and allocation of resources. Accordingly, the current financial statements are prepared for eighteen months from 1 April 2024 to 30 September 2025.

## RESULTS OF OPERATIONS

The results of operations of the Group and of the Company for the financial period are as follows:

	<b>Group RM</b>	<b>Company RM</b>
Profit/(Loss) before tax	22,851,135	(133,931,325)
Income tax (expense)/credit	<u>(596,589)</u>	<u>28,926</u>
Profit/(Loss) for the financial period	<u>22,254,546</u>	<u>(133,902,399)</u>
Attributable to:		
Owners of the Company	23,962,545	(133,902,399)
Non-controlling interests	<u>(1,707,999)</u>	<u>-</u>
	<u>22,254,546</u>	<u>(133,902,399)</u>

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature.

## DIRECTORS' REPORT (CONT'D)

### DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial period. The directors do not recommend any dividend payment in respect of the current financial period.

### RESERVES AND PROVISIONS

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

### ISSUE OF SHARES AND DEBENTURES

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

### WARRANTS

#### Warrants A

The Company had on 23 September 2019 allotted and issued 53,097,137 rights shares together with 159,291,411 free warrants ("Warrant(s) A") at an issue price of RM0.25 each on the basis of 3 Warrants A for every 1 rights share subscribed. Each Warrant A entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 23 September 2019 to 22 September 2024, at an exercise price of RM0.25 each in accordance with a deed poll. Any Warrants A not exercised by the date of maturity will lapse thereafter and cease to be valid for all purposes.

On 16 June 2021, the Company completed the share split with additional 33,168,391 Warrants A issued and the exercise price of Warrants A was adjusted to RM0.13 each for 1 new ordinary share pursuant to the share split. On 28 June 2022, the Company completed the bonus issue with additional 472,482 Warrants A issued and the exercise price of Warrants A was adjusted to RM0.07 each for 1 new ordinary share pursuant to the bonus issue.

The ordinary shares issued from the exercise of Warrants A shall rank pari passu in all respects with the existing ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distributions declared, the entitlement date of which is prior to the date of allotment of the new shares arising from the exercise of Warrants A.

Up to the end of the exercise period of the Warrants A on 20 September 2024, the 944,964 Warrants A not exercised were delisted from the official list of Bursa Malaysia Securities Berhad on 23 September 2024.

## DIRECTORS' REPORT (CONT'D)

### Warrants B

The Company had on 4 October 2021 issued 850,811,683 free warrants (“Warrant(s) B”) at an issue price of RM2.60 each on the basis of 1 Warrant B for every 3 existing ordinary shares held by the entitled shareholders on the entitlement date. Each Warrant B entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 4 October 2021 to 3 October 2024, at an exercise price of RM2.60 in accordance with a deed poll. Any Warrants B not exercised by the date of maturity will lapse thereafter and cease to be valid for all purposes.

On 28 June 2022, the Company completed the bonus issue with additional 850,558,283 Warrants B issued and the exercise price of Warrants B was adjusted to RM1.30 each for 1 new ordinary share pursuant to the bonus issue.

The ordinary shares issued from the exercise of Warrants B shall rank pari passu in all respects with the existing ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distributions declared, the entitlement date of which is prior to the date of allotment of the new shares arising from the exercise of Warrants B.

Up to the end of the exercise period of the Warrants B on 30 October 2024, the 1,701,116,566 Warrants B not exercised were delisted from the official list of Bursa Malaysia Securities Berhad on 4 October 2024.

### **OTHER STATUTORY INFORMATION**

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps:

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts, and have satisfied themselves that there were no known bad debts to be written off and adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

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

- (a) which would render it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or

## DIRECTORS' REPORT (CONT'D)

- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

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

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

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

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial period and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial period in which this report is made.

### DIRECTORS

The directors of the Company in office during the financial period and during the period from the end of the financial period to the date of the report are:

Lester Chin Kent Lake*	
Leong Kam Soon	
Dato' Kang Chez Chiang	
Yap Kien Ming	
Datuk Dr. Yacob Bin Mustafa	(Appointed on 2 September 2024)
Wong Weng Yew	(Appointed on 30 September 2024)
Lim Poh Leng	(Appointed on 30 September 2024)
Ng Keok Chai	(Appointed on 7 November 2025)
Leong Seng Wui*	(Appointed on 8 April 2024 and resigned on 31 October 2025)
Lee Li Chain	(Resigned on 30 September 2024)
Christopher Chan Hooi Guan	(Resigned on 29 November 2024)

\* Directors of the Company and certain subsidiary companies

## DIRECTORS' REPORT (CONT'D)

Other than as stated above, the directors of the subsidiary companies of the Company in office during the financial period and during the period from the end of the financial period to the date of this report are:

Joveen Neoh Wan Fen  
 Kuan Chee Sian  
 Mohamed Namazie Bin A.M. Ibrahim  
 Tan Ooi Jin  
 Thirunavukarasu A/L Rajoo

### DIRECTORS' INTERESTS

The interests in shares in the Company of those who were directors of the Company at the end of the financial period, as recorded in the Register of Directors' Shareholdings kept by the Company under Section 59 of the Companies Act, 2016, are as follows:

	Number of ordinary shares			At 30.09.2025
	At 01.04.2024	Bought	Sold	
<b>Shares in the Company</b>				
<b>Direct interests</b>				
Leong Seng Wui	275,000,000	-	-	275,000,000
<b>Indirect interests</b>				
Lester Chin Kent Lake#	956,827,600	-	-	956,827,600
	Number of Warrant B			At 30.09.2025
	At 01.04.2024	Bought	Expired	
<b>Warrants in the Company</b>				
<b>Direct interests</b>				
Leong Seng Wui	32	-	(32)	-
<b>Indirect interests</b>				
Lester Chin Kent Lake#	1,374,732	-	(1,374,732)	-

# Indirect interest by virtue of his father's interests and his interests in Radiance Dynasty Sdn. Bhd.

By virtue of Lester Chin Kent Lake and Leong Seng Wui's interests in the ordinary shares of the Company and pursuant to Section 8(4) of the Companies Act, 2016 in Malaysia, they are deemed to have an interest in the ordinary shares of the subsidiaries to the extent that the Company has an interest.

The other directors in office at the end of the financial period did not hold shares, nor had beneficial interest in the shares of the Company or its related corporation during or at the beginning and end of the financial period.

## DIRECTORS' REPORT (CONT'D)

### DIRECTORS' BENEFITS

Since the end of the previous financial period, none of the directors of the Company has received or become entitled to receive a benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of full-time employees of the Company as disclosed below) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest, other than certain directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business as disclosed in Note 35 to the financial statements.

The details of the directors' remuneration of the Group and of the Company for the financial period are as follows:

	<b>Group RM</b>	<b>Company RM</b>
<b>Directors of the Company</b>		
Directors' fees	335,767	327,767
Directors' remuneration and benefits	<u>1,134,362</u>	<u>-</u>
	<u>1,470,129</u>	<u>327,767</u>

During and at the end of the financial period, no arrangement subsisted to which the Company was a party whereby directors of the Company might acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

During the financial period, directors and officers of the Company were covered under the Director and Officer Liability Insurance in respect of liabilities arising from acts committed in their respective capacity as, inter alia, directors and officers of the Company. The total amounts of insurance coverage and insurance premium paid for directors and officers of the Company were RM5,000,000 and RM22,692 respectively.

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

## DIRECTORS' REPORT (CONT'D)

### SUBSIDIARY COMPANIES

The details of the Company's subsidiaries are disclosed in Note 12 to the financial statements, which also serve for the purpose of this report.

### AUDITORS' REMUNERATION

The amount paid or payable as remuneration of the auditors of the Group and of the Company for financial period ended 30 September 2025 are as follows:

	<b>Group RM</b>	<b>Company RM</b>
Auditors' remuneration:		
Statutory audit	380,000	197,000
Other services	6,000	6,000
	<u>386,000</u>	<u>203,000</u>

### SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

The details of significant event during the financial period are disclosed in Note 40 to the financial statements.

## DIRECTORS' REPORT (CONT'D)

### AUDITORS

The auditors, Morison LC PLT, have expressed their willingness to continue in office.

Signed on behalf of the Board  
in accordance with a resolution of the directors,

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**LESTER CHIN KENT LAKE**

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**WONG WENG YEW**

Petaling Jaya,  
23 January 2026

## STATEMENT BY DIRECTORS

The directors of **HONG SENG CONSOLIDATED BERHAD** state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 30 September 2025 and of the financial performance and the cash flows of the Group and of the Company for the financial period then ended.

Signed on behalf of the Board  
in accordance with a resolution of the directors,

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**LESTER CHIN KENT LAKE**

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**WONG WENG YEW**

Petaling Jaya,  
23 January 2026

# DECLARATION BY THE DIRECTOR

## PRIMARILY RESPONSIBLE FOR THE FINANCIAL MANAGEMENT OF THE COMPANY

I, **WONG WENG YEW**, the director primarily responsible for the financial management of **HONG SENG CONSOLIDATED BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

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**WONG WENG YEW**

Subscribed and solemnly declared by the abovenamed **WONG WENG YEW** at **PETALING JAYA** in the State of Selangor Darul Ehsan on 23rd January 2026.

Before me,

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**COMMISSIONER FOR OATHS**

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF HONG SENG CONSOLIDATED BERHAD

### Report on the Audit of the Financial Statements

We have audited the financial statements of **HONG SENG CONSOLIDATED BERHAD**, which comprise the statements of financial position as at 30 September 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial period then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 116 to 218.

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

### Basis for Opinion

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

### *Independence and Other Ethical Responsibilities*

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

(Forward)

**INDEPENDENT AUDITORS' REPORT (CONT'D)  
TO THE MEMBERS OF HONG SENG CONSOLIDATED BERHAD**

**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.

<b>Key Audit Matters</b>	<b>Our audit performed and responses thereon</b>
<p><b>Recoverability of loan receivables</b></p> <p>As at 30 September 2025, the Group recorded loan receivables of RM115,871,025 (30.03.2024: RM89,487,185), representing approximately 30% (30.03.2024: 26%) of total assets arising from the money lending segment of the Group.</p> <p>According to MFRS 9, loan receivables is subject to assessment of expected credit loss (“ECL”).</p> <p>We determined this a key audit matter as the evaluation of ECL requires judgement to ensure the amount calculated reflect the credit risk of the Group’s loan receivables in accordance with the requirements of MFRS 9. The significant area of judgements includes determination of the criteria for staging and identification of credit exposures with significant deterioration in credit quality, selection of appropriate models and measure of exposure at default (“EAD”), probability of default (“PD”) and loss given default (“LGD”) which includes assumptions used in the ECL models such as expected future cash flows, time value of money and forward-looking macroeconomic factors.</p> <p>Refer to Notes 4 and 16 to the financial statements for the key source of estimation uncertainty and disclosure.</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>(i) Assessed the processes and key controls over the Group’s credit risk assessment policies for its loan receivables including the transfer criteria for stages of credit exposures based on credit quality, impairment measurement methodologies, inputs, basis and assumptions used by the Group in staging the credit exposures and calculating ECL;</li> <li>(ii) Assessed the reasonableness of the transfer criteria applied by the Group and evaluated if the transfer criteria are consistent with the Group’s credit risk management practices;</li> <li>(iii) Assessed and tested the reasonableness of the Group’s ECL models, including inputs and assumptions used in the ECL model by:</li> </ul>

(Forward)

**INDEPENDENT AUDITORS' REPORT (CONT'D)  
TO THE MEMBERS OF HONG SENG CONSOLIDATED BERHAD**

<b>Key Audit Matters</b>	<b>Our audit performed and responses thereon</b>
	<ul style="list-style-type: none"> <li>(a) Assessing the methodologies and assumptions used to estimate the PD by evaluating the historical data and statistical techniques applied, and considered whether such data was representative of current portfolio performance and recent loss experience;</li> <li>(b) Assessing the LGD by reviewing the assumptions on expected future cash flows including the value of collateral held and the Group's historical recovery experience;</li> <li>(c) Verifying the EAD calculation, ensuring it includes both the outstanding principal and any accrued interest;</li> <li>(d) Evaluating the reasonableness of the forward-looking information incorporated into the ECL models, including the selection of relevant macroeconomic variables and probability-weighting of multiple economic scenarios;</li> <li>(iv) Tested the accuracy and completeness of the data used in the assessment; and</li> <li>(v) Recomputed the Group's impairment for loan receivables based on the ECL models.</li> </ul>

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**INDEPENDENT AUDITORS' REPORT (CONT'D)**  
**TO THE MEMBERS OF HONG SENG CONSOLIDATED BERHAD**

<b>Key Audit Matters</b>	<b>Our audit performed and responses thereon</b>
<p><b>Impairment of property, plant and equipment for glove segment</b></p> <p>As of 30 September 2025, the Group's property, plant and equipment amounted to RM124,656,401 (31.03.2024: RM84,128,683), which represent approximately 32% (31.03.2024: 24%) of the Group's total assets. Based on the contribution from subsidiary companies to the Group's property, plant and equipment balances, the glove segment's subsidiary is currently at operating loss position which contributed to RM69,934,776 (31.03.2024: RM67,878,475) of the Group's property, plant and equipment as at 30 September 2025 indicating that the Group's carrying amount of property, plant and equipment might exceed their recoverable amounts.</p> <p>We determined this a key audit matter as there is significant management judgement involved in the estimation of recoverable amount of these assets.</p> <p>Refer to Notes 4 and 10 to the financial statements for the key source of estimation uncertainty and related disclosure on impairment of non-financial assets,</p>	<p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>(i) Reviewed management's assessment for identification of indications of impairment;</li> <li>(ii) In the event that there are impairment indicators, evaluate management's assessment of impairment in conjunction with our understanding of the business and conclude whether the valuation method used by management (e.g., market-based evidence or independent valuation) to determine fair value is reasonable;</li> <li>(iii) Evaluated the independent valuer's competency, capability and objectivity;</li> <li>(iv) Assessed the methodologies and key assumptions adopted by the independent valuer in determining fair value less cost of disposal including the reliability and relevance of market data or inputs used in the valuation;</li> <li>(v) Performed sensitivity analysis on key assumptions to assess if any reasonably possible change in these assumptions can lead to an impairment loss; and</li> <li>(vi) Assessed the results of the impairment assessment by comparing the recoverable amount of the intangible assets to its carrying amount.</li> </ul>

We have determined that there are no key audit matters in the audit of the separate financial statements of the Company to communicate in our auditors' report.

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## INDEPENDENT AUDITORS' REPORT (CONT'D) TO THE MEMBERS OF HONG SENG CONSOLIDATED BERHAD

### **Information Other than the Financial Statement and Auditors' Report Thereon**

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

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

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

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

### **Responsibilities of the Directors for the Financial Statements**

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

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or 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.

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## INDEPENDENT AUDITORS' REPORT (CONT'D) TO THE MEMBERS OF HONG SENG CONSOLIDATED BERHAD

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

(Forward)

## INDEPENDENT AUDITORS' REPORT (CONT'D) TO THE MEMBERS OF HONG SENG CONSOLIDATED BERHAD

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 report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

- (a) The financial statements of the Group and of the Company for the financial period ended 1 October 2022 to 31 March 2024 were audited by another firm of auditors who expressed an unqualified opinion on those financial statements on 26 July 2024.
- (b) 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 towards any other person for the content of this report.

**MORISON LC PLT (AF 002469)**  
**202206000028 (LLP00032572-LCA)**  
**Chartered Accountants**

**LIM KAI JIE**  
**03726/04/2027 J**  
**Chartered Accountant**

Petaling Jaya  
23 January 2026

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

	Note	Group		Company	
		01.04.2024 to 30.09.2025 (18 months) RM	01.10.2022 to 31.03.2024 (18 months) RM	01.04.2024 to 30.09.2025 (18 months) RM	01.10.2022 to 31.03.2024 (18 months) RM
Revenue	5	16,821,859	22,422,037	-	-
Cost of sales		(44,682,967)	(56,368,953)	-	-
Gross loss		(27,861,108)	(33,946,916)	-	-
Other income		29,786,827	8,161,276	20,073,494	6,186,765
Net reversal of/(Allowance for) impairment losses on financial assets		1,658,875	(14,476,524)	(114,504,833)	12,710,882
Impairment losses on investment in subsidiary companies		-	-	(37,018,348)	(101,120,653)
Selling and distribution expenses		(190,692)	(426,842)	-	-
Administrative expenses		(12,382,022)	(20,851,102)	(2,481,638)	(2,424,117)
Other expenses		(1,723,917)	(44,208,315)	-	(62,600)
		(10,712,037)	(105,748,423)	(133,931,325)	(84,709,723)
Fair value gain on other investments		36,230,417	8,659,822	-	-
Finance costs	6	(2,389,299)	(1,818,665)	-	-
Share of results of associate companies		(277,946)	(457,689)	-	-
<b>Profit/(Loss) before tax</b>	7	22,851,135	(99,364,955)	(133,931,325)	(84,709,723)
Income tax (expense)/credit	8	(596,589)	(910,536)	28,926	(183,215)
<b>Profit/(Loss) for the financial period</b>		22,254,546	(100,275,491)	(133,902,399)	(84,892,938)

(Forward)

**STATEMENTS OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME (CONT'D)  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

	Group		Company	
	01.04.2024 to 30.09.2025 (18 months) RM	01.10.2022 to 31.03.2024 (18 months) RM	01.04.2024 to 30.09.2025 (18 months) RM	01.10.2022 to 31.03.2024 (18 months) RM
Note				
<b>Other comprehensive income/(loss), net of tax</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Net change in fair value of equity instruments designated at fair value through other comprehensive income	214,350	(1,001,415)	64,350	-
<i>Item that will be reclassified subsequently to profit or loss</i>				
Share of foreign currency translation difference of an associate company	303,463	76,907	-	-
<b>Total comprehensive income/(loss) for the financial period</b>	22,772,359	(101,199,999)	(133,838,049)	(84,892,938)

(Forward)

**STATEMENTS OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME (CONT'D)  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

	Note	Group		Company	
		01.04.2024 to 30.09.2025 (18 months) RM	01.10.2022 to 31.03.2024 (18 months) RM	01.04.2024 to 30.09.2025 (18 months) RM	01.10.2022 to 31.03.2024 (18 months) RM
<b>Profit/(Loss) for the financial period attributable to:</b>					
Owners of the Company		23,962,545	(91,837,134)	(133,902,399)	(84,892,938)
Non-controlling interests		<u>(1,707,999)</u>	<u>(8,438,357)</u>	<u>-</u>	<u>-</u>
		<u>22,254,546</u>	<u>(100,275,491)</u>	<u>(133,902,399)</u>	<u>(84,892,938)</u>
<b>Total comprehensive income/(loss) attributable to:</b>					
Owners of the Company		24,480,358	(92,611,642)	(133,838,049)	(84,892,938)
Non-controlling interests		<u>(1,707,999)</u>	<u>(8,588,357)</u>	<u>-</u>	<u>-</u>
		<u>22,772,359</u>	<u>(101,199,999)</u>	<u>(133,838,049)</u>	<u>(84,892,938)</u>
<b>Earnings/(Loss) per ordinary share attributable to equity holders of the Company (sen)</b>					
Basic	9	<u>0.47</u>	<u>(1.80)</u>		
Diluted	9	<u>0.47</u>	<u>(1.80)</u>		

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

# STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2025

	Note	Group		Company	
		30.09.2025 RM	31.03.2024 RM	30.09.2025 RM	31.03.2024 RM
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	10	124,656,401	84,128,682	-	11,558
Investment properties	11	43,210,244	43,855,991	-	-
Investment in subsidiary companies	12	-	-	6,565,004	30,593,352
Investment in associate companies	13	-	39,957,941	-	40,319,731
Other investments	15	59,392,855	35,904,787	9,584,293	9,519,943
Loan receivables	16	-	15,000,000	-	-
<b>Total Non-Current Assets</b>		<u>227,259,500</u>	<u>218,847,401</u>	<u>16,149,297</u>	<u>80,444,584</u>
<b>Current Assets</b>					
Loan receivables	16	115,871,025	74,487,185	-	-
Trade receivables	17	3,599,848	10,645,748	-	-
Other receivables	18	13,399,657	13,575,978	11,965	65,187
Inventories	19	9,311,124	5,264,016	-	-
Amount due from subsidiary companies	20	-	-	118,150,819	179,370,196
Amount due from an associate company	21	-	621	-	-
Tax recoverable		2,333,619	4,382,597	132,540	6,787
Fixed deposits with licensed banks	22	1,313,752	206,906	-	-
Cash and bank balances	22	11,228,078	18,461,539	2,773,770	4,215,316
<b>Total Current Assets</b>		<u>157,057,103</u>	<u>127,024,590</u>	<u>121,069,094</u>	<u>183,657,486</u>
<b>Total Assets</b>		<u>384,316,603</u>	<u>345,871,991</u>	<u>137,218,391</u>	<u>264,102,070</u>

(Forward)

## STATEMENTS OF FINANCIAL POSITION (CONT'D)

### AS AT 30 SEPTEMBER 2025

	Note	Group		Company	
		30.09.2025 RM	31.03.2024 RM	30.09.2025 RM	31.03.2024 RM
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and Reserves</b>					
Share capital	23	251,482,364	251,446,486	251,482,364	251,446,486
Irredeemable convertible preference shares	24	-	35,878	-	35,878
Fair value reserve	25	(1,649,082)	(1,714,847)	(799,082)	(863,432)
Foreign currency translation reserve	26	-	76,907	-	-
Warrant reserve	27	-	11,340	-	-
Other reserve	27	-	(11,340)	-	-
Retained earnings		62,080,105	49,427,631	(126,785,646)	7,116,753
		<u>311,913,387</u>	<u>299,272,055</u>	<u>123,897,636</u>	<u>257,735,685</u>
Non-controlling interests		-	5,656,626	-	-
<b>Total Equity</b>		<u>311,913,387</u>	<u>304,928,681</u>	<u>123,897,636</u>	<u>257,735,685</u>
<b>Non-Current Liabilities</b>					
Lease liabilities	28	40,346	10,787,534	-	-
Loans and borrowings	29	58,894,963	10,336,539	-	-
Deferred tax liabilities	30	179,318	32,231	-	-
<b>Total Non-Current Liabilities</b>		<u>59,114,627</u>	<u>21,156,304</u>	<u>-</u>	<u>-</u>

(Forward)

**STATEMENTS OF FINANCIAL POSITION (CONT'D)**  
AS AT 30 SEPTEMBER 2025

	Note	Group		Company	
		30.09.2025 RM	31.03.2024 RM	30.09.2025 RM	31.03.2024 RM
<b>Current Liabilities</b>					
Trade payables	31	5,090,064	2,588,054	-	-
Other payables	32	6,627,947	14,606,995	572,177	404,857
Amount due to subsidiary companies	21	-	-	12,748,578	5,961,528
Lease liabilities	28	9,464	1,025,060	-	-
Loans and borrowings	29	1,477,928	1,362,716	-	-
Tax payable		83,186	204,181	-	-
<b>Total Current Liabilities</b>		<u>13,288,589</u>	<u>19,787,006</u>	<u>13,320,755</u>	<u>6,366,385</u>
<b>Total Liabilities</b>		<u>72,403,216</u>	<u>40,943,310</u>	<u>13,320,755</u>	<u>6,366,385</u>
<b>Total Equity and Liabilities</b>		<u>384,316,603</u>	<u>345,871,991</u>	<u>137,218,391</u>	<u>264,102,070</u>

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

# STATEMENTS OF CHANGES IN EQUITY

## FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

	Attributable to the owners of the Company									
	Non-distributable					Distributable				
	Share capital RM	Irredeemable convertible preference shares ("ICPpS") RM	Fair value reserve RM	Foreign currency translation reserve RM	Warrant reserve RM	Other reserve RM	Retained earnings RM	Total RM	Non- controlling interests RM	Total equity RM
<b>Group</b>										
As of 1 April 2024	251,446,486	35,878	(1,714,847)	76,907	11,340	(11,340)	49,427,631	299,272,055	5,656,626	304,928,681
<b>Total comprehensive income/(loss) for the financial period</b>										
Profit/(Loss) for the financial period	-	-	-	-	-	-	23,962,545	23,962,545	(1,707,999)	22,254,546
Fair value changes in equity instruments	-	-	214,350	-	-	-	-	214,350	-	214,350
Share of foreign currency translation reserve of an associate company	-	-	-	303,463	-	-	-	303,463	-	303,463
	-	-	214,350	303,463	-	-	23,962,545	24,480,358	(1,707,999)	22,772,359

(Forward)

## STATEMENTS OF CHANGES IN EQUITY (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

	← Attributable to the owners of the Company →		← Distributable →					Total equity RM	
	Share capital RM	Irredeemable convertible preference shares ("ICPS") RM	Non-distributable	Foreign currency translation reserve RM	Warrant reserve RM	Other reserve RM	Retained earnings RM		Non-controlling interests RM
Disposal of subsidiary companies	-	-	1,415	-	-	-	-	1,415	(1,525,345)
Disposal of associate company	-	-	-	(380,370)	-	-	-	(380,370)	(380,370)
<b>Transaction with owners:</b>									
Conversion of ICPS	35,878	(35,878)	-	-	-	-	-	-	-
Changes in subsidiary company's ownership interests	-	-	(150,000)	-	-	-	(11,428,133)	(11,578,133)	(2,421,867)
Changes in associate company's ownership interests in its subsidiary	-	-	-	-	(11,340)	11,340	118,062	118,062	-
Expiry of warrants	-	-	-	-	-	-	-	-	-
	35,878	(35,878)	(150,000)	-	(11,340)	11,340	(11,310,071)	(11,460,071)	(2,421,867)
<b>As of 30 September 2025</b>	251,482,364	-	(1,649,082)	-	-	-	62,080,105	311,913,387	-

(Forward)

## STATEMENTS OF CHANGES IN EQUITY (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

	Attributable to the owners of the Company					Total equity RM			
	Non-distributable			Distributable					
	Share capital RM	ICPS RM	Fair value reserve RM	Foreign currency translation reserve RM	Warrant reserve RM	Other reserve RM	Retained earnings RM	Non- controlling interests RM	Total equity RM
<b>Group</b>									
<b>As of 1 October 2022</b>	251,446,486	35,878	(863,432)	-	11,340	(11,340)	137,707,582	2,796,231	391,122,745
<b>Total comprehensive (loss)/income for the financial period</b>	-	-	-	-	-	-	(91,837,134)	(8,438,357)	(100,275,491)
Loss for the financial period	-	-	-	-	-	-	-	-	-
Loss in fair value on other investments	-	-	(851,415)	-	-	-	-	(150,000)	(1,001,415)
Share of foreign currency translation difference of an associate company	-	-	-	76,907	-	-	-	-	76,907
	-	-	(851,415)	76,907	-	-	(91,837,134)	(8,588,357)	(101,199,999)

(Forward)

## STATEMENTS OF CHANGES IN EQUITY (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

	Attributable to the owners of the Company				Distributable			Total equity RM
	Share capital RM	ICPS RM	Fair value reserve RM	Foreign currency translation reserve RM	Warrant reserve RM	Other reserve RM	Retained earnings RM	
-	-	-	-	-	-	-	-	5,935
-	-	-	-	-	-	3,557,183	11,442,817	15,000,000
-	-	-	-	-	-	3,557,183	11,448,752	15,005,935
251,446,486	35,878	(1,714,847)	76,907	11,340	(11,340)	49,427,631	5,656,626	304,928,681

**Transaction with owners:**

Struck off of a subsidiary company  
Changes in subsidiary company's ownership interests that did not result in loss of control

**As of 31 March 2024**

(Forward)

## STATEMENTS OF CHANGES IN EQUITY (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

	Attributable to the owners of the Company					Total equity RM
	Share capital RM	ICPS RM	Non-distributable Fair value reserve RM	Warrant reserve RM	Other reserve RM	
<b>Company</b>						
<b>As of 1 April 2024</b>	251,446,486	35,878	(863,432)	11,340	(11,340)	257,735,685
<b>Total comprehensive loss/(income) for the financial period</b>	-	-	-	-	-	(133,902,399)
Loss for the financial period	-	-	-	-	-	-
Fair value changes in equity instruments	-	-	64,350	-	-	64,350
<b>Transactions with owners:</b>						
Conversion of ICPS	35,878	(35,878)	-	-	-	-
Expiry of warrants	-	-	-	(11,340)	11,340	-
<b>As of 30 September 2025</b>	251,482,364	-	(799,082)	-	-	123,897,636
<b>As of 1 October 2022</b>	251,446,486	35,878	(863,432)	11,340	(11,340)	342,628,623
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	-	-	-	(84,892,938)
<b>As of 31 March 2024</b>	251,446,486	35,878	(863,432)	11,340	(11,340)	257,735,685

The accompanying Notes form an integral part of the Financial Statements.

## STATEMENTS OF CASH FLOWS

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

	Group		Company	
	01.04.2024 to 30.09.2025 (18 months) RM	01.10.2022 to 31.03.2024 (18 months) RM	01.04.2024 to 30.09.2025 (18 months) RM	01.10.2022 to 31.03.2024 (18 months) RM
<b>CASH FLOWS (USED IN)/FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before tax	22,851,135	(99,364,955)	(133,931,325)	(84,709,723)
Adjustments for:				
Depreciation of investment properties	1,517,097	41,147	-	-
Depreciation of property, plant and equipment	18,258,484	18,016,621	11,089	37,014
Fair value gain on other investments	(36,230,417)	(8,659,822)	-	-
Finance costs	2,389,299	1,818,665	-	-
Gain on derecognition of right-of-use assets and lease liabilities	(1,018,730)	(2,233)	-	-
(Gain)/Loss on disposal of:				
Associate companies	(20,586,120)	-	(19,988,954)	-
Subsidiary companies	59,339	(483,340)	174,479	-
Other investments	169,488	(5,540,894)	-	(5,145,000)
Property, plant and equipment	(43,118)	(15,208)	69	-
Interest income	(299,350)	(1,007,490)	(84,540)	(479,951)
Loss on deemed disposal of an associate company	-	1,008	-	-
Loss on strike off of subsidiary companies	10,000	1,246,157	10,000	62,599

(Forward)

## STATEMENTS OF CASH FLOWS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

	Group		Company	
	01.04.2024 to 30.09.2025 (18 months) RM	01.10.2022 to 31.03.2024 (18 months) RM	01.04.2024 to 30.09.2025 (18 months) RM	01.10.2022 to 31.03.2024 (18 months) RM
Net allowance for/(reversal of) impairment loss on financial assets:				
Amount due from an associate company	-	274,409	-	-
Amount due from subsidiary companies	-	-	114,504,833	(12,710,882)
Loan receivables	702,240	2,084,069	-	-
Trade receivables	(2,361,115)	11,810,414	-	-
Other receivables	-	307,632	-	-
Net (reversal of impairment)/impairment loss on:				
Goodwill on consolidation	-	6,085,272	-	-
Investment in associate companies	-	20,000,000	-	20,000,000
Investment in subsidiary companies	-	-	37,018,348	81,120,654
Property, plant and equipment	(4,358,387)	10,565,560	-	-
Share of results of associate companies	277,946	457,689	-	-
Unrealised loss/(gain) on foreign exchange	10,024	(123)	-	-
Written down of inventories	1,400,000	1,811,921	-	-
Written off of:				
Bad debts	-	3,063	-	-
Deposits	-	94,190	-	-
Inventories	323,917	339,067	-	-
Property, plant and equipment	27,820	4,146,521	-	-
Operating loss before working capital changes	(16,900,448)	(35,970,660)	(2,286,001)	(1,825,289)

(Forward)

**STATEMENTS OF CASH FLOWS (CONT'D)**  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

	<b>Group</b>		<b>Company</b>	
	<b>01.04.2024</b>	<b>01.10.2022</b>	<b>01.04.2024</b>	<b>01.10.2022</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>30.09.2025</b>	<b>31.03.2024</b>	<b>30.09.2025</b>	<b>31.03.2024</b>
	<b>(18 months)</b>	<b>(18 months)</b>	<b>(18 months)</b>	<b>(18 months)</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Changes in working capital:				
(Increase)/Decrease in:				
Inventories	(6,439,598)	15,639,582	-	-
Loan receivables	(27,086,080)	53,296,954	-	-
Trade receivables	10,448,952	(103,605)	-	-
Other receivables	(22,095)	381,338	53,222	(62,572)
Increase/(Decrease) in:				
Trade payables	3,101,777	(11,251,996)	-	-
Other payables	(7,624,922)	9,744,081	167,320	105,812
Contract liabilities	-	4,039,337	-	-
Cash generated (used in)/from operations	(44,522,414)	35,775,031	(2,065,459)	(1,782,049)
Interest received	299,350	1,007,490	84,540	479,951
Interest paid	(1,419,600)	(1,818,665)	-	-
Income tax refunded	1,854,446	776,274	(96,827)	-
Income tax paid	(1,138,497)	(11,062,040)	-	(190,002)
Net cash (used in)/from operating activities	(44,926,715)	24,678,090	(2,077,746)	(1,492,100)
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>				
Acquisition by non-controlling interests in the shares of a subsidiary company	-	15,000,000	-	15,000,000
Acquisition of non-controlling interests in the shares of a subsidiary company	(14,000,000)	-	(14,000,000)	-
Advances to an associate company	-	(5,557)	-	-
(Forward)				

## STATEMENTS OF CASH FLOWS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

	Group		Company	
	01.04.2024 to 30.09.2025 (18 months) RM	01.10.2022 to 31.03.2024 (18 months) RM	01.04.2024 to 30.09.2025 (18 months) RM	01.10.2022 to 31.03.2024 (18 months) RM
Dividend received	-	-	-	36,127,288
Investment in associate companies	-	(60,319,731)	-	(60,319,731)
Net repayment from/(advances to) subsidiary companies	-	-	-	8,544,136
Proceeds/(Cash outflow) from disposal of:				
Associate companies	60,308,685	-	60,308,685	-
Subsidiary companies	1,247,151	(3,108,690)	825,521	-
Other investments	13,237,211	5,145,000	-	5,145,000
Non-current asset held for sales	-	1,591,667	-	-
Property, plant and equipment	220,117	363,257	400	-
Acquisition of:				
Subsidiary companies	(45,152,057)	590,006	-	-
Investment properties	(871,350)	(2,737,023)	-	-
Other investments	(450,000)	(19,922,120)	-	-
Property, plant and equipment	(13,839,732)	(16,501,420)	-	-
Repayment to subsidiary companies	-	-	(53,285,456)	-
Repayment from a joint venture company	-	-	-	41,000
Repayment from an associate company	621	-	-	-
Net cash from/(used in) investing activities	700,646	(79,904,611)	(6,150,850)	4,537,693

(Forward)

**STATEMENTS OF CASH FLOWS (CONT'D)**  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

	Group		Company	
	01.04.2024 to 30.09.2025 (18 months) RM	01.10.2022 to 31.03.2024 (18 months) RM	01.04.2024 to 30.09.2025 (18 months) RM	01.10.2022 to 31.03.2024 (18 months) RM
<b>CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>				
Repayment from/(to) subsidiary companies	-	-	6,787,050	(4,333,025)
Net drawdown/(repayment) of loans and borrowings	47,703,937	(1,910,198)	-	-
Repayment to previous shareholder of a subsidiary company	(8,247,352)	-	-	-
Uplift of fixed deposits pledged	-	2,364,629	-	-
Repayment of lease liabilities	(1,347,107)	(943,628)	-	-
Net cash from/(used in) financing activities	<u>38,109,478</u>	<u>(489,197)</u>	<u>6,787,050</u>	<u>(4,333,025)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(6,116,591)	(55,715,718)	(1,441,546)	(1,287,432)
Net effect of foreign currency translation differences on cash and cash equivalents	(10,024)	123	-	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL PERIOD</b>	<u>18,668,445</u>	<u>74,384,040</u>	<u>4,215,316</u>	<u>5,502,748</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL PERIOD (NOTE 22)</b>	<u>12,541,830</u>	<u>18,668,445</u>	<u>2,773,770</u>	<u>4,215,316</u>

The accompanying Notes form an integral part of the Financial Statements.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

### 1. CORPORATE INFORMATION

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

The Company is principally engaged in business as an investment holding company.

The details of its subsidiary companies are disclosed in Note 12.

On 1 July 2025, the Company changed its financial period end from 31 March to 30 September to facilitate financial reporting and allocation of resources. Accordingly, the current financial statements are prepared for eighteen months from 1 April 2024 to September 2025.

The registered office of the Company is located at Third Floor, No. 77, 79 & 81, Jalan SS 21/60, Damansara Utama, 47400 Petaling Jaya, Selangor Darul Ehsan.

With effect from 1 March 2025, the principal place of business of the Company was changed from C-01-3, Block C, Plaza Glomac, No. 6, Jalan SS7/19, Kelana Jaya to No. 5, Jalan 51A/223, Seksyen 51A, 46100 Petaling Jaya, Selangor Darul Ehsan.

The financial statements of the Group and of the Company were authorised by the Board of Directors for issuance on 23 January 2026.

### 2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

#### **Adoption of amendments to MFRSs**

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

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

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

### **New MFRSs and amendments to MFRSs in issue but not yet effective**

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

Amendments to MFRS 121	Lack of Exchangeability <sup>1</sup>
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurement of Financial Instruments <sup>2</sup>
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity <sup>2</sup>
Amendments to MFRSs	Annual Improvements to MFRS Accounting Standards - Volume 11 <sup>2</sup>
MFRS 18	Presentation and Disclosure in Financial Statements <sup>3</sup>
MFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>3</sup>
Amendments to MFRS 19	Subsidiaries without Public Accountability: Disclosures <sup>3</sup>
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency <sup>3</sup>
Amendments to MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2025.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

<sup>4</sup> Deferred to a date to be determined and announced by MASB.

The directors anticipate that the abovementioned new MFRSs and amendments to MFRSs will be adopted in the annual financial statements of the Group and of the Company when they become effective, if applicable, and that the adoption of the new MFRSs and amendments to MFRSs will have no material impact on the financial statements of the Group and of the Company in the period of initial application.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

#### **Basis of accounting**

The financial statements of the acGroup and of the Company have been prepared under the historical cost basis unless otherwise indicated in the material accounting policy information below.

#### **Functional and presentation currency**

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate (“the functional currency”). The financial statements of the Group and of the Company are presented in Ringgit Malaysia (“RM”), which is also the Company’s functional currency and has been rounded to the nearest RM, unless otherwise stated.

#### **Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiary companies. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

The Group applies the acquisition method to account for business combination from the acquisition date when the acquired set of activities meet the definition of a business and control is transferred to the Group.

#### **Investment in subsidiary companies**

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

Gains or losses arising from the disposal of an investment in a subsidiary are recognised in profit or loss and represent the difference between the net disposal proceeds and the carrying amount of the investment.

#### **Investment in associate companies**

Investments in associates, being entities over which the Group has significant influence and which are neither subsidiaries nor joint arrangements, are accounted for using the equity method.

The investment is initially recognised at cost and subsequently adjusted for the Group’s share of the associate’s post-acquisition profits or losses and other comprehensive income, with distributions received reducing the carrying amount of the investment.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

In the Company's separate financial statements, investment in associate companies is stated at cost less impairment losses.

Upon disposal of an investment in an associate, or upon loss of significant influence, the difference between the net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

### **Goodwill arising from business combination**

Goodwill arising from business combination represents the excess of cost of the acquisition over the Group's interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities, and is initially recognised as an asset at cost and subsequently measured at costs less any accumulated impairment losses.

### **Loss of control from disposal of subsidiary companies**

When the Group loses control of a subsidiary, the assets and liabilities of the subsidiary, including any non-controlling interests, are derecognised. Any retained interest in the former subsidiary is measured at its fair value at the date control is lost. The resulting gain or loss, being the difference between the aggregate of the fair value of the consideration received and any retained interest, and the carrying amount of the net assets of the subsidiary, is recognised in profit or loss.

### **Changes in ownership interests in subsidiary companies without change of control**

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

### **Non-controlling interests**

At the acquisition date, components of non-controlling interests of the Group are measured at the non-controlling interests' proportionate share of the acquiree's identifiable assets.

### **Revenue recognition**

Revenue recognition of the Group is applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer). For practical expedient, the Group applied revenue recognition to a portfolio of contracts (or performance obligations) with similar characteristics if the Group reasonably expects that the effects on the financial statements would not differ materially from recognising revenue on the individual contracts (or performance obligations) within that portfolio.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

The Group recognises revenue from the following major sources:

(a) Revenue from manufacturing and trading of gloves

Revenue from the manufacturing and trading of gloves is recognised at a point in time when control is transferred to the customer which is generally upon delivery of the goods to the customer's designated location as this represents the point which the customer has the ability to direct the use and obtain substantially all of the remaining benefit from the goods.

(b) Revenue from the medical diagnostic laboratory services, sales of pharmaceutical and medical goods

Revenue from the medical diagnostic laboratory services, sales of pharmaceutical and medical goods is recognised at a point in time upon delivery of medical diagnostic results, pharmaceutical and medical goods respectively.

(c) Revenue from the seafood trading business

Revenue from the seafood trading business is recognised at a point in time upon delivery of the seafood supply. The Group acts in the capacity of an agent rather than as principal in its seafood trading business, accordingly the revenue recognised is the net amount of consideration that the Group retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party.

(d) Interest income from loan receivable

Interest income from loan receivable is recognised over time as it accrues, using the effective interest rate method ("EIR") to reflect a constant periodic rate of return on the net carrying amount of the financial asset.

EIR is a method of calculating the amortised cost of loan receivables and of allocating the corresponding interest income over the relevant period. EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the loan receivables or, when appropriate, shorter period to the net carrying amount of the loan receivables.

(e) Rental income

Rental income from investment property is recognised on a straight-line basis over the term of the lease.

### **Other income**

(a) Interest income

Interest income is recognised using the effective interest method.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

### Leases

The Group presents right-of-use assets that do not meet the definition of investment property as property, plant and equipment in Note 10 and lease liabilities as a separate line in the statements of financial position.

#### Lessee accounting

The Group recognises a right-of-use (“ROU”) asset and a lease liability at the lease commencement date. Right-of-use assets are initially measured at cost less accumulated amortisation and any accumulated impairment losses and adjusted for any remeasurement of the lease liabilities. Amortisation is computed on the straight-line basis over the lease period as follows:

Leasehold lands	51 - 53 years
Leasehold buildings	53 years
Premises	2 - 7 years
Motor vehicles	7 years

The lease liabilities are initially measured at the present value of the lease payments that are not paid at commencement date, discounted by using the rate implicit in the lease. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

#### *Short-term leases and leases of low value assets*

The Group and the Company have 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 and the Company recognises the lease payments associated with these leases as an operating expense on a straight-line basis over the lease term.

#### Lessor accounting

The Group recognises lease payments received from rental of buildings under operating leases as income on a straight-line basis over the lease term as part of revenue.

### Property, plant and equipment

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

Property, plant and equipment are depreciated on straight-line basis over the estimated useful lives of the assets as below except for freehold land and work-in-progress which are not depreciated.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

Buildings	2%
Tools and office equipment	10% - 33%
Computers	20% - 33%
Furniture and fittings	8% - 20%
Laboratory and medical equipment	10% - 20%
Motor vehicles	20%
Factory equipment	10%
Plant and machineries	10%
Renovations	10% - 20%
Leasehold improvements	10%

**Investment properties**

The Group uses the cost model to measure its investment properties after initial recognition. Investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Investment properties are depreciated on a straight-line basis by allocating their depreciable amounts over their remaining useful lives of 53 to 83 years.

**Inventories**

Inventories are measured at the lower of cost and net realisable value.

The cost of raw materials for gloves is measured using the weighted average method and comprises all costs incurred in bringing the inventories to their present location and condition. The cost of work-in-progress for gloves is determined using standard costing, which includes the cost of purchases, direct labour, and other production overheads. The costs of laboratory instruments and pharmaceutical and medical goods are determined on a first-in-first-out basis and comprise the original cost of purchase plus costs incurred in bringing the inventories to their present location and condition.

**Financial instruments**

Financial assets and financial liabilities are recognised in the Group's and in the Company's statements of financial position when the Group and the Company become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

### Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### *Classification of financial assets*

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (“FVTOCI”):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (“FVTPL”).

Despite the foregoing, the Group and the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group and the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Group and the Company may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see (ii) below).

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

(i) *Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit impaired financial assets (i.e. assets that are credit impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial assets other than purchased or originated credit impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit impaired (see below).

For financial assets that have subsequently become credit impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit impaired financial assets, the Group recognises interest income by applying the credit adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit impaired.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

(ii) *Financial assets at FVTPL*

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Financial assets that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called “accounting mismatch”) that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss from other financial assets recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the “other operating income” or “administrative expenses” line item.

### **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs when the guaranteed debtor fails to make payment when due. Financial guarantee contracts are recognised initially as financial liabilities at fair value, net of transaction costs. Subsequently, the liability is measured at the higher of:

- the amount of the loss allowance; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of MFRS 15 *Revenue from Contracts with Customers*.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

### **Financial liabilities**

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

#### *Financial liabilities measured subsequently at amortised cost*

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held for trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

### **Impairment of non-financial assets**

The carrying amounts of non-financial assets (except for inventories and goodwill) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount. For goodwill, the recoverable amount is estimated at each reporting date.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of non-financial assets or cash-generating units ("CGUs").

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining the fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Where the carrying amount of an asset exceed its recoverable amount, the carrying amount of the asset is reduced to its recoverable amount.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

### **Impairment of financial assets**

The Group and the Company recognise a loss allowance for expected credit losses (“ECL”) on all financial asset not held at fair value through profit or loss and contract assets. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL for trade receivables. The Group considers past loss experience, timing of billing and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

For all other financial instruments, the Group and the Company recognise lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group and the Company measure the loss allowance for that financial instrument at an amount equal to 12 month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Reversal of impairment loss to profit or loss, if any, is restricted to not exceeding what the amortised cost would have been had the impairment not been recognised previously.

#### *Significant increase in credit risk*

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group and the Company compare the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group and the Company consider both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information such as financial evaluation of the creditworthiness of the debtors, ageing of receivables, defaults and past due amounts, past experience with the debtors, current conditions and reasonable forecast of future economic conditions.

The Group and the Company presume that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group and the Company have reasonable and supportable information that demonstrates otherwise.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

### *Probability of default*

The Group and the Company consider the information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group and the Company, in full, as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets are generally not recoverable.

The Group and the Company consider that default has occurred when a financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

### *Credit-impaired financial assets*

At the end of each reporting period, the Group and of the Company assess whether financial assets at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Those events that evidence a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the counterparty;
- a breach of contract, including a default event;
- a concession or restructuring of loans granted by the lender of the counterparty relating to the counterparty's financial difficulty; or
- it is probable that the counterparty will enter bankruptcy or other financial reorganisation.

### *Write-off policy*

The Group and the Company write off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, with case-by-case assessment performed based on indicators such as insolvency or demise. Financial assets written off may still be subject to enforcement activities under the Group's and the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss as bad debts recovered.

### *Measurement and recognition of expected credit losses*

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group and the Company in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at the original effective interest rate.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

If the Group and the Company have measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determine at the current reporting date that the conditions for lifetime ECL are no longer met, the Group and the Company measure the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Group and the Company recognise an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

### Statements of cash flow

The Group and the Company adopt the indirect method in the preparation of the statements of cash flow.

#### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Directors have used estimates and assumptions in measuring the reported amounts of assets and liabilities at the end of the reporting period and the reported amounts of expenses during the reporting period. Judgements and assumptions are applied in the measurement, and hence, the actual results may not coincide with the reported amounts.

##### (a) Critical judgements in applying the Group's and the Company's accounting policies

In the process of applying the Group's and the Company's accounting policies, the directors are of the opinion that there are no instances of application of judgements that are expected to have a significant effect on the amounts recognised in the financial statements.

##### (b) Key sources of estimation uncertainty

The directors believe that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year except for the following:

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

The Group regularly reviews the estimated useful lives of property, plant and equipment, investment properties and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment, investment properties and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment, investment properties and ROU assets. The carrying amount at the reporting date for property, plant and equipment, investment properties and ROU asset are disclosed in Notes 10 and 11 respectively.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

### Impairment of property, plant and equipment

The Group assesses whether there is any indication that property, plant and equipment are impaired at the end of each reporting period. Impairment is measured by comparing the carrying amount of an asset with its recoverable amount. The recoverable amount is measured at the higher of the fair value less cost to sell for that asset and its value-in-use which involves a significant degree of estimation and judgement.

The key assumptions used to determine the recoverable amounts are disclosed in Note 10.

### Impairment of investment in subsidiary companies

The Company reviews its investments in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount at the reporting date for investment in subsidiary companies is disclosed in Note 12.

### Impairment of loan receivables

The Group applies the 3-stage general approach to measure expected credit losses for its loan receivables. The impairment losses computed based on the ECL models require judgement to ensure impairment losses recorded reflect the credit risk of the Group's loan receivables in accordance with the requirements of MFRS 9.

Areas of judgement include determination of the criteria for staging and identification of credit exposures with significant deterioration in credit quality, selection of appropriate models and measure of exposure at default ("EAD"), probability of default ("PD") and loss given default ("LGD") which includes assumptions used in the ECL models such as expected future cash flows, time value of money and forward-looking macroeconomic factors.

The carrying amounts of loan receivables as at the reporting date are disclosed in Note 16.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

### Provision for expected credit loss of financial assets at amortised cost

The Group and the Company review the recoverability of its receivables, including trade and other receivables as well as amount due from subsidiary companies and associate company at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group and the Company use judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group and the Company's past history and existing market conditions at the end of each reporting period.

The carrying amounts of receivables as at the reporting date are disclosed in Notes 17, 18, 20 and 21.

### Valuation of inventories

The inventories comprise of costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The allocation of raw materials cost and overhead including fixed and variable cost, to the inventories costing involve estimation made by management based on their previous experience and historical data. Inaccurate allocation will cause inaccurate inventories balances as at the financial year end.

Reviews are made periodically on the estimation of net realisable value based on the expected sales prices less estimated cost to sell and the assessment of the saleable condition of the inventories. Possible changes in these estimates could result in revisions to the valuation of the inventories.

The carrying amount at the reporting date for inventories is disclosed in Note 19.

### Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group and the Company use judgement in selecting a variety of methods and making assumptions that are mainly based on market conditions existing at the end of each reporting period. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Any changes in these assumptions will have an impact on the carrying amounts of the financial instruments.

The key assumptions used to determine the fair value of the other investments are disclosed in Note 15.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

#### 5. REVENUE

	<b>Group</b>	
	<b>01.04.2024</b>	<b>01.10.2022</b>
	<b>to</b>	<b>to</b>
	<b>30.09.2025</b>	<b>31.03.2024</b>
	<b>(18 months)</b>	<b>(18 months)</b>
	<b>RM</b>	<b>RM</b>
<b>Revenue from contracts with customers:</b>		
Manufacturing and trading of gloves	7,824,167	5,860,009
Marketplace, medical diagnostic laboratory services and sales of pharmaceutical and medical goods (“Healthcare”)	2,077,578	8,438,858
Seafood supply	1,957,841	-
Trading of raw materials	-	155,574
	<u>11,859,586</u>	<u>14,454,441</u>
<b>Revenue from other sources:</b>		
Loan interest income	4,742,273	7,924,782
Rental income	220,000	42,814
	<u>4,962,273</u>	<u>7,967,596</u>
	<u>16,821,859</u>	<u>22,422,037</u>
<b>Timing of revenue recognition:</b>		
At a point in time	<u>11,859,586</u>	<u>14,454,441</u>

#### 6. FINANCE COSTS

	<b>Group</b>	
	<b>01.04.2024</b>	<b>01.10.2022</b>
	<b>to</b>	<b>to</b>
	<b>30.09.2025</b>	<b>31.03.2024</b>
	<b>(18 months)</b>	<b>(18 months)</b>
	<b>RM</b>	<b>RM</b>
<b>Interest expense on:</b>		
Loans and borrowings	1,959,297	1,309,826
Lease liabilities	430,002	508,839
	<u>2,389,299</u>	<u>1,818,665</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

**7. PROFIT/(LOSS) BEFORE TAX**

Profit/(Loss) before tax for the financial period is arrived at after charging/(crediting):

	Group		Company	
	01.04.2024 to 30.09.2025 (18 months) RM	01.10.2022 to 31.03.2024 (18 months) RM	01.04.2024 to 30.09.2025 (18 months) RM	01.10.2022 to 31.03.2024 (18 months) RM
Auditors' remuneration:				
Statutory audit:				
Current financial period	380,000	201,355	197,000	48,000
Under/(Over) provision of prior financial period	16,360	2,500	(1,000)	(6,000)
Other services:				
Current financial period	6,000	96,000	6,000	96,000
Under provision of prior financial period	53,200	2,000	53,200	2,000
Depreciation of investment properties	1,517,097	41,147	-	-
Depreciation of property, plant and equipment	18,258,484	18,016,621	11,089	37,014
Employees benefits expenses (Note 7)	17,358,542	22,331,800	574,958	838,596
Fair value gain on investment in quoted shares	(36,230,417)	(8,659,822)	-	-
Gain on derecognition of right-of-use assets and lease liabilities	(1,018,730)	(2,233)	-	-
(Gain)/Loss on disposal of:				
Subsidiary companies	59,339	(483,340)	174,479	-
Associate companies	(20,586,120)	-	(19,988,954)	-
Other investments	169,488	(5,540,894)	-	(5,145,000)
Property, plant and equipment	(43,118)	(15,208)	69	-
Interest income	(299,351)	(1,007,490)	(84,540)	(479,951)

(Forward)

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

	Group		Company	
	01.04.2024 to 30.09.2025 (18 months) RM	01.10.2022 to 31.03.2024 (18 months) RM	01.04.2024 to 30.09.2025 (18 months) RM	01.10.2022 to 31.03.2024 (18 months) RM
Loss on deemed disposal of an associate company	-	1,008	-	-
Loss on strike off of subsidiary companies	10,000	1,246,157	-	62,599
Net allowance for/(reversal of) impairment loss on financial assets:				
Amount due from an associate company	-	274,409	-	-
Amount due from subsidiary companies	-	-	114,504,833	(12,710,882)
Loan receivables	702,240	2,084,069	-	-
Trade receivables	(2,361,115)	11,810,414	-	-
Other receivables	-	307,632	-	-
Net (reversal of impairment)/impairment loss on:				
Goodwill on consolidation	-	6,085,272	-	-
Investment in associate companies	-	20,000,000	-	20,000,000
Investment in subsidiary companies	-	-	37,018,348	81,120,654
Property, plant and equipment	(4,358,387)	10,565,560	-	-
Rental income	(118,860)	(119,220)	-	-
Service charge income	(3,053,706)	-	-	-
Share of results of associate companies	277,946	457,689	-	-
Short-term leases	36,692	565,012	-	13,860
Realised loss on foreign exchange	4,546	9,869	-	-
Unrealised loss/(gain) on foreign exchange	10,024	(123)	-	-
Written down of inventories	1,400,000	1,811,921	-	-
Written off of:				
Bad debts	-	3,063	-	-
Deposits	-	94,190	-	-
Inventories	323,917	339,067	-	-
Property, plant and equipment	27,820	4,146,521	-	-

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

Breakdown of employees' benefits expenses are as below:

	<b>Group</b>		<b>Company</b>	
	<b>01.04.2024</b>	<b>01.10.2022</b>	<b>01.04.2024</b>	<b>01.10.2022</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>30.09.2025</b>	<b>31.03.2024</b>	<b>30.09.2025</b>	<b>31.03.2024</b>
	<b>(18 months)</b>	<b>(18 months)</b>	<b>(18 months)</b>	<b>(18 months)</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
<b>Directors' remuneration</b>				
Executive directors:				
<u>Directors of the</u>				
<u>Company</u>				
Salaries and other emoluments	1,010,666	782,250	-	190,400
Defined contribution plan	118,270	82,770	-	23,128
Social security contributions	5,426	3,476	-	1,081
Fee	8,000	18,000	-	-
	1,142,362	886,496	-	214,609
<u>Directors of subsidiary</u>				
<u>companies</u>				
Salaries and other emoluments	202,929	776,226	-	-
Defined contribution plan	14,280	82,236	-	-
Social security contributions	1,159	3,861	-	-
Fee	24,679	36,000	-	-
	243,047	898,323	-	-
Total executive directors' remuneration	1,385,409	1,784,819	-	214,609
Non-executive directors:				
Fee	327,767	248,366	327,767	248,366
Total non-executive directors' remuneration	327,767	248,366	327,767	248,366
Total directors' remuneration	1,713,176	2,033,185	327,767	462,975

(Forward)

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

	<b>Group</b>		<b>Company</b>	
	<b>01.04.2024 to 30.09.2025 (18 months) RM</b>	<b>01.10.2022 to 31.03.2024 (18 months) RM</b>	<b>01.04.2024 to 30.09.2025 (18 months) RM</b>	<b>01.10.2022 to 31.03.2024 (18 months) RM</b>
<b>Employees' remuneration</b>				
Salaries, allowances and bonuses	14,861,304	17,500,526	187,475	226,479
Defined contribution plan	476,607	1,560,244	22,368	26,208
Social security contributions	263,969	254,537	2,134	1,962
Other staff related expenses	137,094	983,308	35,214	120,972
<b>Total employees' remuneration</b>	<b>15,738,974</b>	<b>20,298,615</b>	<b>247,191</b>	<b>375,621</b>
<b>Total employee benefit expenses</b>	<b>17,358,542</b>	<b>22,331,800</b>	<b>574,958</b>	<b>838,596</b>

**8. INCOME TAX EXPENSE/(CREDIT)**

	<b>Group</b>		<b>Company</b>	
	<b>01.04.2024 to 30.09.2025 (18 months) RM</b>	<b>01.10.2022 to 31.03.2024 (18 months) RM</b>	<b>01.04.2024 to 30.09.2025 (18 months) RM</b>	<b>01.10.2022 to 31.03.2024 (18 months) RM</b>
Estimated tax payable:				
Current financial period	738,197	1,748,531	-	89,963
Under provision in prior financial period/year	(320,926)	57,405	(28,926)	93,252
	417,271	1,805,936	(28,926)	183,215
Deferred tax (Note 30):				
Current financial period	179,318	(787,000)	-	-
Under provision in prior financial year	-	(108,400)	-	-
	179,318	(895,400)	-	-
	<b>596,589</b>	<b>910,536</b>	<b>(28,926)</b>	<b>183,215</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

A reconciliation of income tax expense/(credit) applicable to profit/(loss) before tax at the applicable statutory income tax rate to income tax expense/(credit) at the effective income tax rate of the Group and of the Company are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>01.04.2024 to 30.09.2025 (18 months) RM</b>	<b>01.10.2022 to 31.03.2024 (18 months) RM</b>	<b>01.04.2024 to 30.09.2025 (18 months) RM</b>	<b>01.10.2022 to 31.03.2024 (18 months) RM</b>
Profit/(Loss) before tax	<u>22,851,135</u>	<u>(99,364,955)</u>	<u>(133,931,325)</u>	<u>(84,709,723)</u>
Taxation at statutory rate of 24% (31.03.2024: 24%)	5,484,272	(23,847,589)	(32,143,518)	(20,330,334)
Tax effects of:				
Non-deductible expenses	1,549,018	10,129,394	36,940,867	24,696,828
Income not subject of tax	(10,611,856)	(3,467,079)	(4,797,349)	(4,285,411)
Deferred tax assets not recognised	6,355,575	18,036,960	-	8,880
Utilisation of deferred tax assets not recognised previously	(1,926,201)	-	-	-
Effect of share of result of associate companies	66,707	109,845	-	-
(Over)/Under provision in prior financial period/year:				
Estimated tax payable	(320,926)	57,405	(28,926)	93,252
Deferred tax	-	(108,400)	-	-
	<u>596,589</u>	<u>910,536</u>	<u>(28,926)</u>	<u>183,215</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

#### 9. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS

Basic and diluted earnings/(loss) per ordinary share is computed by dividing the net profit/(loss) for the financial period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial period.

##### Basic earnings/(loss) per share

	<b>Group</b>	
	<b>01.04.2024 to 30.09.2025 (18 months) RM</b>	<b>01.10.2022 to 31.03.2024 (18 months) RM</b>
Profit/(Loss) for the financial period attributable to ordinary equity holders of the Company	<u>23,962,545</u>	<u>(91,837,134)</u>
Divided by: Weighted average number of ordinary shares (units)	<u>5,108,892,082</u>	<u>5,108,416,768</u>
Basic earnings/(loss) per ordinary share (sen)	<u>0.47</u>	<u>(1.80)</u>

##### Diluted earnings/(loss) per share

In the current financial period, there were no dilutive potential equity instruments in issue as at financial period end that have dilutive effect to the profit per share.

In previous financial period, the diluted loss per ordinary share is not presented as the ICPS and unexercised warrants of the Group are anti-dilutive in nature. This is due to the average market share price of the Company was lower than the conversion price/exercise price of the ICPS/warrants.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

10. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Leasehold land RM	Buildings RM	Tools, office equipment, computers, furniture and fittings RM	Laboratory and medical equipment RM	Motor vehicles RM	Factory equipment, plant and machineries RM	Renovations and leasehold improvements RM	Premises RM	Total RM
<b>Cost</b>										
As at 1 April 2024	1,238,000	-	4,910,251	1,573,538	3,399,003	1,536,973	88,208,581	4,655,443	12,562,277	118,084,066
Additions	-	-	35,500	810,765	104,078	372,612	12,164,003	352,774	90,074	13,929,806
Disposals	-	-	-	(10,080)	(26,660)	(334,796)	-	-	-	(371,536)
Written off	-	-	-	(36,718)	-	-	(1,460)	-	-	(38,178)
Lease modification	-	-	-	-	-	-	-	-	(3,611,230)	(3,611,230)
Expiration of lease contract	-	-	-	-	-	-	-	-	(79,624)	(79,624)
Disposal of subsidiary companies	-	-	-	(691,907)	(2,873,653)	(200,000)	-	(1,092,508)	(710,545)	(5,568,613)
Derecognition of right-of-use assets and lease liabilities	-	-	-	-	-	-	-	-	(8,171,377)	(8,171,377)
Acquisition of a subsidiary company	-	10,788,181	45,966,736	-	-	-	-	-	-	56,754,917
As at 30 September 2025	1,238,000	10,788,181	50,912,487	1,645,598	602,768	1,374,789	100,371,124	3,915,709	79,575	170,928,231

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

	Freehold land RM	Leasehold land RM	Buildings RM	Tools, office equipment, computers, furniture and fittings RM	Laboratory and medical equipment RM	Motor vehicles RM	Factory equipment, plant and machineries RM	Renovations and leasehold improvements RM	Premises RM	Total RM
<b>Accumulated depreciation</b>										
As at 1 April 2024	-	-	135,335	726,130	1,018,913	501,598	18,265,485	799,445	1,942,918	23,389,824
Charge for the financial period	-	170,208	893,328	290,766	312,662	363,266	14,339,499	613,906	1,274,849	18,258,484
Disposals	-	-	-	(3,594)	(12,385)	(178,558)	-	-	-	(194,537)
Written off	-	-	-	(9,819)	-	-	(539)	-	-	(10,358)
Expiration of lease contract	-	-	-	-	-	-	-	-	(79,624)	(79,624)
Disposal of subsidiary companies	-	-	-	(377,457)	(971,921)	(72,975)	-	(442,196)	(693,533)	(2,558,082)
Derecognition of right-of-use assets and lease liabilities	-	-	-	-	-	-	-	-	(2,413,915)	(2,413,915)
Acquisition of a subsidiary company	-	551,937	3,732,865	-	-	-	-	-	-	4,284,802
<b>As at 30 September 2025</b>	-	722,145	4,761,528	626,026	347,269	613,331	32,604,445	971,155	30,695	40,676,594

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

	Freehold land RM	Leasehold land RM	Buildings RM	Tools, office equipment, computers, furniture and fittings RM	Laboratory and medical equipment RM	Motor vehicles RM	Factory equipment, plant and machineries RM	Renovations and leasehold improvements RM	Premises RM	Total RM
<b>Accumulated impairment</b>										
As at 1 April 2024	-	-	-	-	611,937	-	9,953,623	-	-	10,565,560
Charge for the financial period	-	-	-	-	41,613	-	-	-	-	41,613
Reversal of impairment losses	-	-	-	-	-	-	(4,400,000)	-	-	(4,400,000)
Disposal of subsidiary companies	-	-	-	-	(611,937)	-	-	-	-	(611,937)
As at 30 September 2025	-	-	-	-	41,613	-	5,553,623	-	-	5,595,236
<b>Carrying amount</b>										
As at 30 September 2025	1,238,000	10,066,036	46,150,959	1,019,572	213,886	761,458	62,213,056	2,944,554	48,880	124,656,401

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

Group Cost	Freehold land RM	Leasehold land RM	Buildings RM	Tools, office equipment, computers, furniture and fittings RM	Laboratory and medical equipment RM	Motor vehicles RM	Factory equipment, plant and machineries RM	Renovations and leasehold improvements RM	Work-in-progress RM	Premises RM	Total RM
As at 1 October 2022	1,238,000	31,117,226	2,102,754	1,367,104	3,245,028	1,867,463	90,463,144	1,101,138	9,834,780	922,324	143,258,961
Additions	-	-	2,397,179	240,576	189,835	200,000	65,110	73,270	13,335,450	11,883,042	28,384,462
Acquisition of subsidiary companies	-	-	-	89,042	-	-	-	-	-	-	89,042
Disposals	-	-	-	(76,748)	(26,500)	(530,490)	-	(6,405)	-	-	(640,143)
Disposal of subsidiary companies	-	-	-	(89,042)	-	-	-	-	-	-	(89,042)
Written off	-	-	-	(1,600)	(9,360)	-	(1,866)	-	(4,134,681)	-	(4,147,507)
Transferred to investment properties	-	(31,117,226)	-	-	-	-	-	-	(14,737,110)	-	(45,854,336)
Reclassification	-	-	410,318	80,706	-	-	303,407	3,487,440	(4,281,871)	-	-
Reversal*	-	-	-	(36,500)	-	-	(374,850)	-	(16,568)	-	(427,918)
Lease termination	-	-	-	-	-	-	-	-	-	(224,039)	(224,039)
Lease modification	-	-	-	-	-	-	-	-	-	(19,050)	(19,050)
Struck off of subsidiary companies	-	-	-	-	-	-	(2,246,364)	-	-	-	(2,246,364)
As at 31 March 2024	1,238,000	-	4,910,251	1,573,538	3,399,003	1,536,973	88,208,581	4,655,443	-	12,562,277	118,084,066

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

	Freehold land RM	Leasehold land RM	Buildings RM	Tools, office equipment, computers, furniture and fittings RM	Laboratory and medical equipment RM	Motor vehicles RM	Factory equipment, plant and machineries RM	Renovations and leasehold improvements RM	Work-in-progress RM	Premises RM	Total RM
<b>Accumulated depreciation</b>											
As at 1 October 2022	-	3,773,528	37,407	448,537	427,765	238,084	5,921,386	229,705	-	491,406	11,567,818
Charge for the financial period	-	920,693	102,710	355,457	600,615	470,749	12,364,101	565,438	-	1,636,858	18,016,621
Acquisition of subsidiary companies	-	-	-	75,429	-	-	-	-	-	-	75,429
Disposals	-	-	-	(75,104)	(9,275)	(207,235)	-	(480)	-	-	(292,094)
Disposal of subsidiary companies	-	-	-	(77,655)	-	-	-	-	-	-	(77,655)
Written off	-	-	-	(534)	(192)	-	(260)	-	-	-	(986)
Transferred to investment properties	-	(4,694,221)	-	-	-	-	-	-	-	-	(4,694,221)
Reclassification	-	-	(4,782)	-	-	-	-	4,782	-	-	-
Lease termination	-	-	-	-	-	-	-	-	-	(185,346)	(185,346)
Struck off of subsidiary companies	-	-	-	-	-	-	(1,019,742)	-	-	-	(1,019,742)
As at 31 March 2024	-	-	135,335	726,130	1,018,913	501,598	17,265,485	799,445	-	1,942,918	23,389,824

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

	Freehold land RM	Leasehold land RM	Buildings RM	Tools, office equipment, computers, furniture and fittings RM	Laboratory and medical equipment RM	Motor vehicles RM	Factory equipment, plant and machineries RM	Renovations and leasehold improvements RM	Work-in-progress RM	Premises RM	Total RM
<b>Accumulated impairment</b>											
As at 1 October 2022	-	-	-	-	-	-	-	-	-	-	-
Charge for the financial period	-	-	-	611,937	611,937	-	9,953,623	-	-	-	10,565,560
As at 31 March 2024	-	-	-	-	611,937	-	9,953,623	-	-	-	10,565,560
<b>Carrying amount</b>											
As at 31 March 2024	1,238,000	-	4,774,916	847,408	1,768,153	1,035,375	59,989,473	3,855,998	-	10,619,359	84,128,682

\* Reversal due to credit note received

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

	<b>Company</b>	
	<b>30.09.2025</b>	<b>31.03.2024</b>
	<b>RM</b>	<b>RM</b>
<u>Computers</u>		
<b>Cost</b>		
At beginning of the financial period	90,324	90,324
Disposals	(1,500)	-
	88,824	90,324
<b>Accumulated depreciation</b>		
At beginning of the financial period	78,766	41,752
Charge for the financial period	11,089	37,014
Disposal	(1,031)	-
	88,824	78,766
<b>Carrying amount</b>		
At end of the financial period	-	11,558

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

(a) Information on right-of-use assets are as follows:

	<b>Leasehold land RM</b>	<b>Buildings RM</b>	<b>Premises RM</b>	<b>Motor vehicles RM</b>	<b>Total RM</b>
<b>Group</b>					
<b>Cost</b>					
As at 1 April 2024	-	2,218,897	12,562,277	334,796	15,115,970
Additions	-	-	90,074	-	90,074
Disposals	-	-	-	(334,796)	(334,796)
Lease modifications	-	-	(3,611,230)	-	(3,611,230)
Expiration of lease contract	-	-	(79,624)	-	(79,624)
Disposal of subsidiary companies	-	-	(710,545)	-	(710,545)
Derecognition of right-of-use assets and lease liabilities	-	-	(8,171,377)	-	(8,171,377)
Acquisition of a subsidiary company	10,788,181	45,966,736	-	-	56,754,917
As at 30 September 2025	10,788,181	48,185,633	79,575	-	59,053,389
<b>Accumulated depreciation</b>					
As at 1 April 2024	-	34,384	1,942,918	156,239	2,133,541
Charge for the financial period	170,208	812,291	1,274,849	22,319	2,279,667
Disposals	-	-	-	(178,558)	(178,558)
Expiration of lease contract	-	-	(79,624)	-	(79,624)
Disposal of subsidiary companies	-	-	(693,533)	-	(693,533)
Derecognition of right-of-use assets and lease liabilities	-	-	(2,413,915)	-	(2,413,915)
Acquisition of a subsidiary company	551,937	3,732,865	-	-	4,284,802
As at 30 September 2025	722,145	4,579,540	30,695	-	5,332,380
<b>Carrying amount</b>					
As at 30 September 2025	10,066,036	43,606,093	48,880	-	53,721,009

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

	<b>Leasehold land RM</b>	<b>Buildings RM</b>	<b>Premises RM</b>	<b>Motor vehicles RM</b>	<b>Total RM</b>
<b>Group</b>					
<b>Cost</b>					
As at 1 October 2022	31,117,226	-	922,324	610,841	32,650,391
Additions	-	2,218,897	11,883,042	-	14,101,939
Disposals	-	-	-	(276,045)	(276,045)
Lease termination	-	-	(224,039)	-	(224,039)
Lease modification	-	-	(19,050)	-	(19,050)
Transferred to investment properties	(31,117,226)	-	-	-	(31,117,226)
As at 31 March 2024	-	2,218,897	12,562,277	334,796	15,115,970
<b>Accumulated depreciation</b>					
As at 1 October 2022	3,773,528	-	491,406	101,807	4,366,741
Charge for the financial period	920,693	34,384	1,636,858	155,648	2,747,583
Disposals	-	-	-	(101,216)	(101,216)
Lease termination	-	-	(185,346)	-	(185,346)
Transferred to investment properties	(4,694,221)	-	-	-	(4,694,221)
As at 31 March 2024	-	34,384	1,942,918	156,239	2,133,541
<b>Carrying amount</b>					
As at 31 March 2024	-	2,184,513	10,619,359	178,557	12,982,429

The right-of-use assets are included in the same items as where the corresponding underlying assets would be presented if they were owned.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

(b) Acquisition of property, plant and equipment were through the following:

	Group		Company	
	30.09.2025 RM	31.03.2024 RM	30.09.2025 RM	31.03.2024 RM
Total acquisition cost	13,929,806	28,384,462	-	-
Less: Additions of right-of-use assets with lease liabilities	<u>(90,074)</u>	<u>(11,883,042)</u>	<u>-</u>	<u>-</u>
Total cash acquisition	<u>13,839,732</u>	<u>16,501,420</u>	<u>-</u>	<u>-</u>

(c) Lease term of leasehold land

The remaining lease term of the leasehold land is 64 years (31.03.2024: Nil).

(d) Lease term of premises

The lease term of the premises is 2 years (31.03.2024: 2 to 7 years).

(e) Impairment review of property, plant and equipment

During the current financial period, due to continuous operating losses from the Group's glove segment, the recoverable amount of property, plant and equipment was reviewed. As a result, a net reversal of impairment loss amounting to RM4,358,387 was recognised in profit or loss. The impairment losses were in respect of assets for the Group's glove segment.

The Group has commenced modification works for its factory equipment, plant and machineries to modify its 8 lines of Nitrile Butadine Rubber ("NBR") glove production lines converting to integrate Natural Rubber ("NR") glove production. The modification works have been completed as of end of the reporting period of which 3 lines have commenced production.

The recoverable amounts of factory equipment, plant and machineries in glove business is determined based on the fair value less cost to sell. The estimates of fair value have been determined with reference to an independent valuer on the basis of recent transacted market value with necessary adjustments and depreciated replacement cost method.

The fair value measurement was categorised as a Level 3 fair value based on inputs in the valuation technique used. There is no transfer between levels during the current financial period.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

The level 3 or unobservable inputs include:

Economic lifespan	The expected lifetime, or the acceptable period of use in service.
Price adjustment	Adjustments to comparable transaction prices after considering adjustments for time

The following table shows the valuation techniques used in determination of the value as measured at Level 3, as well as the significant unobservable inputs and in the valuation model.

Description	Valuation techniques	Significant unobservable input	Relationship of unobservable inputs RM
Factory equipment, plant and machineries	Depreciated replacement cost method	Economic lifespan	The longer the economic lifespan, the higher the fair value
		Price adjustment	The higher the percentage, the higher the fair value

If the economic life of the factory equipment, plant and machineries had been reduced by 1 year and other variables remain constant, there will be a decrease in the reversal of impairment loss recognised during the financial period amounting to RM3,055,000.

If the price adjustment of the factory equipment, plant and machineries had been decreased by 1% and other variables remain constant, there will be a decrease in the reversal of impairment loss recognised during the financial period amounting to RM611,000.

In prior financial period, due to certain subsidiary companies which were at operating loss position and the underutilisation of certain factory equipment, plant and machineries, including several production lines that were not fully running, management performed an impairment review on the related assets of its glove business. The review led to the recognition of impairment loss of RM10,565,560 to write down the related assets to its recoverable amount.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

#### 11. INVESTMENT PROPERTIES

	Group	
	30.09.2025	31.03.2024
	RM	RM
<b>Cost</b>		
At beginning of the financial period	48,591,359	-
Additions	871,350	2,737,023
Transfer from property, plant and equipment	-	45,854,336
	<u>49,462,709</u>	<u>48,591,359</u>
<b>Accumulated depreciation</b>		
At beginning of the financial period	4,735,368	-
Transfer from property, plant and equipment	-	4,694,221
Charge for the financial period	1,517,097	41,147
	<u>6,252,465</u>	<u>4,735,368</u>
<b>Carrying amount</b>		
At end of the financial period	<u>43,210,244</u>	<u>43,855,991</u>

Investment properties comprise of leasehold land and buildings.

(a) Assets pledged to banking facilities

Investment properties of the Group with a carrying amount of RM40,563,746 (31.03.2024: RM41,160,115) have been pledged as security for loans and borrowings of the Group as disclosed in Note 29.

(b) Fair value of investment properties is categorised as follows:

	Group Level 2	
	30.09.2025	31.03.2024
	RM	RM
Investment properties	<u>49,555,500</u>	<u>50,196,000</u>

#### Level 2 fair value

The estimated fair values of investment properties were determined based on valuation carried out by independent qualified valuers or the director's best estimate by reference to recent transacted prices. The fair values are within level 2 of the fair value hierarchy. The fair values have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties. There was no transfer between different level within fair value during the financial year.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

(c) Income and expenses recognised in profit or loss

	<b>Group</b>	
	<b>30.09.2025</b>	<b>31.03.2024</b>
	<b>RM</b>	<b>RM</b>
Rental income	295,600	119,220
Direct operating expenses:		
Income generating investment properties	<u>187,508</u>	<u>83,816</u>

**12. INVESTMENT IN SUBSIDIARY COMPANIES**

	<b>Company</b>	
	<b>30.09.2025</b>	<b>31.03.2024</b>
	<b>RM</b>	<b>RM</b>
<b>At cost:</b>		
Unquoted shares	108,665,004	114,275,006
Less: Accumulated impairment loss		
At beginning of the financial period	(83,681,654)	(2,561,000)
Impairment loss recognised	(39,018,348)	(81,120,654)
Reversal during the current financial period	2,000,000	-
Derecognition upon disposal of subsidiary	18,600,002	-
At end of the financial period	<u>(102,100,000)</u>	<u>(83,681,654)</u>
	<u>6,565,004</u>	<u>30,593,352</u>

An impairment loss on the cost of investment in certain subsidiary companies amounting to RM39,018,348 (31.03.2024: RM81,120,654) was recognised in profit or loss as the subsidiary companies either incurred continuous losses, recorded capital deficiency position and are not expected to have significant recoverable amount.

The recoverable amount of the investment in subsidiary companies was based on their fair value less costs to sell (“FVLCTS”), using the adjusted net assets method which derives the fair value on an investee’s equity instrument by reference to the fair value of its assets and liabilities.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

Details of the subsidiary companies are as follows:

Name of Company	Place of business/ Country of incorporation	Effective interest		Principal activities
		30.09.2025 %	31.03.2024 %	
<b>Direct subsidiary companies</b>				
HS Bio Sdn. Bhd. ("HS Bio")	Malaysia	100	100	Supply of medical and healthcare related products and related services in addition to the supply chain management services for the healthcare segment
AIMAX Synergy Sdn. Bhd. (formerly known as HS Synergy Sdn. Bhd.)	Malaysia	100	100	Trading of latex
CBSA Bizhub Sdn. Bhd. ("CBSA Bizhub")*	Malaysia	-	100	Investment holding
AIMAX Capital Sdn. Bhd. (formerly known as Hong Seng Capital Sdn. Bhd.)	Malaysia	100	100	Investment holding and money lending
AIMAX Industries Sdn. Bhd. (formerly known as Hong Seng Industries Sdn. Bhd.) ("AISB")	Malaysia	100	100	Manufacturing and trading of nitrile butadiene latex and other related business
AIMAX Healthcare Sdn. Bhd. (formerly known as HKL Dynamics Sdn. Bhd.) ("AHSB")	Malaysia	100	85	Manufacturing and trading of rubber gloves and trading, processing, packing and retailing of seafood and food-related products

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

Name of Company	Place of business/ Country of incorporation	Effective interest		Principal activities
		30.09.2025	31.03.2024	
		%	%	
<b>Direct subsidiary companies</b>				
CASD Solutions Sdn. Bhd.*	Malaysia	-	100	Investment holding
Victory PE Sdn. Bhd. (“Victory PE”)	Malaysia	100	100	Investment holding
AIMAX Assets Sdn. Bhd. (formerly known as HS Green Valley Sdn. Bhd.) (“AASB”)	Malaysia	100	100	Investment holding
<b>Indirect subsidiary company held through HS Bio</b>				
Neogenix Laboratoire Sdn. Bhd. (“Neogenix Lab”)!	Malaysia	-	100	Providing services of medical diagnostic and research laboratory
eMedAsia Sdn. Bhd.! (“eMedAsia”)!	Malaysia	-	60	Wholesale of pharmaceutical, medical and healthcare related products via an e-commerce platform
HS Cloud Lab Sdn. Bhd.	Malaysia	100	100	Genetic research and genetic testing, medical diagnostic laboratory and all kinds of laboratory services and related logistic service
<b>Indirect subsidiary company held through AASB</b>				
Premiumway Development Sdn. Bhd.^	Malaysia	100	100	Property development
Hong Seng Frontier Sdn. Bhd. (“HSF”)	Malaysia	100	-	Investment holding

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

Name of Company	Place of business/ Country of incorporation	Effective interest		Principal activities
		30.09.2025	31.03.2024	
		%	%	
HS Petchem Logistics Sdn. Bhd.#	Malaysia	100	100	Business of construction and operations of tank farm facilities for feedstock storage as well as providing the related integrated logistics services
<b>Indirect subsidiary company held through Neogenix Lab</b>				
Neogenix (Sabah) Sdn. Bhd. (“Neogenix Sabah”)!	Malaysia	-	60	Genetic research and genetic testing, medical diagnostic laboratory and all kinds of laboratory services

- \* These subsidiary companies were struck off in the current financial period.
- ! These subsidiary companies were disposed off in the current financial period.
- ^ Held through HS Bio in the previous financial period.
- # A direct subsidiary company of the Company in the previous financial period.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

(a) Acquisition of subsidiary companies

During the financial period

On 28 April 2025, a wholly-owned subsidiary company of the Company, AASB acquired 250,000 ordinary shares in HSF, representing the entire issued share capital in HSF, for a total cash consideration of RM45,250,000.

Fair value of consideration transferred:

	<b>HSF RM</b>
Cash consideration transferred	<u>45,250,000</u>

Fair value of the identifiable assets acquired and liabilities recognised:

	<b>HSF RM</b>
Property, plant and equipment	52,470,115
Trade receivables	1,686,000
Other receivables	15,977
Cash and cash equivalents	97,943
Other payables	(493,233)
Amount owing to previous shareholder	(8,247,352)
Tax payable	<u>(279,450)</u>
Total identifiable net assets acquired	<u><u>45,250,000</u></u>

Effects of acquisition on cash flows:

	<b>HSF RM</b>
Cash consideration transferred	45,250,000
Less: Cash and cash equivalents acquired	<u>(97,943)</u>
Net cash outflows on acquisition	<u><u>45,152,057</u></u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

### In the previous financial period

On 10 November 2022, a wholly-owned subsidiary company of the Company, HS Bio further acquired 50 shares of HS Ligno Sdn. Bhd. (“HS Ligno”) for a total cash consideration of RM1. Subsequent to the acquisition, HS Bio increased its shareholdings from 50% to 100% in HS Ligno and had classified it as a subsidiary company.

On 9 June 2023, a wholly-owned subsidiary company, Victory PE, entered into a shares sale agreement with a third party for the acquisition of the entire equity interest in Paris Dynasty Land Sdn. Bhd. (“PDLSB”) comprising 59,240,000 ordinary shares for a total cash consideration of RM100.

In previous financial period, the effect of the acquisitions is immaterial to the financial statements of the Group.

### (b) Disposal of subsidiary companies

#### During the financial period

On 22 August 2024, Neogenix Lab had entered into a shares sale agreement with a third party to dispose 600,000 ordinary shares in Neogenix Sabah, representing 60% of the total issued and paid-up share capital of Neogenix Sabah, for a total cash consideration of RM180,000.

On 10 September 2024, HS Bio had entered into a shares sale agreement with a third party to dispose 250,000 ordinary shares in Neogenix Lab, representing the entire issued share capital in Neogenix Lab, for a total cash consideration of RM2,700,000.

On 25 February 2025, HS Bio had entered into a shares sale agreement with a third party to dispose 18,000 ordinary shares in eMedAsia, representing 60% of the total issued and paid-up share capital of eMedAsia, for a total cash consideration of RM4,000,000.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

The effects of the disposals on the financial position of the Group as at the date of disposal are as follows:

	<b>Neogenix Sabah RM</b>	<b>Neogenix Lab RM</b>	<b>eMedAsia RM</b>	<b>Total RM</b>
Property, plant and equipment	374,604	1,865,914	158,076	2,398,594
Inventories	43,934	382,026	242,613	668,573
Trade receivables	13,727	623,643	6,693	644,063
Other receivables	6,540	176,149	21,704	204,393
Tax recoverable	-	515,313	-	515,313
Cash and cash equivalents	2,521	398,436	5,231,892	5,632,849
Lease liabilities	(19,217)	(99,112)	-	(118,329)
Deferred tax liabilities	-	(32,231)	-	(32,231)
Trade payables	-	(577,448)	(22,319)	(599,767)
Other payables	(14,943)	(698,236)	(134,180)	(847,359)
<b>Net assets</b>	<b>407,166</b>	<b>2,554,454</b>	<b>5,504,479</b>	<b>8,466,099</b>
Non-controlling interests	(162,868)	-	(1,363,892)	(1,526,760)
(Loss)/Gain on disposal	(64,298)	145,546	(140,587)	(59,339)
<b>Proceeds from the disposal</b>	<b>180,000</b>	<b>2,700,000</b>	<b>4,000,000</b>	<b>6,880,000</b>
Less: Cash and cash equivalents disposed	(2,521)	(398,436)	(5,231,892)	(5,632,849)
<b>Net cash inflow/(outflow) from disposals</b>	<b>177,479</b>	<b>2,301,564</b>	<b>(1,231,892)</b>	<b>1,247,151</b>

### In the previous financial period

On 6 September 2023, Victory PE entered into a shares sale agreement with a third party to dispose the entire equity interest in PDL SB comprising 59,240,000 ordinary shares for a total cash consideration of RM100.

In previous financial period, the effect of the disposal is immaterial to the financial statements of the Group.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

(c) Change in ownership interest of subsidiary companies

During the financial period

On 10 September 2024, the Company had entered into a shares sale agreement with a third party to acquire 15,000,000 ordinary shares in AHSB, representing 15% equity interest in AHSB, for a total cash consideration of RM14,000,000, increasing its effective ownership interest from 85% to 100%. As a result, the Group recognised a decrease in non-controlling interest of RM2,421,867 and decrease in retained earnings of RM11,428,133.

In the previous financial period

On 6 June 2023, the Company entered into a shares sale agreement with a third party to dispose 15,000,000 ordinary shares representing 15% of the equity interest in AHSB for a total consideration of RM15,000,000. Subsequent to the disposal, the Company's equity interest in AHSB was diluted from 100% to 85%.

The Group recognised an increase in non-controlling interest of RM11,442,817 and increase in retained earnings of RM3,557,183.

(d) Subscription of shares in subsidiary companies

In the previous financial period

On 6 June 2023, the Company further subscribed for 97,500,000 ordinary shares in AHSB for a total cash consideration of RM97,500,000 by way of capitalising part of the interest free advances due from the subsidiary company

On 5 July 2023, the Company further subscribed for 18,600,000 ordinary shares in CBSA Bizhub for a total cash consideration of RM18,600,000 by way of capitalising part of the interest free advances due from the subsidiary company.

There were no changes to the effective equity interest held by the Group in AHSB and CBSA Bizhub subsequent to the subscription of shares.

(e) Strike off of the subsidiary companies

Several subsidiary companies were strike off during the financial period. None of these are material to the Group.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

(f) Non-controlling interests in subsidiary companies

In the previous financial period, the Group’s subsidiary companies that have material non-controlling interests (“NCI”) are as follows:

	<b>AHSB</b>	<b>eMedAsia</b>
<b>31.03.2024</b>		
Percentage of ownership interests held by NCI (%)	15%	40%
Carrying amount of NCI	3,966,944	1,765,850
Net loss allocated to NCI	(7,325,873)	(785,423)
Total comprehensive loss allocated to NCI	<u>(7,475,873)</u>	<u>(785,423)</u>

The summary of financial information before intra-group elimination for the Group’s subsidiary companies that have material non-controlling interests is as below:

	<b>AHSB RM</b>	<b>eMedAsia RM</b>
<b>Summary of financial position as at 31 March 2024</b>		
Non-current assets	78,416,900	187,778
Current assets	18,561,700	6,543,117
Non-current liabilities	(10,671,603)	-
Current liabilities	<u>(59,860,702)</u>	<u>(221,521)</u>
Net assets	<u>26,446,295</u>	<u>6,509,374</u>
<b>Summary of financial performance for the financial period from 1 October 2022 to 31 March 2024</b>		
Revenue	5,860,009	758,976
Loss for the financial period	(71,267,893)	(1,963,558)
Total comprehensive loss for the financial period	<u>(72,267,893)</u>	<u>(1,963,558)</u>
<b>Summary of cash flow for the financial period from 1 October 2022 to 31 March 2024</b>		
Net cash used in operating activities	(18,556,042)	(2,091,434)
Net cash used in investing activities	(2,059,406)	(227,529)
Net cash from financing activities	<u>20,970,121</u>	<u>-</u>
Net changes in cash and cash equivalents	<u>354,673</u>	<u>(2,318,963)</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

#### 13. INVESTMENT IN ASSOCIATE COMPANIES

	30.09.2025 RM	Group 31.03.2024 RM
Unquoted shares in Malaysia, at cost	-	20,000
Quoted shares in Malaysia, at cost	-	60,319,731
Loss on deemed disposal	-	(1,008)
Share of post-acquisition reserve	-	(380,782)
Less: Accumulated impairment loss	-	(20,000,000)
	-	39,957,941

Details of the associate company is as follows:

Name of Company	Place of business/ Country of incorporation	Effective interest		Principal activities
		30.09.2025 %	31.03.2024 %	
Straits Genomics Sdn. Bhd.*	Malaysia	-	20	Dormant
NexG Bina Berhad (formerly known as Classita Holdings Berhad) ("NexG Bina")	Malaysia	-	32.61	Investment holding

(a) Acquisition of associate company

In previous financial period

On 14 July 2023, the Company via off markets acquired 402,057,900 ordinary shares in NexG Bina, representing 32.61% equity interest in NexG Bina for a total cash consideration of RM60,319,731, including incidental costs of the acquisition.

(b) Disposal of associate companies

During the financial period

On 8 August 2025, the Company via a direct business transaction, disposed 402,057,900 ordinary shares in NexG Bina, representing 32.61% equity interest in NexG Bina for a total cash consideration of RM60,308,685 to NexG Berhad.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

The effect of the disposal of NexG Bina’s holding on the financial position of the Group as at the date of disposal was as follows:

	<b>RM</b>
Proceeds from disposal	60,308,685
Carrying amount of investment in associate disposed, at Group level	(40,102,935)
Reclassification of foreign currency translation reserve upon disposal	<u>380,370</u>
Gain on disposal, at Group level	<u>20,586,120</u>

(c) Impairment of associate company

In the previous financial period, the recoverable amount of the material associate company is determined based on the value in use calculation using discounted cash flows projections approved by the material associate’s management covering a five-year period.

The key assumptions used for value in use calculations are below:

	<b>31.03.2024</b>
<b>Manufacturing:</b>	
Growth rate	8.50%
Budgeted gross profit margin	12% to 14%
Discount rate	<u>9.27%</u>

The following describes each key assumption on which the relevant management has based its discounted cash flows projections to undertake the impairment review of investment in the material associate company:

- Growth rate - The projected growth rate was based on actual operating results and a 5-year business plan.
- Budgeted gross profit margins - The budgeted gross profit margin was estimated based the management’s assessment of future trends in the industry and was based on both external and internal sources.
- Discount rate - The discount rate was estimated based on the weighted average cost of capital of the Group.

Based on the assessment, the carrying amount of the investment in the material associate company is higher than its recoverable amount, hence an impairment loss of RM20,000,000 is recognised in the previous financial period and included in the statements of profit or loss. The material associate’s management believes that no reasonably possible changes in the key assumptions used except for changes in the prevailing operating environments could cause the carrying amount of the investment to materially exceed its recoverable amount.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

- (d) The summarised financial information of the Group's material associate is set out below:

- (i) Summarised statement of financial position

	<b>08.08.2025</b> <b>(Date of disposal)</b> <b>RM</b>	<b>31.03.2024</b> <b>RM</b>
Non-current assets	40,098,743	42,544,745
Current assets	175,631,952	180,293,194
Non-current liabilities	(18,444,320)	(11,292,972)
Current liabilities	<u>(5,872,178)</u>	<u>(19,184,470)</u>
Net assets	<u>191,414,197</u>	<u>192,360,497</u>

- (ii) Summarised statement of profit or loss and other comprehensive income

	<b>08.08.2025</b> <b>(Date of disposal)</b> <b>RM</b>	<b>31.03.2024</b> <b>RM</b>
Revenue	<u>68,217,037</u>	<u>37,920,191</u>
Loss for the reporting period	<u>(852,227)</u>	<u>(1,342,027)</u>
Total comprehensive income/(loss) for the reporting period	<u>78,242</u>	<u>(1,106,216)</u>

- (iii) Reconciliation of net asset to carrying amount

	<b>08.08.2025</b> <b>(Date of disposal)</b> <b>RM</b>	<b>31.03.2024</b> <b>RM</b>
Group's share of net assets	62,427,831	62,282,837
Bargain purchase	(2,324,896)	(2,324,896)
Impairment loss recognised	<u>(20,000,000)</u>	<u>(20,000,000)</u>
	<u>40,102,935</u>	<u>39,957,941</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

	Group	
	30.09.2025	31.03.2024
	RM	RM
<u>Healthcare</u>		
At beginning of the financial period	-	6,083,027
Additions	-	2,245
Impairment loss recognised	-	(6,085,272)
	<hr/>	<hr/>
At end of the financial period	<hr/> <hr/> -	<hr/> <hr/> -

Goodwill has been allocated to the Group's cash generating unit identified according to its business segment which is the healthcare segment.

In the previous financial period, based on management's assessment, there is no recoverable amount from its healthcare segment and accordingly an impairment loss of RM6,085,272 was recognised in the statements of profit or loss.

15. OTHER INVESTMENTS

	Group		Company	
	30.09.2025	31.03.2024	30.09.2025	31.03.2024
	RM	RM	RM	RM
<b>Financial assets at fair value through profit or loss</b>				
Investment in quoted shares	49,208,562	26,384,844	-	-
<b>Financial assets at fair value through other comprehensive income</b>				
Investment in unquoted shares	10,184,293	9,519,943	9,584,293	9,519,943
	<hr/>	<hr/>	<hr/>	<hr/>
	<hr/> <hr/> 59,392,855	<hr/> <hr/> 35,904,787	<hr/> <hr/> 9,584,293	<hr/> <hr/> 9,519,943

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

#### Investment in quoted shares

The fair value of the investment in quoted shares was determined within Level 1 by reference to the quoted prices in an active market.

Investment in quoted shares amounting to RM49,208,562 (31.03.2024: Nil) are pledged for banking facilities of the Group as disclosed in Note 29.

Subsequent to the reporting period, the Group's investment in quoted shares has deteriorated significantly. The Group continues to monitor the condition of its investments.

#### Investment in unquoted shares

The fair value of the investment in unquoted shares determined within Level 2 was by reference to the subsequent disposal prices of the investment.

The fair value of the investment in unquoted shares determined within Level 3 was using the adjusted net assets method which derives the fair value on an investee's equity instrument by reference to the fair value of its assets and liabilities.

There was no transfer of fair value hierarchy during the financial period. Details of the fair value hierarchy is as disclosed in Note 34.

## 16. LOAN RECEIVABLES

	<b>Group</b>	
	<b>30.09.2025</b>	<b>31.03.2024</b>
	<b>RM</b>	<b>RM</b>
Loan receivables	124,267,357	97,181,277
Less: Allowance for impairment loss	<u>(8,396,332)</u>	<u>(7,694,092)</u>
	<u>115,871,025</u>	<u>89,487,185</u>
Presented as:		
Non-Current	-	15,000,000
Current	<u>115,871,025</u>	<u>74,487,185</u>
	<u>115,871,025</u>	<u>89,487,185</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

Loan receivables represent loan facilities extended to third parties which bear interest at rates ranging from 4%-9% (31.03.2024: 4%-12%) per annum. As at the end of the financial period, an amount of RM115,871,025 (31.03.2024: RM69,130,688) outstanding is secured by a pledge of quoted shares.

During the financial period, the Group recognised interest income from money lending activities totalling RM4,742,273 (31.03.2024: RM7,924,782) as disclosed in Note 5.

The Group applies the 3-stage general approach to measure expected credit losses for its loan receivables. Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of a default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment. The Group also considers qualitative factors, such as changes in contractual terms and the adequacy of collateral coverage.

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

Category	Definition of Category	Loss Allowance
Stage 1 - Performing	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Stage 2 - Underperforming	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Stage 3 - Not performing	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

The movement in the allowance for impairment loss of loan receivables is as follows:

	<b>Group</b>	
	<b>30.09.2025</b>	<b>31.03.2024</b>
	<b>RM</b>	<b>RM</b>
At beginning of the financial period	7,694,092	5,610,023
Impairment losses recognised	<u>702,240</u>	<u>2,084,069</u>
At end of the financial period	<u><u>8,396,332</u></u>	<u><u>7,694,092</u></u>

Loan receivables analysed by staging of credit exposures is as follows:

	<b>Gross carrying amount RM</b>	<b>Loss allowance RM</b>	<b>Net carrying amount RM</b>
<b>30.09.2025</b>			
Stage 1 - Performing	116,511,094	(640,069)	115,871,025
Stage 3 - Not performing	<u>7,756,263</u>	<u>(7,756,263)</u>	<u>-</u>
	<u><u>124,267,357</u></u>	<u><u>(8,396,332)</u></u>	<u><u>115,871,025</u></u>
<b>31.03.2024</b>			
Stage 1 - Performing	89,487,185	-	89,487,185
Stage 3 - Not performing	<u>7,694,092</u>	<u>(7,694,092)</u>	<u>-</u>
	<u><u>97,181,277</u></u>	<u><u>(7,694,092)</u></u>	<u><u>89,487,185</u></u>

Loan receivables that are considered non-performing and are credit impaired at the end of the financial period relate to customers that have defaulted on payments.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

**17. TRADE RECEIVABLES**

	<b>Group</b>	
	<b>30.09.2025</b>	<b>31.03.2024</b>
	<b>RM</b>	<b>RM</b>
Trade receivables	12,814,501	23,606,509
Less: Allowance for impairment loss	<u>(9,214,653)</u>	<u>(12,960,761)</u>
	<u>3,599,848</u>	<u>10,645,748</u>

The Group's normal trade credit terms are 30 days (31.03.2024: 30 days). They are recognised at their original invoice amounts which represent their fair values on initial recognised.

The movement in the allowance for impairment loss of trade receivables is as follows:

	<b>Group</b>	
	<b>30.09.2025</b>	<b>31.03.2024</b>
	<b>RM</b>	<b>RM</b>
At beginning of the financial period	12,960,761	1,150,347
Impairment loss recognised on trade receivables	4,110,198	11,838,108
Reversal of impairment loss	(6,471,313)	(27,694)
Derecognition upon disposal of subsidiary companies	<u>(1,384,993)</u>	<u>-</u>
At end of the financial period	<u>9,214,653</u>	<u>12,960,761</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

The aged analysis of trade receivables at the end of the reporting period:

	<b>Gross carrying amount RM</b>	<b>ECL allowance RM</b>	<b>Net balance RM</b>
<b>Group</b>			
<b>30.09.2025</b>			
Not past due	1,387,052	(146,578)	1,240,474
Past due:			
1 to 30 days	582,346	(80,214)	502,132
61 to 90 days	438,590	(70,112)	368,478
More than 90 days	1,772,470	(283,706)	1,488,764
Total past due	<u>2,793,406</u>	<u>(434,032)</u>	<u>2,359,374</u>
Individually impaired	4,180,458	(580,610)	3,599,848
	<u>8,634,043</u>	<u>(8,634,043)</u>	<u>-</u>
	<u>12,814,501</u>	<u>(9,214,653)</u>	<u>3,599,848</u>
<b>31.03.2024</b>			
Neither past due nor impaired	1,790,338	-	1,790,338
Past due:			
1 to 30 days	218,465	-	218,465
31 to 60 days	74,615	-	74,615
61 to 90 days	111,301	-	111,301
More than 90 days	10,344,886	(1,893,857)	8,451,029
Total past due	<u>10,749,267</u>	<u>(1,893,857)</u>	<u>8,855,410</u>
Individually impaired	12,539,605	(1,893,857)	10,645,748
	<u>11,066,904</u>	<u>(11,066,904)</u>	<u>-</u>
	<u>23,606,509</u>	<u>(12,960,761)</u>	<u>10,645,748</u>

#### Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy receivables with good payment records with the Group.

#### Receivables that are past due but not impaired

Trade receivables that were past due but not impaired relate to customers that have a good track record with the Group. Based on past experience and no adverse information to date, the directors of the Group are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in the credit quality and the balances are still considered recoverable.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

The Group uses a provision matrix to measure ECLs of trade receivables. Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Included in the Group's trade receivables balance are receivables with an aggregate carrying amount of RM2,359,374 (31.03.2024: RM8,855,410) which are past due at the reporting date but not impaired. It is not considered as in default as the default risk of these receivables is low after considering the credit worthiness and past payment history of these receivables and forward-looking information available at the end of the reporting period.

The trade receivables of the Group that are individually assessed to be impaired amounting to RM8,634,043 (31.03.2024: RM11,066,904), relate to customers that are in financial difficulties and have defaulted on payments. These balances are expected to be recovered through the debts recovery process.

### 18. OTHER RECEIVABLES

	<b>Group</b>		<b>Company</b>	
	<b>30.09.2025</b>	<b>31.03.2024</b>	<b>30.09.2025</b>	<b>31.03.2024</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Other receivables	5,595	840,036	1,595	1,095
Less: Allowance for impairment loss	-	(515,632)	-	-
	5,595	324,404	1,595	1,095
Deposits	12,853,575	12,786,434	420	1,010
Prepayments	540,487	465,140	9,950	63,082
	<u>13,399,657</u>	<u>13,575,978</u>	<u>11,965</u>	<u>65,187</u>

The movement in the allowance for impairment loss of other receivables is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>30.09.2025</b>	<b>31.03.2024</b>	<b>30.09.2025</b>	<b>31.03.2024</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
At beginning of the financial period	515,632	208,000	-	-
Impairment loss recognised	-	307,632	-	-
Derecognition upon disposal of subsidiary	(515,632)	-	-	-
At end of the financial period	<u>-</u>	<u>515,632</u>	<u>-</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

#### Deposits

Included in deposits is RM11,173,140 (31.03.2024: RM11,173,140) paid for the sublease of an industrial land located in Kedah as disclosed in Note 40.

#### 19. INVENTORIES

	<b>Group</b>	
	<b>30.09.2025</b>	<b>31.03.2024</b>
	<b>RM</b>	<b>RM</b>
<b>At cost:</b>		
Laboratory instruments	-	579,628
Pharmaceutical and medical goods	-	568,468
Raw materials for gloves	1,677,348	1,898,165
Work-in-progress for gloves	2,113,671	-
	<u>3,791,019</u>	<u>3,046,261</u>
<b>At net realisable value:</b>		
Work-in-progress for gloves	5,520,105	2,217,755
	<u>9,311,124</u>	<u>5,264,016</u>
<b>Recognised in profit or loss:</b>		
Expense recognised in cost of sales	15,828,936	53,401,965
Write down of inventories	1,400,000	1,811,921
Write off of inventories	323,917	339,067
	<u>17,552,853</u>	<u>55,552,953</u>

#### 20. AMOUNT DUE FROM SUBSIDIARY COMPANIES

	<b>Company</b>	
	<b>30.09.2025</b>	<b>31.03.2024</b>
	<b>RM</b>	<b>RM</b>
Amount due from subsidiary companies	238,526,988	185,241,532
Less: Allowance for impairment loss	<u>(120,376,169)</u>	<u>(5,871,336)</u>
	<u>118,150,819</u>	<u>179,370,196</u>

The amount due from subsidiary companies is non-trade in nature, unsecured, non-interest bearing and receivable on demand.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

The movement in the allowance for impairment loss of amount due from subsidiary companies is as follows:

	<b>Company</b>	
	<b>30.09.2025</b>	<b>31.03.2024</b>
	<b>RM</b>	<b>RM</b>
At beginning of the financial period	5,871,336	18,582,218
Charge for the financial period	114,504,833	5,871,336
Reversal of impairment loss	-	(18,582,218)
	<u>                    </u>	<u>                    </u>
At end of the financial period	<u>120,376,169</u>	<u>5,871,336</u>

In current financial period, the impairment loss recognised was in respect of certain subsidiary companies which were in capital deficiency position.

The impairment loss was reversed in the previous financial period as the amounts were capitalised/recovered.

**21. AMOUNT DUE FROM AN ASSOCIATE COMPANY**

	<b>Group</b>	
	<b>30.09.2025</b>	<b>31.03.2024</b>
	<b>RM</b>	<b>RM</b>
Amount due from an associate company	-	455,030
Less: Allowance for impairment loss	-	(454,409)
	<u>                    </u>	<u>                    </u>
	<u>                    </u>	<u>                    </u>
	-	621

The amount due from an associate company is non-trade in nature, unsecured, non-interest bearing and receivable on demand.

The movement in the allowance for impairment loss of amount due from an associate company is as follows:

	<b>Group</b>	
	<b>30.09.2025</b>	<b>31.03.2024</b>
	<b>RM</b>	<b>RM</b>
At beginning of the financial period	454,409	180,000
Impairment losses recognised	-	274,409
Derecognition upon disposal of subsidiary company	(454,409)	-
	<u>                    </u>	<u>                    </u>
At end of the financial period	<u>                    </u>	<u>454,409</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

#### 22. CASH AND CASH EQUIVALENTS

	Group		Company	
	30.09.2025	31.03.2024	30.09.2025	31.03.2024
	RM	RM	RM	RM
Cash and bank balances	11,228,078	18,461,539	2,773,770	4,215,316
Fixed deposits with licensed banks	<u>1,313,752</u>	<u>206,906</u>	<u>-</u>	<u>-</u>
Cash and cash equivalents	<u>12,541,830</u>	<u>18,668,445</u>	<u>2,773,770</u>	<u>4,215,316</u>

The effective interest rate for fixed deposits with licensed banks is 2.60% (31.03.2024: 2.65% to 2.75%) per annum.

#### 23. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	30.09.2025	31.03.2024	30.09.2025	31.03.2024
	Units	Units	RM	RM
<b>Issued and fully paid ordinary shares (no par value):</b>				
At beginning of the financial period	5,108,416,768	5,108,416,768	251,446,486	251,446,486
Conversion of irredeemable convertible preference shares	<u>717,554</u>	<u>-</u>	<u>35,878</u>	<u>-</u>
At end of the financial period	<u>5,109,134,322</u>	<u>5,108,416,768</u>	<u>251,482,364</u>	<u>251,446,486</u>

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

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

**24. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES (“ICPS”)**

	Group and Company			
	Number of shares		Amount	
	30.09.2025	31.03.2024	30.09.2025	31.03.2024
	Units	Units	RM	RM
<b>Issued and fully paid:</b>				
At beginning of the financial period	2,870,220	2,870,220	35,878	35,878
Conversion of ICPS	(2,870,220)	-	(35,878)	-
At end of the financial period	-	2,870,220	-	35,878

The salient terms of the ICPS are as follows:

- (a) The subscription price is RM0.0125 (RM0.025 before the bonus issue) each and are convertible within 5 years commencing from the issuance of the ICPS on 23 September 2019 with conversion ratio and the conversion price determined as follows:
  - (i) the conversion price for the ICPS to be converted into 1 new ordinary share of the Company at RM0.05 (RM0.10 before the bonus issue) based on the conversion ratio; and
  - (ii) the conversion ratio of the ICPS for 1 new ordinary share of the Company is either by 4 ICPS to be converted into 1 ordinary share or a combination of 1 ICPS and RM0.0375 (RM0.075 before the bonus issue) in cash for 1 ordinary share.
- (b) Any remaining ICPS that are not converted within 5 years commencing from the issuance of the ICPS shall be automatically converted into ordinary shares of the Company at the conversion ratio of 4 ICPS to be converted into 1 ordinary share.
- (c) The Company has full discretion over the declaration of dividends, if any. Dividends declared and payable annually in arrears are non-cumulative and shall be paid in priority over the ordinary shares of the Company.
- (d) The ICPS holders are not entitled to any voting rights and unless such holders convert their ICPS into new shares except for the following circumstances:
  - (i) when the dividend or part of dividend on the ICPS is in arrears for more than 6 months; or

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

- (ii) on a proposal to reduce the capital of the Company's shares; or
- (iii) on a proposal for sanctioning the sale of the whole of the Company's property, business and undertaking; or
- (iv) on a proposal that directly affects the rights and privileges attached to the ICPS; or
- (v) on a proposal to wind-up the Company; or
- (vi) during the winding-up of the Company.

On 20 September 2024, 2,870,220 ICPS were converted to 717,554 ordinary shares of the Company pursuant to the mandatory conversion upon maturity of the ICPS.

#### 25. FAIR VALUE RESERVE

The fair value reserve from the fair value changes in the investment in unquoted shares.

#### 26. FOREIGN CURRENCY TRANSLATION RESERVE

The foreign currency translation reserve is in respect of foreign exchange difference arising from the translation of the financial statements of foreign operations of an associate company. The presentation currency of the Group and the associate company is RM.

#### 27. WARRANT AND OTHER RESERVE

	<b>Group</b>			
	<b>Number of warrants</b>		<b>Amount</b>	
	<b>30.09.2025</b>	<b>31.03.2024</b>	<b>30.09.2025</b>	<b>31.03.2024</b>
	<b>Units</b>	<b>Units</b>	<b>RM</b>	<b>RM</b>
At beginning of the financial period	1,702,061,530	1,702,061,530	11,340	11,340
Expiry of warrants	<u>(1,702,061,530)</u>	<u>-</u>	<u>(11,340)</u>	<u>-</u>
At end of the financial period	<u>-</u>	<u>1,702,061,530</u>	<u>-</u>	<u>11,340</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

### Warrants A

The Company had on 23 September 2019 allotted and issued 53,097,137 rights shares together with 159,291,411 free warrants (“Warrant(s) A”) at an issue price of RM0.25 each on the basis of 3 Warrants A for every 1 rights share subscribed. Each Warrant A entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 23 September 2019 to 22 September 2024, at an exercise price of RM0.25 each in accordance with a deed poll. Any Warrants A not exercised by the date of maturity will lapse thereafter and cease to be valid for all purposes.

On 16 June 2021, the Company completed the share split with additional 33,168,391 Warrants A issued and the exercise price of Warrants A was adjusted to RM0.13 each for 1 new ordinary share pursuant to the share split. On 28 June 2022, the Company completed the bonus issue with additional 472,482 Warrants A issued and the exercise price of Warrants A was adjusted to RM0.07 each for 1 new ordinary share pursuant to the bonus issue.

The ordinary shares issued from the exercise of Warrants A shall rank pari passu in all respects with the existing ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distributions declared, the entitlement date of which is prior to the date of allotment of the new shares arising from the exercise of Warrants A.

Up to the end of the exercise period of the Warrants A on 20 September 2024, the 944,964 Warrants A not exercised were delisted from the official list of Bursa Malaysia Securities Berhad on 23 September 2024.

### Warrants B

The Company had on 4 October 2021 issued 850,811,683 free warrants (“Warrant(s) B”) at an issue price of RM2.60 each on the basis of 1 Warrant B for every 3 existing ordinary shares held by the entitled shareholders on the entitlement date. Each Warrant B entitles the registered holder to subscribe for 1 new ordinary share in the Company at any time on or after 4 October 2021 to 3 October 2024, at an exercise price of RM2.60 in accordance with a deed poll. Any Warrants B not exercised by the date of maturity will lapse thereafter and cease to be valid for all purposes.

On 28 June 2022, the Company completed the bonus issue with additional 850,558,283 Warrants B issued and the exercise price of Warrants B was adjusted to RM1.30 each for 1 new ordinary share pursuant to the bonus issue.

The ordinary shares issued from the exercise of Warrants B shall rank pari passu in all respects with the existing ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distributions declared, the entitlement date of which is prior to the date of allotment of the new shares arising from the exercise of Warrants B.

Up to the end of the exercise period of the Warrants B on 30 October 2024, the 1,701,116,566 Warrants B not exercised were delisted from the official list of Bursa Malaysia Securities Berhad on 4 October 2024.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

#### 28. LEASE LIABILITIES

	Group	
	30.09.2025	31.03.2024
	RM	RM
As at beginning of financial period	11,812,594	933,156
Additions	90,074	11,883,042
Lease interest	(430,002)	508,839
Payments of interests	430,002	(508,839)
Termination	-	(40,926)
Modification	(3,611,230)	(19,050)
Payments of principal	(1,347,107)	(943,628)
Derecognition of right-of-use asset and lease liability	(6,776,192)	-
Derecognition upon disposal of subsidiary companies	(118,329)	-
	<u>49,810</u>	<u>11,812,594</u>
<b>Presented as:</b>		
Non-current	40,346	10,787,534
Current	9,464	1,025,060
	<u>49,810</u>	<u>11,812,594</u>

The maturity analysis of the lease liabilities is as follows:

	Group	
	30.09.2025	31.03.2024
	RM	RM
Minimum lease payments:		
Not later than one year	42,000	1,618,008
Between one to five years	9,600	9,179,916
Later than five years	-	3,300,000
	<u>51,600</u>	<u>14,097,924</u>
Total minimum lease payments	51,600	14,097,924
Less: Future finance changes	(1,790)	(2,285,330)
	<u>49,810</u>	<u>11,812,594</u>
Present value of minimum lease payments	<u>49,810</u>	<u>11,812,594</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

The lease liabilities are denominated in Ringgit Malaysia and comprise leasehold land and buildings, motor vehicles and premises. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group applied the incremental borrowing rate to the lease liabilities which is 5.25% (31.03.2024: 2.03% to 5.95%) per annum.

The cash outflows for leases as a lessee is as follows:

	Group		Company	
	30.09.2025 RM	31.03.2024 RM	30.09.2025 RM	31.03.2024 RM
Payment relating to short-term leases	36,692	565,012	10,500	13,860
Interest paid in related to lease liabilities	430,002	508,839	-	-
Repayment of lease liabilities	1,347,107	943,628	-	-
<b>Total cash outflows for leases</b>	<u>1,813,801</u>	<u>2,017,479</u>	<u>10,500</u>	<u>13,860</u>

### 29. LOANS AND BORROWINGS

	Group	
	30.09.2025 RM	31.03.2024 RM
<b>Secured</b>		
Term loans	<u>60,372,891</u>	<u>11,699,255</u>
<b>Non-current</b>		
Term loans	58,894,963	10,336,539
<b>Current</b>		
Term loans	<u>1,477,928</u>	<u>1,362,716</u>
<b>Total loans and borrowings</b>	<u>60,372,891</u>	<u>11,699,255</u>

The loans and borrowings bear interest ranging from 5.22% to 8.00% (31.03.2024: 4.97% to 5.22%) per annum.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

The term loans are secured by the following:

- (a) As principal instrument, a facility agreement for the sum of RM18,400,000;
- (b) As subsidiary instrument, a registered open all monies first party charge stamped nominally over the leasehold land as disclosed in Note 11.
- (c) A debenture created over the properties together with fixtures and fittings now or from time to time on any such property and all plant, machinery, vehicles, computers and office and other equipment of a subsidiary company relating to its business together with all accessories and spare parts and tools pertaining thereto (excluding inventories in trade and receivables) now or hereafter from time to time required by the licensed bank; and
- (d) Quoted shares as disclosed in Note 15; and
- (e) Corporate guarantee by the Company.

#### 30. DEFERRED TAX LIABILITIES

	<b>Group</b>	
	<b>30.09.2025</b>	<b>31.03.2024</b>
	<b>RM</b>	<b>RM</b>
Deferred tax liabilities	<u>179,318</u>	<u>32,231</u>

The movements in deferred tax during the financial period are as follows:

	<b>Group</b>	
	<b>30.09.2025</b>	<b>31.03.2024</b>
	<b>RM</b>	<b>RM</b>
At beginning of the financial period	32,231	927,631
Recognised in profit or loss (Note 8)	179,318	(895,400)
Disposal of a subsidiary company	<u>(32,231)</u>	<u>-</u>
At end of the financial period	<u>179,318</u>	<u>32,231</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

The deferred tax in the financial statements is in respect of the tax effects on the following:

	Group	
	30.09.2025	31.03.2024
	RM	RM
<b>Deferred tax assets</b>		
Deductible temporary differences arising from provision	-	102,552
Offsetting	-	(102,552)
	-	-
Deferred tax assets	-	-
<b>Deferred tax liabilities</b>		
Differences between the carrying amount of property, plant and equipment and its tax base	179,318	134,783
Offsetting	-	(102,552)
	-	-
Deferred tax liabilities	179,318	32,231

The amounts of unabsorbed capital allowances, unutilised tax loss and deductible temporary differences for which gross deferred tax asset are not recognised in the financial statements due to uncertainty of realisation are as follows:

	Group	
	30.09.2025	31.03.2024
	RM	RM
Unabsorbed capital allowances	60,355,223	44,412,229
Unutilised tax losses	57,039,380	36,492,193
Other temporary differences	(8,335,103)	9,699,351
	109,059,500	90,603,773
	109,059,500	90,603,773

The potential deferred tax assets of the Group have not been recognised in respect of these items as it is not probable whether sufficient taxable profits will be available in which the respective subsidiary companies can utilise those benefits in the near future.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

The unabsorbed capital allowances of the Group are available indefinitely for offsetting against future taxable profits of the Group, subject to same business source and guidelines issued by the tax authority.

Pursuant to Section 8 of the Finance Act 2021 (Act 833), the amendments to Section 44(5F) of Income Tax Act, 1967, the time limit of the carried forward unutilised tax losses is a maximum of 10 consecutive years of assessment.

The unused tax losses are available for offset against future taxable profits of the Group up to the following years of assessment.

	Group	
	30.09.2025 RM	31.03.2024 RM
Year of assessment:		
2028	1,693,335	1,693,335
2029	426,333	426,333
2030	279,622	279,622
2031	1,952,543	1,952,543
2032	49,042	49,042
2033	15,982,973	15,982,973
2034	16,108,345	16,108,345
2035	20,547,187	-
	57,039,380	36,492,193

#### 31. TRADE PAYABLES

Trade payables are non-interest bearing and the normal credit terms granted to the Group ranges from 30 to 60 days (31.03.2024: 30 to 60 days).

#### 32. OTHER PAYABLES

	Group		Company	
	30.09.2025 RM	31.03.2024 RM	30.09.2025 RM	31.03.2024 RM
Other payables	4,828,881	13,539,090	230,723	225,471
Deposit received	101,900	-	-	-
Accrued expenses	1,697,166	1,067,905	341,454	179,386
	6,627,947	14,606,995	572,177	404,857

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

**33. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

The table below details changes in the liabilities of the Group and of the Company arising from financing activities, including both cash and non-cash changes:

	<b>01.04.2024</b>	<b>Financing</b>	<b>Non-cash</b>	<b>30.09.2025</b>
	<b>RM</b>	<b>cash flows (i)</b>	<b>changes (ii)</b>	<b>RM</b>
		<b>RM</b>	<b>RM</b>	
<b>Group</b>				
<b>30.09.2025</b>				
Lease liabilities	11,812,594	(1,347,107)	(10,415,677)	49,810
Loans and borrowings	11,699,255	47,703,937	969,699	60,372,891
Amount owing to a previous shareholder of a subsidiary	-	(8,247,352)	8,247,352	-
	<u>23,511,849</u>	<u>38,109,478</u>	<u>(1,198,626)</u>	<u>60,422,701</u>
<b>31.03.2024</b>				
Lease liabilities	933,156	(943,628)	11,823,066	11,812,594
Loans and borrowings	13,609,453	(1,910,198)	-	11,699,255
	<u>14,542,609</u>	<u>(2,853,826)</u>	<u>11,823,066</u>	<u>23,511,849</u>
<b>Company</b>				
<b>30.09.2025</b>				
Amount due to subsidiary companies	5,961,528	6,787,050	-	12,748,578
<b>31.03.2024</b>				
Amount due to subsidiary companies	10,294,553	(4,333,025)	-	5,961,528

(i) The cash flows from lease liabilities, loans and borrowings, and amount due to subsidiary companies make up the net amount of proceeds from or repayments or payments in the statements of cash flows.

(ii) Non-cash changes included addition and derecognition of right-of use asset and lease liabilities, lease modifications and liabilities acquired from acquisition of a subsidiary company.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

#### 34. FINANCIAL INSTRUMENTS

##### Classification of financial instruments

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Group		Company	
	30.09.2025 RM	31.03.2024 RM	30.09.2025 RM	31.03.2024 RM
<b>Financial assets</b>				
<i>FVOCI</i>				
Investment in unquoted shares	<u>10,184,293</u>	<u>9,519,943</u>	<u>9,584,293</u>	<u>9,519,943</u>
<i>FVTPL</i>				
Investment in quoted shares	<u>49,208,562</u>	<u>26,384,844</u>	<u>-</u>	<u>-</u>
<i>At amortised cost</i>				
Loan receivables	115,871,025	89,487,185	-	-
Trade receivables	3,599,848	10,645,748	-	-
Other receivables, net off prepayment	12,859,170	13,110,838	2,015	2,105
Amount due from subsidiary companies	-	-	118,150,819	179,370,196
Amount due from an associate company	-	621	-	-
Fixed deposits with licensed banks	1,313,752	206,906	-	-
Cash and bank balances	<u>11,228,078</u>	<u>18,461,539</u>	<u>2,773,770</u>	<u>4,215,316</u>
<b>Financial liabilities</b>				
<i>At amortised cost</i>				
Trade payables	5,090,064	2,588,054	-	-
Other payables	6,627,947	14,606,995	572,177	404,857
Amount due to subsidiary companies	-	-	12,748,578	5,961,528
Lease liabilities	49,810	11,812,594	-	-
Loans and borrowings	<u>60,372,891</u>	<u>11,699,255</u>	<u>-</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

### Financial risk management objectives and policies

The Group and the Company are exposed to financial risk arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and market risk.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of those risks.

#### (i) Credit risk

Credit risk is the risk of a financial loss to the Group and to the Company that may arise if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk mainly arises from loan receivables, trade receivables and other receivables, whereas the Company's exposure to credit risk mainly arises from other receivables and amount due from subsidiary companies.

It is the Group's policy to enter into financial instrument with a diversity of creditworthy counterparties. Additionally, all customers who wish to trade on credit terms are subject to credit verification procedures.

For fixed deposits with licensed banks and cash and cash equivalents, the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Company provides advances to subsidiary companies and monitors the results of the subsidiary companies regularly.

#### Concentration profile

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group monitors various portfolios to identify and assess risk concentration.

The Group's major exposure to credit risk on its loan receivables relates to the amount due from 2 (31.03.2024: 4) customers which constituted 76% (31.03.2024: 74%) of its total loan receivables at the end of the reporting period.

The Group's major exposure to credit risk on its trade receivables relates to the amount due from 4 (31.03.2024: 4) customers which constituted 99% (31.03.2024: 72%) of its total trade receivables at the end of the reporting period.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

### Exposure to credit risk

The Company is exposed to credit risk on its receivables in relation to financial guarantees whereby the Company provides unsecured financial guarantees to licensed banks in respect of banking facilities granted to its subsidiary companies. The Company monitors the results and repayments of its subsidiary companies on an ongoing basis. At the reporting date, there was no indication that the subsidiary companies would default on repayment. The maximum exposure to credit risk by the Company amounted to RM60,372,891 (31.03.2024: RM11,699,255), represented by the outstanding banking facilities of the subsidiary companies at the reporting date.

In addition, the Company is exposed to credit risk on its trade receivables in relation to intercompany balances. The Company provide unsecured advances to its subsidiary companies and monitors the results of these companies regularly. At the reporting date, management is of the view that the net carrying amount of these amounts are recoverable other than those disclosed in Note 20.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

### (ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting its obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from lease liabilities, loans and borrowings, trade payables and other payables. The Company's exposure to liquidity risk arises primarily from other payables and amount due to subsidiary companies.

The Group's and the Company's funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group and the Company manage liquidity risk by maintaining adequate reserves and banking facilities deemed adequate by management. The Group and the Company aim at maintaining a balance of sufficient cash and deposits and flexibility in funding by keeping diverse sources of committed and uncommitted credit facilities from various banks.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial liabilities at the end of the reporting period based on undiscounted contractual payments:

<b>Group</b>	<b>Effective interest rate %</b>	<b>Carrying amount RM</b>	<b>Less than a year RM</b>	<b>Between one to five years RM</b>	<b>More than five years RM</b>	<b>Total RM</b>
<b>30.09.2025</b>						
<u>Non-derivative financial liabilities:</u>						
Loans and borrowings	5.22 - 8.00	60,372,891	1,946,100	63,548,783	1,417,244	66,912,127
Lease liabilities	5.25	49,810	42,000	9,600	-	51,600
Trade payables	-	5,090,064	5,090,064	-	-	5,090,064
Other payables	-	6,627,947	6,627,947	-	-	6,627,947
		<b>72,140,712</b>	<b>13,706,111</b>	<b>63,558,383</b>	<b>1,417,244</b>	<b>78,681,738</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

<b>Group</b>	<b>Effective interest rate %</b>	<b>Carrying amount RM</b>	<b>Less than a year RM</b>	<b>Between one to five years RM</b>	<b>More than five years RM</b>	<b>Total RM</b>
<b>31.03.2024</b>						
<u>Non-derivative financial liabilities:</u>						
Loans and borrowings	4.97 - 5.22	11,699,255	1,946,100	7,784,400	4,370,427	14,100,927
Lease liabilities	2.03 - 5.95	11,812,594	1,618,008	9,179,916	3,300,000	14,097,924
Trade payables	-	2,588,054	2,588,054	-	-	2,588,054
Other payables	-	14,606,995	14,606,995	-	-	14,606,995
		40,706,898	20,759,157	16,964,316	7,670,427	45,393,900

#### **Company**

At the reporting date, the contractual undiscounted repayment obligations (including interest payments) of the Company's non-derivative financial liabilities are less than one year.

The contractual cash flows of the Company relating to financial guarantees to a subsidiary at the reporting date is RM60,372,891 (31.03.2024: RM11,699,255).

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

(iii) Market risk

Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and of the Company's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their loans and borrowings with floating interest rates.

The Group does not have any material interest-bearing borrowings or assets with variable interest rates as at the reporting date. Its loan receivables are fixed at an interest rate ranging from 4%-9% (31.03.2024: 4%-12%) per annum. Accordingly, the Group is not exposed to interest rate volatility.

The Group's interest rate management objective is to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group targets a mix of fixed and floating debts based on assessment of their existing exposure and desired interest rate profile.

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at the end of the financial period are as follows:

	<b>Group</b>	
	<b>30.09.2025</b>	<b>31.03.2024</b>
	<b>RM</b>	<b>RM</b>
<b>Fixed rate instruments</b>		
<u>Financial assets</u>		
Fixed deposits with licensed banks	1,313,752	206,906
<u>Financial liabilities</u>		
Loans and borrowings	(50,756,164)	-
Lease liabilities	(49,810)	(11,812,594)
	(50,805,974)	(11,812,594)
	(49,492,222)	(11,605,688)
 <b>Floating rate instrument</b>		
<u>Financial liabilities</u>		
Loans and borrowings	(9,616,727)	(11,699,255)

Sensitivity analysis for interest rate risk

*Fixed rate instruments*

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting date would not affect profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

#### *Floating rate instruments*

The following table illustrates the sensitivity of profit or loss and equity to a reasonable possible change in interest rates of +/- 0.5%. These changes are considered to be reasonable possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period/year and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

Change in basis points	<b>30.09.2025</b> Effect on profit before tax RM	<b>31.03.2024</b> Effect on loss before tax RM
Strengthened 50 (31.03.2024: 50)	(48,084)	(58,496)
Weakened 50 (31.03.2024: 50)	48,084	58,496

#### Equity risk

Equity risk is the risk that the fair value of the Group's financial instruments will fluctuate because of changes in the market price.

The Group is exposed to equity risk arising from its investment in quoted shares. This instrument is classified at fair value through profit or loss. The Group does not have any exposure to commodity price risks.

The carrying amount of the Group's financial asset that is subject to equity risk is as follows:

	<b>30.09.2025</b> RM	<b>31.03.2024</b> RM
Financial assets at FVTPL	49,208,562	26,384,844

#### Sensitivity analysis for equity risk

The following table illustrates the sensitivity of profit or loss and equity to a reasonable possible change in interest rates of +/- 5%. These changes are considered to be reasonable possible based on observation of current market conditions. The calculations are based on a change in the average market price for each period/year and the financial instruments held at each reporting date that are sensitive to changes in market price. All other variables are held constant.

Change in basis points	<b>30.09.2025</b> Effect on profit before tax RM	<b>31.03.2024</b> Effect on loss before tax RM
Strengthened 500 (31.03.2024: 500)	2,460,428	1,319,242
Weakened 500 (31.03.2024: 500)	(2,460,428)	(1,319,242)

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

**Fair value measurement**

The carrying amounts of cash and short-term deposits, short-term receivables and payables and short-term borrowings are reasonable approximation to their fair values due to the relatively short-term nature of these financial instruments. The carrying amounts of long-term floating rate loans are reasonable approximation of fair value as these loans will be re-priced to market interest rates.

The fair value of fixed rate loans and lease liabilities are determined by discounting the relevant cash flows using current interest rate for similar instruments.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

	Carrying amount RM	Fair value of financial instruments carried at fair value			Total RM
		Level 1 RM	Level 2 RM	Level 3 RM	
<b>Group</b>					
<b>30.09.2025</b>					
<b>Financial assets</b>					
Investment in unquoted shares - FVOCI	10,184,293	-	600,000	9,584,293	10,184,293
Investment in quoted shares - FVTPL	49,208,562	49,208,562	-	-	49,208,562
<b>Financial liabilities</b>					
Loans and borrowings	50,756,164	-	50,614,383	-	50,614,383
Lease liabilities	49,810	-	49,580	-	49,580

(Forward)

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

	Carrying amount RM	Fair value of financial instruments carried at fair value			Total RM
		Level 1 RM	Level 2 RM	Level 3 RM	
<b>31.03.2024</b>					
<b>Financial assets</b>					
Investment in unquoted shares - FVOCI	9,519,943	-	-	9,519,943	9,519,943
Investment in quoted shares - FVTPL	26,384,844	26,384,844	-	-	26,384,844
<b>Financial liabilities</b>					
Lease liabilities	11,812,594	-	11,758,000	-	11,758,000

There have been no transfers between the fair value hierarchies during the financial period (31.03.2024: no transfers in either direction).

**35. RELATED PARTIES**

(a) Identity of related parties

Parties are considered to be related to the Group if the Group have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise of directors and management personnel of the Group.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

(b) Significant related party transactions

Significant related party transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	30.09.2025	31.03.2024	30.09.2025	31.03.2024
	RM	RM	RM	RM
Purchases from subsidiary companies	-	-	-	100,000
Short-term leases paid to companies in which a director has interest	-	403,747	-	-
Management fee received from a company in which a director has interest	-	64,000	-	-
IT services paid to a company in which a director has interest	275,945	549,497	24,903	-
Sale of seafood to a company in which a director has interest (gross)	<u>13,023,993</u>	<u>-</u>	<u>-</u>	<u>-</u>

The directors of the Company are of the opinion that the above transactions were entered in the normal course of business and had been established on negotiated terms.

Information regarding outstanding balances arising from related party transactions as at the reporting date is disclosed in Notes 20 and 21.

(c) Compensation of key management personnel

The Company has no other members of key management personnel apart from the directors. The directors' remuneration during the financial period is disclosed in Note 7.

**36. CAPITAL COMMITMENT**

	Note	Group	
		30.09.2025	31.03.2024
		RM	RM
Approved and contracted for:			
Production line modification		243,000	-
Sublease of land	(a)	-	33,519,420
Master services and license agreement	(b)	<u>-</u>	<u>9,371,063</u>
		<u>243,000</u>	<u>42,890,483</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

- (a) The Group had on 20 May 2024 entered into a mutual termination agreement to terminate the Sublease Agreement as disclosed in Note 40.
- (b) AISB and Pacific Hemisphere Sdn. Bhd. had mutually agreed to terminate the master services and license agreement on 15 June 2024 via a letter of termination.

The capital commitment in respect of the sublease of land and master services and license agreement respectively, is no longer applicable subsequent to the terminations as mentioned above.

### 37. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debts. No changes were made in the objectives, policies or processes during the financial period ended 30 September 2025 and 31 March 2024.

Consistent with others in the industry, the Group and the Company monitor capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "current and non-current borrowings" as shown in the statements of financial position) less deposits and cash and bank balances. Total capital is the "total equity" as shown in the statements of financial position.

Gearing ratio is not applicable for the Company as the Company has no book debts.

The gearing ratio of the Group are as follows:

	30.09.2025	31.03.2024
	RM	RM
<b>Group</b>		
Lease liabilities	49,810	11,812,594
Loans and borrowings	60,372,891	11,699,255
Less: Deposits, cash and bank balances	<u>(12,541,830)</u>	<u>(18,668,445)</u>
Net debts	<u>47,880,871</u>	<u>4,843,404</u>
Total equity	<u>311,913,387</u>	<u>304,928,681</u>
Gearing ratio	<u>0.15</u>	<u>0.02</u>

There were no changes in the Group's approach to capital management during the financial period.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

### 38. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 Operating Segments based on the internal reports of the Group's strategic business units which are regularly monitored by the management for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects as explained in the tables below, is measured differently from operating profit or loss in the consolidated financial statements.

The Group's reportable operating segments are as follows:

(a) Healthcare

The healthcare segment is the marketplace, medical diagnostic and research laboratory and wholesale of pharmaceutical and medical goods.

(b) Financial services

The financial services segment is the business of money lending.

(c) Gloves

The gloves segment is the business of manufacturing and trading of rubber gloves.

(d) Seafood business

The seafood segment is the business of trading and retailing of seafood.

(e) Others

Other segments include the business of investment holding and other dormant companies.

Except as indicated above, no other operating segment has been aggregated to form the above reportable operating segments.

Transfer prices between operating segments are determined on negotiated basis.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

	Healthcare RM	Financial services RM	Gloves RM	Seafood RM	Others RM	Adjustments and eliminations RM	Notes	Consolidated RM
<b>30.09.2025</b>								
<b>Revenue</b>								
External revenue	2,077,578	4,742,273	7,824,167	1,957,841	220,000	-	A	16,821,859
Inter-segment	-	-	-	-	1,560,000	(1,560,000)		-
	2,077,578	4,742,273	7,824,167	1,957,841	1,780,000	(1,560,000)		16,821,859
<b>Results</b>								
Interest income	133,783	34,125	46,075	-	85,368	-		299,351
Finance costs	(159,078)	(3,741)	(1,537,858)	-	(836,622)	148,000		(2,389,299)
Depreciation of property, plant and equipment	(768,081)	(30,140)	(16,452,006)	-	(68,570)	(939,687)		(18,258,484)
Depreciation of investment properties	(49,378)	-	-	-	(1,467,719)	-		(1,517,097)
Share of loss of associate companies	-	-	-	-	(277,946)	-		(277,946)
Tax (expense)/credit	-	(647,228)	-	-	50,639	-		(596,589)
Other non-cash expenses	2,391,232	(702,240)	6,071,157	-	(97,082,389)	151,523,181	B	62,200,941
Segment (loss)/profit	(969,208)	1,321,363	(26,841,975)	-	(102,768,815)	151,523,181	C	22,254,546

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

	Healthcare RM	Financial services RM	Gloves RM	Seafood RM	Others RM	Adjustments and eliminations RM	Notes RM	Consolidated RM
<b>Assets</b>								
Additions to non-current assets other than financial instruments	117,977	-	13,045,414	-	1,637,765	-	<b>D</b>	14,801,156
Segment total assets	35,718,370	123,614,254	87,828,642	-	349,194,739	(212,039,402)	<b>E</b>	384,316,603
<b>Liabilities</b>								
Segment total liabilities	2,309,348	120,460,217	88,467,040	-	157,574,214	(296,407,603)	<b>F</b>	72,403,216

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

	Healthcare RM	Financial services RM	Gloves RM	Others RM	Adjustments and eliminations RM	Notes	Consolidated RM
<b>31.03.2024</b>							
<b>Revenue</b>							
External revenue	8,438,858	7,924,782	6,015,583	42,814	-	A	22,422,037
Inter-segment	180,000	-	-	-	(180,000)		-
	8,618,858	7,924,782	6,015,583	42,814	(180,000)		22,422,037
<b>Results</b>							
Interest income	339,077	170,489	9,415	488,509	-		1,007,490
Finance costs	(1,014,813)	-	(470,519)	(333,333)	-		(1,818,665)
Depreciation of property, plant and equipment	(2,548,088)	-	(15,429,293)	(39,240)	-		(18,016,621)
Depreciation of investment properties	(41,147)	-	-	-	-		(41,147)
Share of loss of associate companies	(20,000)	-	-	(437,689)	-		(457,689)
Tax credit/(expense)	35,485	(1,659,615)	897,552	(183,958)	-		(910,536)
Other non-cash expenses	(7,946,581)	(2,084,069)	(24,482,555)	(79,572,228)	70,100,700	B	(43,984,733)
Segment (loss)/profit	(18,271,749)	3,000,275	(72,653,154)	(82,451,653)	70,100,700	C	(100,275,491)
<b>Assets</b>							
Additions to non-current assets other than financial instruments	18,061,300	-	12,919,176	60,460,740	-	D	91,441,216
Segment total assets	67,347,281	95,143,385	97,067,137	302,256,262	(215,942,074)	E	345,871,991
<b>Liabilities</b>							
Segment total liabilities	31,442,295	93,310,711	70,554,485	36,855,877	(191,220,058)	F	40,943,310

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

Note Reconciliation of reportable segment revenue, other material items and assets are as follows:

**A** Inter-segment revenues are eliminated on consolidation.

**B** Other material non-cash expenses/income consist of the following items as presented in the respective notes to the financial statements:

	01.04.2024 to 30.09.2025 (18 months) RM	01.10.2022 to 31.03.2024 (18 months) RM
Gain on derecognition of right-of-use assets and lease liabilities	1,018,730	2,233
Gain/(Loss) on disposal of:		
Associate companies	20,586,120	-
Subsidiary companies	(59,339)	483,340
Other investments	169,488	5,540,894
Loss on struck off of subsidiary companies	(10,000)	(1,246,157)
Net (allowance for)/reversal of impairment loss on:		
Amount due from an associate company	-	(274,409)
Loan receivables	(702,240)	(2,084,069)
Trade receivables	2,361,115	(11,810,414)
Other receivables	-	(307,632)
Net reversal of impairment/(impairment loss) on:		
Goodwill on consolidation	-	(6,085,272)
Investment in associate companies	-	(20,000,000)
Net reversal of/(allowance for) impairment on property, plant and equipment	4,358,387	(10,565,560)
Fair value gain on other investments	36,230,417	8,659,822
Inventories written down	(1,400,000)	(1,811,921)
Inventories written off	(323,917)	(339,067)
Property, plant and equipment written off	(27,820)	(4,146,521)
	<u>62,200,941</u>	<u>(43,984,733)</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

**C** Items adjusted/eliminated from segment (loss)/profit to arrive at profit/(loss) for the financial period presented in the consolidated statement of profit or loss and other comprehensive income:

	<b>01.04.2024 to 30.09.2025 (18 months) RM</b>	<b>01.10.2022 to 31.03.2024 (18 months) RM</b>
Allowance for impairment loss on investment in subsidiary companies	37,018,348	81,120,654
Allowance for/(Reversal of) impairment loss on inter-segment balances	114,504,833	(12,710,882)
Loss on deemed disposal of an associate company	-	(1,008)
Loss on struck off of subsidiary companies	-	1,692,006
	<u>151,523,181</u>	<u>70,100,770</u>

**D** Additions to non-current assets other than financial instruments and deferred tax assets consist of:

	<b>30.09.2025 RM</b>	<b>31.03.2024 RM</b>
Property, plant and equipment	13,929,806	28,384,462
Investment in associate companies	-	60,319,731
Investment properties	871,350	2,737,023
	<u>14,801,156</u>	<u>91,441,216</u>

**E** Items deducted from segment total assets to arrive at total assets presented in the consolidated statement of financial position:

	<b>30.09.2025 RM</b>	<b>31.03.2024 RM</b>
Inter-segment investment in subsidiary companies	(6,565,004)	(30,593,352)
Inter-segment balances	(205,474,398)	(185,348,722)
	<u>(212,039,402)</u>	<u>(215,942,074)</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

**F** Items deducted from segment total liabilities to arrive at total liabilities presented in the consolidated statement of financial position:

	<b>30.09.2025</b>	<b>31.03.2024</b>
	<b>RM</b>	<b>RM</b>
Inter-segment balances	<u>(296,407,603)</u>	<u>(191,220,058)</u>

Geographical information

The Group's operates predominantly in Malaysia and hence, no geographical segment is presented.

Information about major customers

	<b>30.09.2025</b>	<b>31.03.2024</b>	<b>Segment</b>
	<b>RM</b>	<b>RM</b>	
Customer A	6,647,768	5,026,924	Gloves
Customer B	<u>1,765,076</u>	<u>-</u>	Seafood
	<u>8,412,844</u>	<u>5,026,924</u>	

**39. MATERIAL LITIGATION**

The Group is not engaged in any material litigation cases as at the date of this report other than the following:

- (i) Hong Seng Assembly Sdn. Bhd. ("HSA") & Hong Seng Motor Sdn. Bhd. ("HSM") vs Hong Seng Consolidated Berhad ("HSCB")

On 24 February 2025, HSA & HSM served a Writ of Summons No. WA-22IP-13-02/2025 along with a Statement of Claim, both dated 17 February 2025, to HSCB.

The particulars of the claims are set out in the Statement of Claim enclosed with the Writ of Summons as follows:

- (i) A declaration that HSCB had infringed HSA and HSM's Hong Seng Trademark ("HS Trademark");
- (ii) A declaration that HSCB had passed off and/or attempted to pass off itself as HSA and HSM's affiliates;
- (iii) That HSCB be restrained from causing, enabling or assisting others to infringe HSA and HSM's HS Trademark and/or pass off themselves as associated and/or connected to HSA and HSM;

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

- (iv) That HSCB take all necessary steps to remove any online listings, advertisements, and social media accounts or any other promotional material containing HSA and HSM's HS Trademark;
- (v) That HSCB deliver up and surrender to HSA and HSM's solicitors for destruction all articles, materials, labels, packaging, advertising, promotional materials, and any other materials bearing HSA and HSM's HS Trademark or any other name or mark similar to HSA and HSM's HS Trademark and/or Trade Name;
- (vi) An order to direct HSCB to file for a change of its company name and its subsidiaries companies' name which does not adopt the HS Trade Names within seven (7) days from the date of the Order;
- (vii) Any order to direct HSCB to withdraw Trademark Application No. TM2021032839;
- (viii) An inquiry as to damages for trademark infringement and/or passing off or at HSA and HSM's option, an account of profits and payment of all sums found due from HSCB to HSA and HSM upon taking such inquiry or account;
- (ix) Exemplary and/or aggravated damages to be assessed;
- (x) Interest on all sums found to be due to HSA and HSM by HSCB at such rate and for such periods as the Honourable Court deems fit;
- (xi) Costs of this action; and
- (xii) Such further or other relief as the Honourable Court deem fit.

On 28 April 2025, HSCB had filed and served a notice of Application for Default of Defence of Counterclaim and HSA and HSM had filed and served a notice of Application for Joinder of Parties and Amendment of Writ and Statement of Claim.

On 21 July 2025, the High Court had dismissed HSCB's Application for Default of Defence to Counterclaim, and allowed HSA and HSM's Application for Joinder of Parties and Amendment of Write and Statement of Claim whereby AIMAX Healthcare Sdn. Bhd. ("AHSB") will be added to the court proceedings as the 2nd Defendant. The High Court has further ordered HSCB to pay costs of RM8,000 to HSA and HSM.

During the case management for the Writ Action, the High Court had directed as follows:

- (i) HSA and HSM were to file and serve their Amended Writ of Summons and Amended Statement of Claim on or before 1 August 2025;
- (ii) HSCB was to file and serve its Re-Amended Defence and Counterclaim on or before 15 August 2025; and

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D) FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025

- (iii) HSA and HSM were to file and serve their Reply to HSCB's Re-Amended Defence to Counterclaim on or before 29 August 2025.

On 19 August 2025, AHSB entered an appearance as the 2nd Defendant and will file its defence in due course.

During the case management held on 27 November 2025, the High Court has given the directions as follows:

- (i) Parties to file pre-trial case management documents, including Agreed Facts, Issues to be Tried, Agreed Chronology of Events, Case Summary, and Common Bundle of Documents on or before 28 January 2026;
- (ii) Parties to inform the Court whether parties agree to proceed with mediation and/or settlement on 28 January 2026; and
- (iii) The subsequent case management is fixed on 28 January 2026 at the Kuala Lumpur High Court for parties to update the Court as to court directions.

#### 40. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

On 20 May 2024, AISB had entered into a mutual termination agreement with Northern Corridor Implementation Authority ("NCIA") to mutually agree to terminate the sublease agreement entered into on 25 June 2021 between the parties ("Sublease Agreement"). AISB had previously paid an advance of RM11,173,140 to NCIA pursuant to the Sublease Agreement ("Sublease Advance") which is disclosed in Note 18.

A new sublease agreement ("Alternate Land Sublease Agreement") shall be entered into by AISB and NCIA, where NCIA shall sublease to AISB a parcel of land measuring 10.42 acres for a period of 60 years at a total sublease consideration of RM4,538,952 ("Alternate Land Sublease Consideration"). Upon the execution of the Alternate Land Sublease Agreement, the Alternate Land Sublease Consideration will be offset against the Sublease Advance and the balance of RM6,634,188 will be refunded to AISB within 30 days from the date of execution of the Alternate Land Sublease Agreement.

As of the current financial period ended 30 September 2025, AISB and NCIA have yet to execute the Alternate Land Sublease Agreement pending consent from the Federal Land Commissioner.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025**

**41. COMPARATIVE FIGURES**

The presentation and classification of items in the current year financial statements have been consistent with the previous financial period. The previous reporting period covered a period of 18 months from 1 October 2022 to 31 March 2024. The current reporting period covers a period of 18 months from 1 April 2024 to 30 September 2025. Consequently, the comparative information for the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and related notes are comparable.

**42. RECLASSIFICATION OF COMPARATIVE FIGURES**

Certain comparative figures in the prior period’s statement of financial position as shown below have been reclassified to enhance comparability with the current period’s presentation. As a result, certain line items have been amended on the face of the statements of financial position. The items reclassified were as follows:

	<b>As previously reported RM</b>	<b>Reclassification RM</b>	<b>As restated RM</b>
<b>Group</b>			
<b>Statements of Financial Position as at 31 March 2024</b>			
<b>Non-current assets</b>			
Loan receivables	-	15,000,000	15,000,000
Trade receivables	15,000,000	(15,000,000)	-
<b>Current assets</b>			
Loan receivables	-	74,487,185	74,487,185
Trade receivables	85,132,933	(74,487,185)	10,645,748

## LIST OF PROPERTIES

No.	Location	Tenure	Existing use	Date of acquisition	Description	Approximate age of building (Years)	Net book value as at 30.9.2025 (RM'000)
1	Plot 1620, Jalan Perusahaan Indah 3 Taman Sejati Indah 08000 Sungai Petani Kedah Darul Aman	Freehold	Hostel	09.02.2021	Land area 11,888 sq. ft.	20	1,278
2	Plot 1622, Jalan Perusahaan Indah 3 Taman Sejati Indah 08000 Sungai Petani Kedah Darul Aman	Freehold	Hostel	09.02.2021	Land area 12,000 sq. ft.	20	1,290
3	PN6873 Lot 305, Seksyen 14, No. 7, Jalan 51A/223, 46100 Petaling Jaya Selangor Darul Ehsan	Leasehold (99 years) Expiring on 27.04.2065	Rented out 10,883 sq. ft	31.03.2022	Land area	59	10,074
4	PN97279 Lot 306, Seksyen 14, No. 5, Jalan 51A/223, 46100 Petaling Jaya Selangor Darul Ehsan	Leasehold (99 years) Expiring on 18.11.2067	Office	31.03.2022	Land area 42,009 sq. ft	57	23,621
5	PN 50495/M1-B/4/74 Lot No. 103 Seksyen 36 B-10-3A, Dataran 32, Jalan 19/1, 46300 Petaling Jaya, Selangor 06.09.2106	Leasehold (99 years) Expiring on 06.09.2106	Rented out	21.12.2022	Built-up area 2,217 sq. ft	17	1,101
6	PN 50495/M1-B/5/84 Lot No. 103 Seksyen 36 B-10-05, Dataran 32, Jalan 19/1, 46300 Petaling Jaya, Selangor 06.09.2106	Leasehold (99 years) Expiring on 06.09.2106	Rented out	21.12.2022	Built-up area 2,217 sq. ft	17	1,101
7	PM 1966/M1/1/22 LOT 62032 Seksyen 40, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor.	Leasehold (99 years) Expiring on 28.09.2103	Office And rented out partially	13.01.2023	Built-up area 1,432 sq. ft	18	1,334

## LIST OF PROPERTIES (CONT'D)

No.	Location	Tenure	Existing use	Date of acquisition	Description	Approximate age of building (Years)	Net book value as at 30.9.2025 (RM'000)
8	PM 1966/M1-C/3/90 LOT 62032 Seksyen 40, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor.	Leasehold (99 years)  Expiring on 28.09.2103	Office	13.01.2023	Built-up area 1,432 sq. ft	18	244
9	PM 1966/M1-C/3/89 LOT 62032 Seksyen 40, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor.	Leasehold (99 years) 28.09.2103	Office	29.08.2022	Built-up area 1,485 sq. sf	18	254
10	PM 1966/M1-C/3/88 LOT 62032 Seksyen 40, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor.	Leasehold (99 years) 28.09.2103	Office	13.01.2023	Built-up area 1,485 sq.sf	18	253
11	PM 1966/M1-C/3/87 LOT 62032 Seksyen 40, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor.	Leasehold (99 years) 28.09.2103	Office	13.01.2023	Built-up area 1,539 sq. sf	18	264
12	PM 1966/M1-C/3/86 LOT 62032 Seksyen 40, Bandar Petaling Jaya, Daerah Petaling, Negeri Selangor.	Leasehold (99 years) 28.09.2103	Office	13.01.2023	Built-up area 1,238 sq. sf	18	239
13	(PM 377, Lot 1014, Seksyen 66, Bandar Sungai Petani, Daerah Kuala Muda, Kedah Darul Aman	Leasehold (99 years)  Expiring on 12.03.2089	Factory	31.05.2023	Land area 172,836 sq. sf	3	40,829
14	(PM 376, Lot 1013, Seksyen 66, Bandar Sungai Petani, Daerah Kuala Muda, Kedah Darul Aman	Leasehold (99 years)  Expiring on 12.03.2089	Factory	05.07.2024	Land areas 233,361 sq. sf	3	7,856

# ANALYSIS OF SHAREHOLDINGS

## AS AT 31 DECEMBER 2025

Total Number of Issued Shares	:	5,109,134,322 ordinary shares
Class of Equity Securities	:	Ordinary shares ("Shares")
Voting Rights by Show of Hands	:	One vote for every member
Voting Rights by Poll	:	One vote for every Share

### DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Shareholdings	No. of Holders	%	No. of Shares	%
Less than 100	56	0.40	1,312	*
100 – 1,000	956	6.91	433,946	0.01
1,001 – 10,000	2,804	20.27	17,792,722	0.35
10,001 – 100,000	5,864	42.38	285,225,151	5.58
100,001 – less than 5% of issued Shares	4,155	30.03	3,581,357,591	70.10
5% and above of issued Shares	2	0.01	1,224,323,600	23.96
<b>Total</b>	<b>13,837</b>	<b>100.00</b>	<b>5,109,134,322</b>	<b>100.00</b>

\* Negligible

### SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS (As per the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Radiance Dynasty Sdn. Bhd.	949,323,600	18.58	-	-
Lester Chin Kent Lake	-	-	949,323,600 <sup>(a)</sup>	18.58
Leong Seng Wui	275,000,000	5.38	-	-

**Notes: -**

<sup>(a)</sup> Deemed interested by virtue of his shareholdings in Radiance Dynasty Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

### DIRECTORS' SHAREHOLDINGS (As per the Register of Directors' Shareholdings)

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Ng Keok Chai	-	-	-	-
Datuk Dr. Yacob Bin Mustafa	-	-	-	-
Lester Chin Kent Lake	-	-	949,323,600 <sup>(a)</sup>	18.58
Wong Weng Yew	-	-	-	-
Yap Kien Ming	-	-	-	-
Leong Kam Soon	-	-	-	-
Dato' Kang Chez Chiang	-	-	-	-
Lim Poh Leng	-	-	-	-

**Notes: -**

<sup>(a)</sup> Deemed interested by virtue of his shareholdings in Radiance Dynasty Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016.

## ANALYSIS OF SHAREHOLDINGS AS AT 31 DECEMBER 2025 (CONT'D)

### 30 LARGEST SECURITIES ACCOUNT HOLDERS

(without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Name	No. of Shares Held	%
1.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Radiance Dynasty Sdn. Bhd. (Third Party)	949,323,600	18.58
2.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Leong Seng Wui	275,000,000	5.38
3.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Kon Tek Yoong	250,000,000	4.89
4.	Ng Shih Fang	142,500,700	2.79
5.	Ng Them Seang	60,140,400	1.18
6.	TA Securities Holdings Berhad - IVT (PO2) Quah Choon Wah	37,450,000	0.73
7.	Ng Wei Xiang	33,399,000	0.65
8.	Lee Yih Leang	31,500,000	0.62
9.	TA Securities Holdings Berhad - IVT (PO6) Goh Lee Chie	28,363,900	0.56
10.	Khor Chen Heng	21,000,000	0.41
11.	Wong Pick Yiing	21,000,000	0.41
12.	Ravi A/L Ratnam	20,019,400	0.39
13.	Heng Yeong Peng	17,500,000	0.34
14.	Quah Choon Ooi	17,370,700	0.34
15.	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Goh Sing Hai (E-SDK)	17,032,100	0.33
16.	Lee Sau Yoong	17,000,000	0.33
17.	Adrian Quah	16,737,300	0.33
18.	Go Boon Pock	15,500,000	0.30
19.	Song Kim Lee	15,000,000	0.29
20.	Chan Chee Keong	14,439,700	0.28
21.	Lee Choon Leong	13,400,000	0.26
22.	Tan Tiang Huat	12,532,000	0.25
23.	Tnay Meng Chon	12,350,000	0.24
24.	Open Dynamics Sdn. Bhd.	12,000,000	0.24
25.	Goh Lai Hua	11,250,000	0.22
26.	Tan Soon Hoe	11,201,000	0.22
27.	Maybank Securities Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Fong Kok Sang (STF)	11,200,000	0.22
28.	Kenanga Nominees (Tempatan) Sdn. Bhd. - Rakuten Trade Sdn Bhd for Low Thiam Lai	11,010,000	0.22
29.	Mazlan Bin Mohd Noor	11,000,000	0.22
30.	Quah Choon Ooi	10,897,100	0.21

# NOTICE OF THE TWENTY-FOURTH ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the Twenty-Fourth Annual General Meeting (“24<sup>th</sup> AGM” or “the Meeting”) of HONG SENG CONSOLIDATED BERHAD (“Hong Seng” or “the Company”) will be held at Ballroom V, Main Wing, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 18 March 2026 at 10:00 a.m. or at any adjournment thereof, to transact the following businesses:-

## AGENDA

### AS ORDINARY BUSINESS:

- |    |  |   |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial period ended 30 September 2025 together with the Reports of the Directors and Auditors thereon.  | <i>Please refer to<br/>Explanatory Note 1</i> |
| 2. | To approve the payment of Directors’ fees and/or benefits of up to RM450,000.00 for the period commencing from the date immediately after the 24 <sup>th</sup> AGM until the date of the next Annual General Meeting (“AGM”) of the Company. | <i>(Ordinary Resolution 1)</i>                |
| 3. | To re-elect the following Directors who retire by rotation pursuant to Clause 107(1)(b) of the Company’s Constitution:-  |   |
|    | (i) Mr. Leong Kam Soon   | <i>(Ordinary Resolution 2)</i>                |
|    | (ii) Dato’ Kang Chez Chiang  | <i>(Ordinary Resolution 3)</i>                |
| 4. | To re-elect the following Directors who retires pursuant to Clause 100 of the Company’s Constitution:-   |   |
|    | (i) Datuk Dr. Yacob Bin Mustafa  | <i>(Ordinary Resolution 4)</i>                |
|    | (ii) Mr. Wong Weng Yew   | <i>(Ordinary Resolution 5)</i>                |
|    | (iii) Ms. Lim Poh Leng   | <i>(Ordinary Resolution 6)</i>                |
|    | (iv) Mr. Ng Keok Chai  | <i>(Ordinary Resolution 7)</i>                |
| 5. | To re-appoint Messrs. Morison LC PLT as Auditors of the Company until the conclusion of the next AGM and to authorise the Directors to fix their remuneration.   | <i>(Ordinary Resolution 8)</i>                |

### AS SPECIAL BUSINESS:

To consider and if thought fit, pass with or without any modifications, the following resolutions:-

- |    |   |                                |
|----|---|--------------------------------|
| 6. | <b>GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 (“ACT”)</b> | <i>(Ordinary Resolution 9)</i> |
|----|---|--------------------------------|

“THAT subject always to the Constitution of the Company, the Act, the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant governmental/ regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot new ordinary shares in the Company (“Shares”) to such persons, at any time, and upon such terms and conditions and for such purposes and to such person(s) as the Directors may, in their absolute discretion, deem fit and expedient in the interest of the Company, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point in time (“Mandate”) AND the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND the Mandate shall continue to be in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company held next after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is earlier.

AND THAT the new Shares to be issued pursuant to the Mandate, shall, upon issuance and allotment, rank pari passu in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new Shares.”

## NOTICE OF THE TWENTY-FOURTH ANNUAL GENERAL MEETING (CONT'D)

7. To transact any other business of which due notice shall have been given.

By order of the Board

**TEA SOR HUA (MACS 01324) (CCM PC NO.: 201908001272)**  
**LEE XIANG YEE (MAICSA 7068124) (CCM PC NO.: 202408000069)**  
Company Secretaries

Petaling Jaya, Selangor Darul Ehsan  
30 January 2026

### Notes:

- (a) A member who is entitled to attend, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- (b) A proxy may, but need not, be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- (c) 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, either under the seal or under the hand of an officer or attorney duly authorised.
- (d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- (f) To be valid, the instrument appointing a proxy may be made in hard copy form or by electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting:-

(i) In hard copy form:

In the case of an appointment made in hard copy form, the proxy form must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or alternatively, at the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan.

(ii) By electronic form:

The proxy form can be electronically lodged via Vistra Share Registry and IPO (MY) portal ("**The Portal**") at <https://srmy.vistra.com>. Please refer to the Administrative Notes on the procedure for electronic lodgement of proxy form.

## NOTICE OF THE TWENTY-FOURTH ANNUAL GENERAL MEETING (CONT'D)

### Notes: (Cont'd)

- (g) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 68 of the Company's Constitution to issue a General Meeting Record of Depositors as at 11 March 2026. Only members whose names appear in the General Meeting Record of Depositors as at 11 March 2026 shall be regarded as members and entitled to attend, participate, speak and vote at the Meeting.
- (h) All the resolutions set out in this Notice of Meeting will be put to vote by poll.
- (i) The members are advised to refer to the Administrative Notes on the registration process for the Meeting.
- (j) Kindly check Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com) and the Company's website at [www.hongseng.com.my](http://www.hongseng.com.my) for the latest updates on the status of the Meeting.

### EXPLANATORY NOTES TO ORDINARY BUSINESS AND SPECIAL BUSINESS

#### 1. Item 1 of the Agenda – Audited Financial Statements for the financial period ended 30 September 2025

This Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

#### 2. Item 2 of the Agenda – Directors' Fees and/or Benefits

Pursuant to Section 230(1) of the Act, the directors' fees and any benefits payable to the directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting. This resolution is to facilitate payment of Directors' fees and/or benefits for the period from the date immediately after this 24<sup>th</sup> AGM until the date of the next AGM of the Company.

In the event the proposed amount is insufficient due to more meetings or an enlarged Board size, approval will be sought at the next AGM for the shortfall.

#### 3. Items 3 and 4 of the Agenda – Re-election of Directors

Clause 107(1)(b) of the Company's Constitution provides that one-third (1/3) of the Directors of the Company for the time being or if their number is not a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and an election of Directors shall take place PROVIDED ALWAYS THAT each Director shall retire from office at least once every three (3) years but shall be eligible for re-election. Hence, two (2) out of five (5) Directors of the Company are to retire pursuant to Clause 107(1)(b) of the Company's Constitution.

Clause 100 of the Company's Constitution provides that any Director appointed either to fill a casual vacancy or as an addition to the Directors shall hold office only until the conclusion of the next AGM, but shall be eligible for re-election (but shall not be taken into account in determining the number of Directors to retire by rotation at that meeting).

Following thereto, Mr. Leong Kam Soon and Dato' Kang Chez Chiang will retire by rotation pursuant to Clause 107(1)(b) of the Company's Constitution whereas Datuk Dr. Yacob bin Mustafa, Mr. Wong Weng Yew, Ms. Lim Poh Leng and Mr. Ng Keok Chai will retire pursuant to Clause 100 of the Company's Constitution ("collectively referred to as "Retiring Directors"). The Retiring Directors being eligible, have offered themselves for re-election at the 24<sup>th</sup> AGM.

The Board has endorsed the Nomination Committee's recommendation to seek the shareholders' approval to re-elect the Retiring Directors as they possess the required skill sets to facilitate and contribute to the Board's effectiveness and value.

The Retiring Directors had abstained from all deliberations and decisions on their own eligibility to stand for re-election at the Board meeting.

The details and profiles of the Retiring Directors are provided in the Profile of the Board of Directors contained in the Company's Annual Report 2025.

## NOTICE OF THE TWENTY-FOURTH ANNUAL GENERAL MEETING (CONT'D)

### 4. **Item 6 of the Agenda – General Authority for the Directors to allot and issue shares pursuant to Sections 75 and 76 of the Act**

The Ordinary Resolution 9 proposed under item 6 of the Agenda, is to seek a general mandate for issuance and allotment of shares by the Company pursuant to Sections 75 and 76 of the Act. This Ordinary Resolution, if passed, will empower the Directors to issue and allot new Shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and cost involved in convening a general meeting to approve the issuance and allotment of such new Shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This general mandate will provide flexibility to the Company for issuance and allotment of shares for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital, acquisition(s), investments and/or issuance of shares as a form of settlement of purchase consideration or repayment of borrowings or debt settlement/repayment or such other applications as the Directors may deem fit and expedient in the best interest of the Company.

The Company had at its 23<sup>rd</sup> AGM, obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to issue and allot shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes, as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares of the Company at any point of time.

As at the date of this Notice of Meeting, no new shares in the Company were issued and allotted pursuant to the general mandate granted to the Directors at the 23<sup>rd</sup> AGM, which will lapse at the conclusion of the Meeting, and accordingly, no proceeds were raised.

# ADMINISTRATIVE NOTES

## ADMINISTRATIVE NOTES FOR THE TWENTY-FOURTH ANNUAL GENERAL MEETING (“24<sup>th</sup> AGM”) OF HONG SENG CONSOLIDATED BERHAD (“HONG SENG” OR “COMPANY”)

<b>Day and Date</b>	:	Wednesday, 18 March 2026
<b>Time</b>	:	10:00 a.m. or at any adjournment thereof
<b>Venue</b>	:	Ballroom V, Main Wing, Tropicana Golf & Country Resort, Jalan Kelab Tropicana, 47410 Petaling Jaya, Selangor Darul Ehsan, Malaysia

### REGISTRATION ON THE DAY OF THE 24<sup>th</sup> AGM

1. The registration counter will open at 9:00 a.m. and will remain open until the conclusion of the 24<sup>th</sup> AGM or such time as may be determined by the Chairman of the meeting.
2. Please present your ORIGINAL MyKad or Passport (for foreign shareholder) during registration for verification. Only original MyKad or Passport is valid for registration.
3. Please note that you are not allowed to register on behalf of another shareholder/proxy, even with the original MyKad or Passport of that other shareholder/proxy. Please make sure you collect your MyKad or Passport after the registration.
4. After verification and registration, you will be given an identification wristband. If you are attending the Meeting as a shareholder as well as proxy, you will be registered once and will only be given one identification wristband to enter the meeting hall. There is no replacement in the event that you lose/misplace the identification wristband.
5. The registration counter will handle verification of shareholdings, registration and revocation of proxy’s appointment.

### CORPORATE MEMBERS

Corporate members who wish to appoint corporate representatives instead of proxy, must deposit their original or duly certified of appointment of corporate representative to the Poll Administrator, Tricor Investor & Issuing House Services Sdn. Bhd. on or before the 24<sup>th</sup> AGM.

### APPOINTMENT OF PROXY OR ATTORNEY

1. Only members whose names appear on the Record of Depositors as at 11 March 2026 shall be eligible to attend, speak and vote at the 24<sup>th</sup> AGM or appoint proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.
2. Members can appoint the Chairman of the Meeting as their proxy and indicate the voting instruction in the proxy form.
3. If you wish to participate in the 24<sup>th</sup> AGM yourself, please do not submit any proxy form for the 24<sup>th</sup> AGM. You will not be allowed to participate in the 24<sup>th</sup> AGM together with a proxy appointed by you.

## ADMINISTRATIVE NOTES (CONT'D)

### APPOINTMENT OF PROXY OR ATTORNEY (CONT'D)

4. Accordingly, proxy form and/or documents relating to the appointment of proxy/attorney for the 24<sup>th</sup> AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner and must be received by the Company not less than 48 hours before the time set for the 24<sup>th</sup> AGM or not later than **Monday, 16 March 2026 at 10:00 a.m.**:

(i) In Hard copy form:

In the case of an appointment made in hard copy form (by hand/post), the proxy form shall be deposited with the Poll Administrator appointed by the Company, Tricor Investor & Issuing House Services Sdn. Bhd. of Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or alternatively, at the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur.

(ii) By Electronic form:

The procedures to submit your proxy form electronically via Vistra Share Registry and IPO (MY) portal ("The Portal") are summarised below:-

Procedure	Action
<b>i. Steps for Individual Shareholders</b>	
Register as a User at The Portal	<ol style="list-style-type: none"> <li>1. Visit the website at <a href="https://srmy.vistra.com">https://srmy.vistra.com</a>.</li> <li>2. Click "Register" and select "Individual Holder" and complete the New User Registration Form.</li> <li>3. For guidance, you may refer to the tutorial guide available on the homepage.</li> <li>4. Once registration is completed, you will receive an email notification to verify your registered email address.</li> <li>5. After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved.</li> <li>6. Once you receive the confirmation, activate your account by creating your password.</li> </ol> <p><i>If you are an existing user with The Portal or our TIIH Online portal previously, you are not required to register again.</i></p>
Proceed with submission of proxy form	<ol style="list-style-type: none"> <li>1. After the release of the Notice of Meeting by the Company, login with your email address and password.</li> <li>2. Select the corporate event: "<b>HONG SENG CONSOLIDATED BERHAD 24<sup>TH</sup> AGM</b>".</li> <li>3. Navigate to the 3 dots at the end of the corporate event and choose "<b>SUBMISSION OF PROXY FORM</b>".</li> <li>4. Read and agree to the Terms and Conditions and confirm the Declaration.</li> <li>5. Indicate the total number of shares assigned to your proxy(s) to vote on your behalf.</li> <li>6. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint the Chairman as your proxy.</li> <li>7. Indicate your voting instructions – FOR or AGAINST or ABSTAIN.</li> <li>8. Print the proxy form for your record.</li> </ol>

## ADMINISTRATIVE NOTES (CONT'D)

### APPOINTMENT OF PROXY OR ATTORNEY (CONT'D)

(ii) By Electronic form: (Cont'd)

Procedure	Action
<b>ii. Steps for Corporation or Institutional Shareholders</b>	
Register as a User at The Portal	<ol style="list-style-type: none"> <li>1. Visit the website at <a href="https://smy.vistra.com">https://smy.vistra.com</a>.</li> <li>2. Click “Register” and select “Representative of Corporate Holder” and complete the New User Registration Form.</li> <li>3. Complete the registration form with your personal details.</li> <li>4. Once registration is completed, you will receive an email notification to verify your registered email address.</li> <li>5. After verification, your registration will be reviewed and approval within two (2) working days. A confirmation email will be sent once approved.</li> <li>6. Once you receive the confirmation, activate your account by creating your password.</li> </ol> <p><i>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact Tricor if you need clarifications on the user registration.</i></p>
Proceed with submission of proxy form	<ol style="list-style-type: none"> <li>1. Login to <a href="https://smy.vistra.com">https://smy.vistra.com</a> with your email address and password.</li> <li>2. Select the corporate event: “<b>HONG SENG CONSOLIDATED BERHAD 24<sup>TH</sup> AGM</b>”.</li> <li>3. Navigate to the icon “&gt;” at the end of the corporate event.</li> <li>4. Read and agree to the Terms and Conditions and confirm the Declaration.</li> <li>5. Select the corporate holder’s name.</li> <li>6. Proceed to download the submission file.</li> <li>7. Prepare the file for the appointment of proxy(ies) by inserting the required data.</li> <li>8. Proceed to upload the duly completed proxy appointment file.</li> <li>9. Select “Confirm” to complete your submission.</li> <li>10. Print the confirmation report of your submission for your record.</li> </ol>

### VOTING AT MEETING

1. The voting at the 24<sup>th</sup> AGM will be conducted by poll in accordance with Paragraph 8.29A of Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”). The Company has appointed Tricor Investor & Issuing House Services Sdn. Bhd. as Poll Administrator to conduct poll voting electronically (e-voting) via The Portal and Independent Scrutineers will be appointed to verify the results of the poll.
2. During the 24<sup>th</sup> AGM, the Chairman will invite the Poll Administrator to brief you on the poll procedure.
3. Upon completion of the voting session for the 24<sup>th</sup> AGM, the Independent Scrutineers will verify the poll results for the announcement by the Chairman, followed by the Chairman’s declaration whether the resolutions are carried.

## ADMINISTRATIVE NOTES (CONT'D)

### RESULTS OF THE VOTING

The resolutions proposed at the 24<sup>th</sup> AGM and the results of the voting will be announced at the 24<sup>th</sup> AGM and subsequently via an announcement made by the Company through Bursa Securities at [www.bursamalaysia.com](http://www.bursamalaysia.com).

### NO RECORDING OR PHOTOGRAPHY

No recording or photography of the 24<sup>th</sup> AGM proceedings is allowed without prior written permission of the Company.

### NO SMOKING POLICY

A no smoking policy is maintained in the Meeting Hall. Your co-operation is much appreciated.

### ENQUIRY

If you have any enquiry prior to the meeting, you may contact the Poll Administrator during office hours on Mondays to Fridays from 8:30 a.m. to 5:30 p.m. (except public holidays).

<b>Tricor Investor &amp; Issuing House Services Sdn. Bhd.</b>		
<b>Telephone Number</b>	General Line	603-2783 9299
<b>Contact Person</b>	Mr Mohammad Amirul Iskandar	603-2783 9279 mohammad.amirul@vistra.com
	Mr Syafiqul Hafidz	603-2783 9024 syafiqul.hafidz@vistra.com.com
<b>Email</b>	is.enquiry@vistra.com	

The Company may at its discretion make any changes to the above arrangements in the event of unforeseen circumstances.



**HONG SENG CONSOLIDATED BERHAD**  
REGISTRATION NO. 200101001581 (537337-M)

## PROXY FORM

(Before completing this form please refer to the notes below)

No. of shares held	CDS Account No.

I/We \* \_\_\_\_\_ NRIC/Passport/Registration No.\* \_\_\_\_\_  
(Full name in block)

of \_\_\_\_\_  
(Address)

with email address \_\_\_\_\_ mobile phone no. \_\_\_\_\_

being a member/members\* of **HONG SENG CONSOLIDATED BERHAD** ("the Company") hereby appoint(s):-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

and / or\*

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			
Email Address			
Mobile Phone No.			

or failing him/her\*, the Chairman of the Meeting as my/our\* proxy to vote for me/us\* on my/our\* behalf at the Twenty-Fourth (24<sup>th</sup>) Annual General Meeting ("24<sup>th</sup> AGM" or "the Meeting") of the Company to be held at Ballroom V, Main Wing, Jalan Kelab Tropicana, Tropicana Golf & Country Resort, 47410 Petaling Jaya, Selangor Darul Ehsan on Wednesday, 18 March 2026 at 10:00 a.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her\* discretion.

No.	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fees and/or benefits of RM450,000.00 for the period commencing from the date immediately after the 24 <sup>th</sup> AGM until the date of the next Annual General Meeting ("AGM") of the Company.		
2.	To re-elect Mr. Leong Kam Soon as a Director of the Company.		
3.	To re-elect Dato' Kang Chez Chiang as a Director of the Company.		
4.	To re-elect Datuk Dr. Yacob Bin Mustafa as a Director of the Company.		
5.	To re-elect Mr. Wong Weng Yew as a Director of the Company.		
6.	To re-elect Ms. Lim Poh Leng as a Director of the Company.		
7.	To re-elect Mr. Ng Keok Chai as a Director of the Company.		
8.	To re-appoint Messrs. Morison LC PLT as Auditors of the Company.		
9.	To approve the general authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		

\* delete whichever not applicable

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2026

\_\_\_\_\_  
Signature of Member(s) / Common Seal



**Notes:**

- (a) A member who is entitled to attend, participate, speak and vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- (b) A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak at the Meeting.
- (c) 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, either under the seal or under the hand of an officer or attorney duly authorised.
- (d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (e) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- (f) To be valid, the instrument appointing a proxy may be made in hard copy form or by electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time for holding the Meeting:-
  - (i) In hard copy form:  
In the case of an appointment made in hard copy form, the proxy form must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or alternatively, at the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan.
  - (ii) By electronic form:  
The proxy form can be electronically lodged via Vistra Share Registry and IPO (MY) portal ("**The Portal**") at <https://srmv.vistra.com>. Please refer to the Administrative Notes on the procedure for electronic lodgement of proxy form.
- (g) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 68 of the Company's Constitution to issue a General Meeting Record of Depositors as at 11 March 2026. Only members whose names appear in the General Meeting Record of Depositors as at 11 March 2026 shall be regarded as members and entitled to attend, participate, speak and vote at the Meeting.
- (h) All the resolutions set out in this Notice of Meeting will be put to vote by poll.
- (i) The members are advised to refer to the Administrative Notes on the registration process for the Meeting.
- (j) Kindly check Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com) and the Company's website at [www.hongseng.com.my](http://www.hongseng.com.my) for the latest updates on the status of the Meeting.

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AFFIX  
STAMP

The Poll Administrator of

**HONG SENG CONSOLIDATED BERHAD**  
c/o Tricor Investor & Issuing House Services Sdn. Bhd.

Unit 32-01, Level 32, Tower A,  
Vertical Business Suite, Avenue 3, Bangsar South,  
No. 8, Jalan Kerinchi,  
59200 Kuala Lumpur,  
Wilayah Persekutuan, Malaysia

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**Hong Seng Consolidated Berhad**  
Registration No. 200101001581 (537337-M)

No. 5, Jalan 51A/223, Seksyen 51A,  
46100 Petaling Jaya,  
Selangor, Malaysia

Hotline: +603-7887 1666

[www.hongseng.com.my](http://www.hongseng.com.my)