



HIL INDUSTRIES BERHAD

Registration No: 196901000472 (8812-M)



**ONE-STOP
PLASTIC SOLUTIONS
PROVIDER**



**DELIVERING
AFFORDABLE
DREAM HOMES**

**ANNUAL REPORT
2025**



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock
Executive Chairman

Dato' Milton Norman Ng Kwee Leong
Managing Director

Steven Junior Ng Kwee Leng
Executive Director

Malcolm Jeremy Ng Kwee Seng
Executive Director

Dato' Ir. Hashim Bin Osman
Independent Non-Executive Director

Ooi Hun Yong
Independent Non-Executive Director

Norazkha Binti Dahlan
Independent Non-Executive Director

Tong Sook Yee
Independent Non-Executive Director

COMPANY SECRETARY

Cheam Tau Chern (MIA 18593)
SSM PC No.: 201908000002

REGISTERED OFFICE

Lot 3, Jalan Lada Sulah 16/11, Section 16
40000 Shah Alam, Selangor Darul Ehsan
Tel : 03-5510 0501
Fax : 03-5510 0493
Email : pd_professional@yahoo.com

SHARE REGISTRARS

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
Tel : 03-2783 9299
Fax : 03-2783 9222
Email : is.enquiry@vistra.com
Website : www.vistra.com

AUDITORS

HLB Ler Lum Chew PLT (201906002362 & AF0276)
Chartered Accountants
A Member of HLB International

PRINCIPAL BANKERS

Hong Leong Bank Berhad
Public Bank Berhad
OCBC Bank (Malaysia) Berhad
United Overseas Bank (M) Bhd.
CIMB Bank Berhad
Maybank Islamic Berhad

WEBSITE

<https://www.hil.com.my>

STOCK EXCHANGE LISTING

Bursa Malaysia Securities Berhad
Transferred from Second Board to Main Board
on 21st September 2006
Stock Name: HIL
Stock Code: 8443

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report of Hil Industries Berhad (“HIL” or “the Group”) for the financial year ended 31st December 2025.

The Company & its Performance Highlights

During the financial year under review, the Group recorded revenue of RM219.023 million and profit before tax of RM50.806 million, representing a decrease of approximately RM0.875 million or 0.40% in revenue and a decrease of RM7.176 million or 12.38% in profit before tax, as compared to revenue of RM219.898 million and profit before tax of RM57.982 million in the preceding financial year.

Our manufacturing segment continued to deliver strong growth in both sales and profitability, driven by sustained demand from our automotive customers. Meanwhile, the property division's performance was impacted by the absence of new project launches. Notwithstanding this, we remain committed to strengthening and growing this segment.

For the year under review, the Group recorded basic earnings per share attributable to shareholders of 9.88 sen, representing a decrease of 2.57 sen from the corresponding year. Meanwhile, net assets per share stood at RM1.51, an increase of RM0.07 compared to the preceding financial year.

Our financial position remains strong, with a net cash position of RM77.920 million. This provides us with the flexibility to pursue expansion across both our manufacturing and property divisions, finance ongoing projects, and explore opportunities to expand our land bank for future development.

Sustainability & ESG Commitment

The Group remains committed to embedding Environmental, Social, and Governance (“ESG”) principles into our business strategy and operations. We recognise that sustainable practices are essential to long-term value creation for our stakeholders.

From an environmental perspective, we continue to enhance operational efficiencies within our manufacturing processes, focusing on reducing waste, improving energy efficiency, and minimising our environmental footprint. In our property development activities, we strive to incorporate sustainable design considerations, including efficient land use, green spaces and environmentally responsible construction practices.

On the social front, we place strong emphasis on the well-being, safety, and development of our employees. We continue to foster a safe and inclusive workplace while investing in talent development and training. We also remain committed to contributing positively to the communities in which we operate.

In terms of governance, we uphold high standards of corporate governance, transparency, and ethical business conduct. The Board remains vigilant in ensuring that the Group operates with integrity, accountability and in compliance with all regulatory requirements.

Moving forward, we will continue to strengthen our ESG practices and disclosures, aligning with evolving stakeholder expectations and regulatory developments.

Dividends

The Board of Directors has declared a first and final single tier dividend of 2.50 sen per ordinary share in respect of the financial year ended 31 December 2025.

Growth Outlook for 2026

The Group has entered into several Sale and Purchase Agreements to acquire 68 acres of freehold land in Banting. Strategically located just five minutes from Banting town and within the growth corridor of Southern Selangor, this land presents strong development potential.

This acquisition, together with our earlier land purchases in Mont Kiara and Kota Kemuning, as well as upcoming launches at Carey Island and Super Link Terrace Phase 2 in Amverton Links Klang will further strengthen our position as a reputable developer as we continue our journey toward becoming a leading property developer in Malaysia.

On the manufacturing front, with our key customers' continued strong sales and the introduction of several new automotive models, we anticipate sustained strong performance in this division moving into 2026.

Appreciation

On behalf of the Board, I would like to express our sincere appreciation to our valued and loyal shareholders, customers, suppliers, business partners, and bankers for their continued support and confidence in the Group.

I would also like to extend my gratitude to my fellow Board members, as well as the management and staff, for their dedication and unwavering commitment to enhancing the Group's performance.

Thank you for your continued support and interest in the Group.

Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock
April 2026

PROFILE OF DIRECTORS AND KEY SENIOR MANAGEMENT

TAN SRI DATO' IR. NG BOON THONG @ NG THIAN HOCK

Executive Chairman
(Key Senior Management)

Nationality	Malaysian
Age	78
Gender	Male
Date Appointed	7 February 2003

Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock was appointed as an Executive Chairman since 4th July 2003. Tan Sri Dato' Ir. Ng graduated with an Honours Degree in Civil Engineering from the University of Malaya. He began his career in 1970 as an engineer in Perbadanan Urus Air Selangor Berhad before being appointed as a Municipal Councillor for the Selangor Government, State Assemblyman for the Barisan Nasional Party for the Selat Klang and Pandamaran constituencies and a Senator for the Government.

Tan Sri Dato' Ir. Ng is a substantial shareholder of HIL. He is also a Director of Amverton Berhad.

His children, Dato' Milton Norman Ng Kwee Leong, Steven Junior Ng Kwee Leng and Malcolm Jeremy Ng Kwee Seng, are also members of the Board.

DATO' MILTON NORMAN NG KWEE LEONG

Managing Director
(Key Senior Management)

Nationality	Malaysian
Age	55
Gender	Male
Date Appointed	3 July 1999

Dato' Milton Norman Ng Kwee Leong graduated with an Honours Degree in Law from the University of Western Australia in 1994. After graduating, he spent 9 months doing his pupillage in the legal office of Shearn Delamore and was admitted to the Malaysian Bar as an Advocate and Solicitor in May 1995. He spent a further 6 months in Shearn Delamore before joining HIL in December 1995 as general manager where he was responsible for the day-to-day operations of the Company.

Dato' Milton is a substantial shareholder of the Company by virtue of his parents' shareholdings. He is also a Director of Amverton Berhad and Bukit Kemuning Golf & Country Club Berhad.

His father, Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock, and siblings, Steven Junior Ng Kwee Leng and Malcolm Jeremy Ng Kwee Seng, are also members of the Board.

STEVEN JUNIOR NG KWEE LENG

Executive Director
(Key Senior Management)

Nationality	Malaysian
Age	45
Gender	Male
Date Appointed	1 June 2020

Mr. Steven Junior Ng Kwee Leng holds a Bachelor of Commerce Degree majoring in Finance and Marketing with a minor in Business Law, from University of Western Australia.

Mr. Steven is a substantial shareholder of the Company by virtue of his parents' shareholdings. He is also a Director of Amverton Berhad and Bukit Kemuning Golf & Country Club Berhad.

His father, Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock, and siblings, Dato' Milton Norman Ng Kwee Leong and Malcolm Jeremy Ng Kwee Seng, are also members of the Board.

BOARD OF DIRECTOR'S PROFILE (CONTINUED)

MALCOLM JEREMY NG KWEE SENG

Executive Director
(Key Senior Management)

Nationality Malaysian

Age 40

Gender Male

Date Appointed 8 September 2008

Mr. Malcolm Jeremy Ng Kwee Seng graduated with double Degrees majoring in Accounting and Law from Murdoch University, Western Australia in 2008. After graduating he spent a brief period working in MIMB Investment Bank Bhd before joining HIL. He is currently in charge of the finance and accounting operations of the Group.

Mr. Malcolm is a substantial shareholder of the Company by virtue of his parents' shareholdings. He is also a Director of Amverton Berhad.

His father, Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock, and siblings, Dato' Milton Norman Ng Kwee Leong and Steven Junior Ng Kwee Leng, are also members of the Board.

DATO' IR. HASHIM BIN OSMAN

Independent and Non-Executive Director

Nationality Malaysian

Age 70

Gender Male

Date Appointed 27 September 2022

Mr. Dato' Ir. Hashim Bin Osman graduated with a Bachelor of Science from the University Teknologi Mara (UiTM), Malaysia. He has over 36 years of working experience with the Department of Irrigation and Drainage Malaysia ("DID"). Since 1979, he worked at the headquarters of DID in Kuala Lumpur ("DID HQ") as a technical assistant. He later pursued a Bachelor of Science in civil engineering in 1982 and in 1985, he specialised in hydrology engineering at DID HQ. In 1989, he was transferred to the DID at Kuala Pilah, Negeri Sembilan and he occupied the position of District Engineer.

In 1994, he was the District Engineer for the DID at Seremban, Negeri Sembilan. He subsequently moved to Pulau Pinang in 1998 and worked as a senior engineer at the Integrated Agriculture Development Project. He then returned to Kuala Langat to be a District Engineer at Kuala Langat, Banting in Selangor in the year 2004 and in 2007, he returned to DID HQ to be a Senior Engineer at the Flood Mitigation Project division.

In 2009, he became the Director of the DID Wilayah Persekutuan and in 2010, he was transferred to Negeri Sembilan to be the Director of the DID Negeri Sembilan. In 2015, he was transferred back to Selangor to be the Director of the DID Selangor. He was conferred the honour of "Darjah Indera Mahkota Pahang" (D.I.M.P) from the state of Pahang in 2016 which carries the title Dato'. In 2017, he became the Director of the Selangor Management Water Authority. In 2018, he obtained his second honours which was "Darjah Kebesaran Dato' Paduka Mahkota Selangor" (D.P.M.S) from the state of Selangor which also carries the title Dato'. He retired from active service in 2021.

Dato' Ir. Hashim does not have any directorship in other public companies or listed issuers.

He does not have any interest in the securities of the Company and does not have any family relationship with any Director and/or major shareholder of the Company.

Committees:			
Audit Committee	Nomination Committee	Remuneration Committee	Sustainability Committee

BOARD OF DIRECTOR'S PROFILE (CONTINUED)

OOI HUN YONG

Independent and Non-Executive Director

Nationality	Malaysian
Age	46
Gender	Male
Date Appointed	1 June 2020

Mr. Ooi Hun Yong graduated with a Bachelor of Commerce (Accounting & Finance) from the University of Sydney, Australia. He is also a member of the Malaysian Institute of Accountants (MIA), the Institute of Internal Auditors Malaysia as well as Fellow CPA (FCPA) Australia. Mr. Ooi has over 20 years of experience in the field of corporate planning and finance covering mergers and acquisitions, fund raising exercises and financial structuring. He was formerly an independent non-executive director of I-Berhad and the Chairman of the Audit, Nominating and Remuneration Committees of I-Berhad. He was formerly the Chief Financial Officer of Green Ocean Corporation Bhd., which he joined in 2012. In 2014, he was appointed as Head of Commercial & Economics of DNEK Petroleum Sdn. Bhd., a subsidiary of Dagang Nexchange Berhad and left the Group in 2016.

His notable achievements included structuring the acquisition and sale and leaseback of directional drilling tools with Baker Hughes as well as structuring the acquisition of Ping Petroleum during his tenure with DNEK Petroleum. He was also instrumental in completing the fund-raising exercise for Green Ocean Corporation Bhd.

Mr. Ooi does not have any directorship in other public companies or listed issuers.

He does not have any interest in the securities of the Company and does not have any family relationship with any Director and/or major shareholder of the Company.

Committees:			
Audit Committee	Nomination Committee	Remuneration Committee	Sustainability Committee

NORAZKHA BINTI DAHLAN

Independent and Non-Executive Director

Nationality	Malaysian
Age	55
Gender	Female
Date Appointed	12 April 2023

Puan Norazkha Binti Dahlan graduated with a Degree in Bachelor of Business Administration (BBA) majoring in Finance from Western Michigan University US, and a Diploma in Banking Studies from UiTM. She had her work experience in D&C Bank as an operations officer from 1992 to 1994. She then ventured into hospitality and joined Value Inn Hospitality from 1997 to 1999. She had also served at Hong Leong Bank Berhad from 1999 to 2003 and then moved on to join CIMB Bank Berhad in 2003 to 2007. Since 2008 until now, she is the Director of several private companies.

Puan Norazkha does not have any directorship in other public companies or listed issuers.

She does not have any substantial interest in the securities of the Company and does not have any family relationship with any Director and/or major shareholder of the Company.

Committees:			
Audit Committee	Nomination Committee	Remuneration Committee	Sustainability Committee

BOARD OF DIRECTOR'S PROFILE (CONTINUED)

TONG SOOK YEE

Independent and Non-Executive Director

Nationality	Malaysian
Age	54
Gender	Female
Date Appointed	12 April 2023

Ms. Tong Sook Yee is a qualified registered Real Estate Agent, which she obtained in 1997. She is currently a Director of PA International Real Estate (KL) Sdn. Bhd. She joined the company in March 2008 and heads the Agency Division at PA Kuala Lumpur.

Ms Tong started her real estate career in CH Williams Talhar & Wong in 1993 as a real estate negotiator in the Agency Department. She moved on to the Project Marketing Department as Senior Marketing Executive and then on to the Project Marketing & Investment Department (Corporate Section) as a Real Estate Agent. Her experience stems mainly from marketing of properties in the local, national and international arena including London, Shanghai, Sydney, Amsterdam, Singapore, Hong Kong, Beijing and Thailand. Throughout her real estate stint, she was involved in the marketing of various properties with duties ranging from planning, pricing and promotion of properties, securing tenants and purchasers, as well as negotiation of terms and contracts. She has also represented tenants in office relocation and expansion exercises. Additionally, she is experienced in the disposal of properties via private treaties as well as public tender exercises and sales via expression of interest. She has more than 30 years of experience in the property industry.

Ms. Tong does not have any directorship in other public companies or listed issuers.

She does not have any interest in the securities of the Company and does not have any family relationship with any Director and/or major shareholder of the Company.

OTHER INFORMATION ON DIRECTORS AND KEY SENIOR MANAGEMENT

None of the Directors and key senior management have any conflict of interest with the Company or its subsidiaries, and none have been convicted of any offences (other than traffic offences) within the past five years.

MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

With over 50 years of experience in the plastic injection industry, HIL has established a strong reputation as a leading one-stop custom injection moulder of engineering plastics in Southeast Asia.

HIL commenced operations in Malaysia in 1969 as Hagemeyer Industries (M) Sdn. Bhd., a Dutch company involved in the manufacturing and trading of “BIC” ball pens. Following a management buyout in 1989, the Company was renamed Hil Industries Sdn. Bhd. It was subsequently converted into a public limited company on 10 June 1991 and listed on the Kuala Lumpur Stock Exchange on 28 January 1992.

HIL achieved ISO 9002 accreditation in 1991 and was the first plastic injection moulder in Malaysia to do so. Since then, the Group has established documented policies and procedures in alignment with a Certified Quality Management System. The Group has been awarded **IATF 16949:2016** and **ISO 9001:2015** certifications for its Quality Management System, as well as **ISO 14001:2015** certification for its Environmental Management System by **National Quality Assurance Limited (NQA), UK/US**. In addition, the Group is certified to **ISO 13485:2016 Medical Devices Quality Management System** and **ISO 45001:2018 Occupational Health and Safety Management System**, both certified by **SIRIM**, reflecting the Group’s commitment to quality excellence, environmental responsibility, occupational safety, regulatory compliance, and continual improvement.

These certifications reflect the Group’s commitment to quality excellence, environmental responsibility, workplace safety, regulatory compliance, and continuous improvement. HIL has also been an approved manufacturer with Underwriters Laboratories (USA) since 1979.

The Group’s main manufacturing facility is located on a 7-acre site in Section 16, Shah Alam, housing injection moulding, mould making, and robotic spray-painting operations. In 1998, a second facility was established in Bukit Kemuning, Shah Alam, with a built-up area of over 10,000 square metres, incorporating assembly operations and blow injection moulding facilities. In 2020, part of this facility was converted into an additional production space to support expansion.

In 2007, HIL established its third factory in the Prai Industrial Estate Free Trade Zone, Penang, providing injection moulding, robotic spray painting, and sub-assembly services to better support OEM customers in the northern region.

In 2024, the Group commenced operations at its fourth facility in Bukit Sentosa, with a built-up area of over 2,000 square metres. This facility includes headlining processes and the production of polyurethane (PU) sheets, enabling greater self-reliance while reducing logistics costs and supply chain disruptions.

HIL serves a diverse range of industries, including automotive, consumer electronics, IT-related products, and industrial applications. Its customer base comprises well-established multinational corporations where quality, cost efficiency, and timely delivery are critical. As a one-stop plastic solutions provider, HIL offers end-to-end services from product design and raw material procurement to mould fabrication, assembly, and final testing.

In line with its strategy to diversify earnings, HIL ventured into property development in June 2000 through its subsidiaries. The Group continues to expand this segment, focusing on affordable housing within the Klang Valley, while actively exploring land acquisition and joint venture opportunities to sustain long-term growth.

Business Operation Review

The Group operated in a challenging macroeconomic environment in 2025, characterised by subdued global sentiment and cautious domestic market conditions.

Manufacturing Division

The manufacturing division maintained a satisfactory performance in 2025, supported by sustained demand from key customers and the scheduled launch of new projects.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONTINUED)

Business Operation Review (Cont'd)

Manufacturing Division (Cont'd)

The Group continues to invest in automation, new machinery, and workforce development to enhance productivity and operational efficiency. In line with its digitalisation initiatives, the Group is progressively integrating advanced manufacturing technologies, including artificial intelligence (AI), into its operations to improve process efficiency and cost optimisation. The Group also continues to strengthen relationships with existing customers while actively pursuing opportunities to diversify its customer base. These initiatives are expected to support revenue stability and long-term growth.

Nevertheless, the Group remains cautious of prevailing uncertainties, including fluctuations in raw material prices, foreign exchange volatility, supply chain disruptions (due to the current war in Eastern Europe and more so the Middle East), and regulatory changes. The Group continues to monitor these developments closely and implement appropriate risk mitigation measures.

MACHINERIES TO EXPAND PRODUCTION CAPABILITY AND CATER TO STRONG DEMAND

SHAH ALAM FACTORY



Grab Handle Assembly Line



Injection Machine

BUKIT KEMUNING FACTORY



Yaskawa Robotic Spray Booth



Injection Machine

MANAGEMENT DISCUSSION AND ANALYSIS
(CONTINUED)

Business Operation Review (Cont'd)

Manufacturing Division (Cont'd)

MACHINERIES TO EXPAND PRODUCTION CAPABILITY AND CATER TO STRONG DEMAND (CONT'D)

BUKIT SENTOSA FACTORY



PU Pouring Machine



Headlining Press Machine



Headlining Yaskawa Robot Arm Cutting Process



Headlining Glue Coating Line

Property Division

The property division is expected to record improved performance in the coming periods, supported by upcoming project launches and strategic collaborations.

On 4 August 2025, Amverton Prop Sdn. Bhd., a subsidiary of the Group, entered into a joint venture with Perbadanan Kemajuan Negeri Selangor (PKNS Group) to undertake a strategic development project - an impactful and transformative urban initiative aimed at developing Shah Alam. This collaboration marks an important milestone in the Group's property development journey and is expected to contribute positively to its long-term growth prospects. The Group also acquired approximately 68 acres of freehold land in the town of Banting, within an established residential neighbourhood prime for development. This project is expected to generate good returns to the group within a relatively short period of time with a planned launching by early 2027.

The Group continues to focus on expanding its property development activities within the Klang Valley, with emphasis on affordable housing to meet market demand. In line with this strategy, the Group will continue to actively pursue opportunities to expand its landbank to support sustainable growth.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Property Division (Cont'd)

The Group's upcoming launches include wellness villas at Carey Island, Residensi Vista Amverton in Bukit Kemuning, Amverton Riverside in Banting, Amverton Rise in Mont Kiara and Super Link Terrace Phase 2 in Amverton Links Klang. These developments are expected to contribute to future sales and enhance revenue contribution moving forward.

Notwithstanding the above, the property division remains subject to prevailing market conditions, including property demand, financing availability, construction cost pressures (due to the escalating prices as a result of the conflict in the middle East), and regulatory developments. The Group will continue to adopt prudent measures in managing these risks.

COMPLETED PROJECTS



154 Units Terrace House



100 Units Garden Townhouse

ONGOING PROJECT



68 Units Super Link Terrace



Wellness Villas At Carey Circles

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Property Division (Cont'd)

FUTURE PROJECTS



Residensi Rimbun
Amverton II
(Broadwise)



Amverton Rise
~Mont Kiara~



65 Units Double-Storey Terrace Houses



57 Units Super Link Terrace Phase 2 Amverton Links



437 Units Condominium (Selbourne)

MANAGEMENT DISCUSSION AND ANALYSIS
(CONTINUED)

Property Division (Cont'd)

FUTURE PROJECTS (CONT'D)



Carey Garden Townhouse



Amverton Riverside

Financial Review

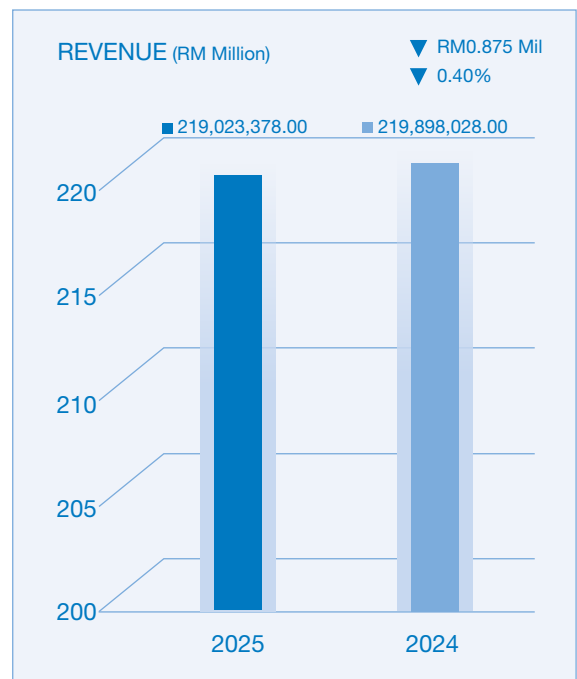
Revenue

For financial year ended 31st December 2025, the Group recorded revenue of RM219.023 million compared to revenue of RM219.898 million in the previous financial year.

This represented a decrease in revenue of RM0.875 million or 0.40%.

For the manufacturing division the revenue growth was mainly attributable to higher sales volume, the completion of tooling activities, and the commencement of two new project launches from the Group's main customer.

For the property division, it registered a decrease in revenue due to the completion of the 154-units project at Bukit Amverton in Sungai Buloh and the 100 units Townhouse in Amverton Links. Following the project's completion, performance weakened, and in the absence of new project launches during the year, earnings contribution was not replenished, resulting in a significant decline in the segment's results.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Financial Review (Cont'd)

Profit Before Tax

The Group recorded a profit before tax of RM50.806 million for the financial year ended 31 December 2025, representing a decrease of RM7.176 million or 12.38% compared to the preceding financial year.

The manufacturing division delivered improved performance, supported by stronger sales growth and better operating results. However, overall Group performance was affected by the weaker contribution from the property division.

The decline in the property division was primarily due to the absence of new project launches during the financial year.

Profit attributable to owners of the Company

Profit after tax attributable to owners of the Company declined by 20.64% from RM41.325 million in the previous financial year to RM32.796 million in the current financial year. This was in part due to additional tax assessments of RM4.538 million imposed by the Inland Revenue Board (IRB), which adversely affected net income.

Liquidity

The Group remains in a strong liquidity position, with cash and bank balances of RM95.113 million as at 31 December 2025. This strong cash reserve provides the Group with the financial flexibility to pursue strategic investments, support business expansion, and participate in opportunities that are expected to generate sustainable long-term returns.

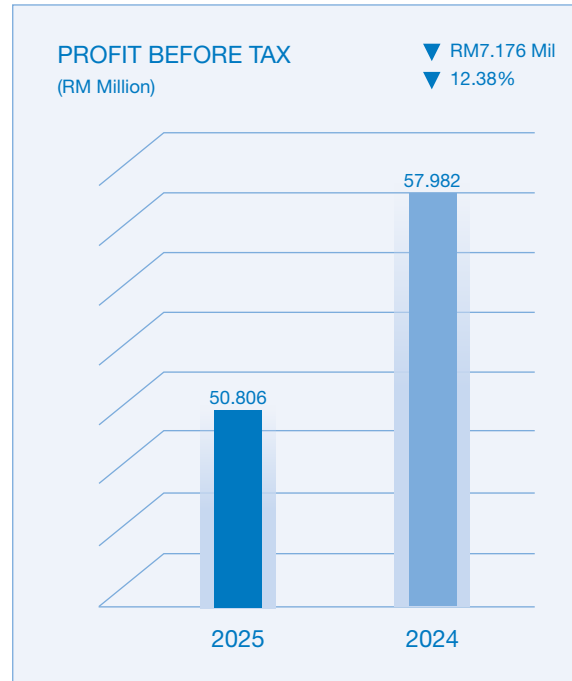
Gearing

The Group's borrowings comprise finance leases and overdraft facilities. Total borrowings increased from RM0.65 million as at 31 December 2024 to RM17.19 million as at 31 December 2025.

Dividend

A first and final single-tier dividend of 3.0 sen per ordinary share in respect of the financial year ended 31 December 2024, amounting to RM9,958,224 as disclosed in the Directors' Report for that year, was paid on 3 July 2025.

For the financial year ended 31 December 2025, the Board of Directors declared and approved a first and final single-tier dividend of 2.50 sen per ordinary share based on 331,940,812 ordinary shares, amounting to a total dividend payable of RM8,298,520. The entitlement and payment dates will be determined and announced in due course.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Outlook

The Group remains cautiously optimistic on its prospects for 2026 underpinned by continued resilience in domestic demand and ongoing recovery momentum in selected economic sectors. Nevertheless, the operating environment is expected to remain challenging, shaped by external headwinds, including evolving global trade dynamics arising from recently announced United States tariffs, as well as heightened geopolitical tensions in Ukraine and the Middle East, including the recent conflict between Iran and Israel, which may contribute to broader market uncertainty.

Domestically, the implementation of the Sales and Service Tax (SST), alongside the increase in the statutory minimum wage, is expected to result in some upward pressure on operating costs and may influence consumer sentiment. The Group will continue to adopt prudent cost management measures while maintaining operational efficiency and execution discipline.

Against this backdrop, the Group remains focused on strengthening its long-term fundamentals through continuous operational enhancements, productivity improvements, and strategic investments across its core businesses. In the manufacturing division, ongoing initiatives in automation, digitalisation, and advanced manufacturing technologies, including artificial intelligence (AI), are expected to further enhance efficiency, cost competitiveness, and resilience. The Group also continues to explore opportunities within the electric vehicle (EV) value chain and other emerging segments to broaden its customer base and support sustainable growth.

In the property division, the Group's development pipeline, supported by strategic landbank expansion and joint venture collaborations, is expected to contribute more meaningfully in the coming years. Key upcoming developments, including projects in Carey Island and selected locations within the Klang Valley, will further strengthen the Group's presence in the property sector and underpin long-term earnings visibility.

Barring any unforeseen circumstances, the Board remains confident that, supported by its diversified business portfolio, disciplined execution, and ongoing strategic initiatives, the Group is well-positioned to deliver sustainable performance for the financial year ending 2026.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement sets out the principal features of the Group's corporate governance approach, summary of corporate governance practices during the financial year and future priorities in relation to corporate governance. The Corporate Governance Overview Statement is made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (MMLR) and guidance was drawn from Practice Note 9 of the MMLR and the Corporate Governance Guide (4th edition) issued by Bursa Malaysia Securities Berhad (Bursa Malaysia).

This Corporate Governance Overview Statement should also be read in tandem with the other statements in the Annual Report, namely Statement of Risk Management and Internal Control, Audit Committee Report and Sustainability Statement.

The Board of Directors recognise the importance of good corporate governance and is committed to ensure that a high standard of corporate governance is practiced throughout the Group as a fundamental part of discharging its responsibilities to protect and enhance shareholder value and the financial performance of the Company and of the Group.

SUMMARY OF CORPORATE GOVERNANCE APPROACH

In manifesting the Group's commitment towards sound corporate governance, the Group has benchmarked its practices against the relevant promulgations as well as other better practices. The Group has complied with all material aspects of the principles set out in Malaysian Code on Corporate Governance 2021 ("MCCG") for the financial year ended 31 December 2025 except those that are not applicable to the Group. Further details on the application of each individual Practice of MCCG are available in the Corporate Governance Report.

The Board of Directors ("the Board") is pleased to set out below the manner in which the Group has applied the three (3) main principles in the MCCG known as Board Leadership and Effectiveness (**Principle A**), Effective Audit and Risk Management (**Principle B**) and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders (**Principle C**) throughout the financial year ended 31 December 2025.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I Board Roles and Responsibilities

a) Clear Functions of the Board and Management

The Group acknowledges the pivotal role played by the Board of Directors in the stewardship of its direction and operations. To fulfill this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction, establishing goals for Management and monitoring the achievement of these goals.

The Board is responsible for oversight of the Company. Key matters reserved for the Board's approval include the following:-

- Approval of financial results
- Declaration of dividend and authorisation of distribution
- Annual business plan
- Acquisition or disposal of material fixed assets

To ensure the effective discharge of its function and responsibilities, the Board has delegated specific responsibilities to four (4) sub-committees (Audit, Nominating, Remuneration and Sustainability Committees). The details of the Audit Committee are set out on page 26 to 27 while the details of the Nominating, Remuneration and Sustainability Committees are set out below. These Committees have the authority to examine particular issues and report back to the Board with their recommendations. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

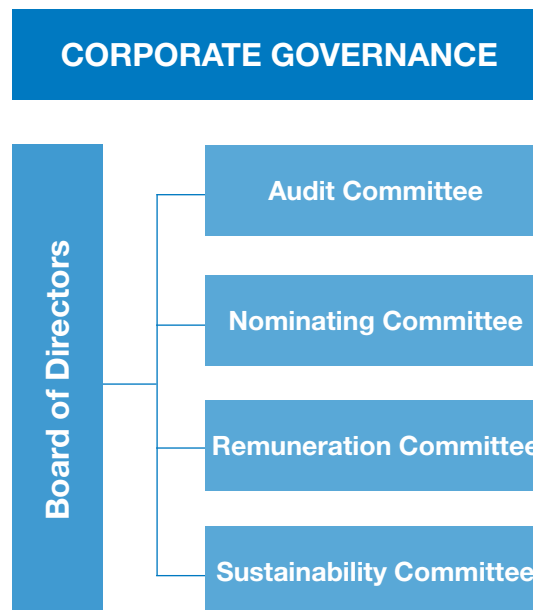
CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

I Board Roles and Responsibilities (continued)

a) Clear Functions of the Board and Management (continued)

The daily operations have been delegated to management. Management has been given the authority to decide on operation matters within certain set limits where quick decisions are important to the growth and success of the Group. Management is however accountable to the Board and must refer to the Board for decision where the matters are material and involves strategic decisions.



b) Clear Roles and Responsibilities

The Board provides stewardship to the Group's strategic direction and operations, and ultimately the enhancement of long-term shareholders' value. The Board is primarily responsible for:

- Adopting and monitoring progress of the Company's strategies, budgets, plans and policies;
- Overseeing the conduct of the Company's business to evaluate whether the business is properly managed;
- Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks;
- Succession planning, including appointing, training, fixing the compensation of and where appropriate, replacing senior management;
- Developing and implementing investor relations programme or shareholders communication policy for the Group; and
- Reviewing the adequacy and integrity of the Group's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

I Board Roles and Responsibilities (continued)

c) Separation of Position of the Chairman and Managing Director

The positions of Chairman and Managing Director have always been held by different individuals. There is a clear division of responsibilities between the two roles to ensure that there is an appropriate balance of power and authority to facilitate efficiency and expedite decision making.

The Company's Chairman, Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock, is an Executive Director and is not an Independent Director by virtue of his substantial interest in the Group while the position of Managing Director is held by Dato' Milton Norman Ng Kwee Leong. The Chairman is primarily responsible for ensuring the effective conduct of the Board whilst the Managing Director oversees the day-to-day management and running of the Group and the implementation of Board's decisions and policies.

As the Chairman has a significant relevant interest in the Company, he is well placed to act on behalf of shareholders and in their best interest. At least half of the Board comprises independent directors which is in line with Practice 5.2 of MCCG.

Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock does not sit on the Audit, Nominating or Remuneration Committees in line with Practice 1.4 of MCCG. As such there is no risk of self-review and it also ensures the objectivity of the aforementioned committees.

d) Qualified and Competent Company Secretary

The Company Secretary supports the Board and the relevant Board Committees to ensure their effective functioning in accordance with their terms of reference and best practices, and in managing the corporate governance framework of the Group. The Company Secretary also advises the Directors on their fiduciary and statutory duties, as well as compliances with company law, the MMLR, the Company's Constitution, MCCG, Board-adopted policies and other pertinent regulations governing the Company including guiding the Board towards the necessary compliances.

The Company Secretary has a direct functional reporting line to the Chairman and has been accorded with appropriate standing and authority to enable him to discharge his duties in an impartial and effective manner. The appointment or removal of the Company Secretary is the prerogative of the Board.

The Company Secretary has and will continue to constantly keep himself abreast on matters concerning company law, the capital market, corporate governance, and other pertinent matters and changes in the same regulatory environment through continuous training and industry updates. He has also attended many relevant training and professional development programmes.

The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in the discharge of its function and duties.

e) Formalised Ethical Standards through Code of Conduct and Ethics

The Directors continue to adhere to the Company's *Code of Conduct and Ethics* established which is based on principles in relation to integrity, compliance with legal and regulatory requirements and company policies and accountability in order to enhance the high standards of corporate governance and behavior.

The Code of Conduct and Ethics serves as a formal commitment by directors, management and employees to conduct themselves professionally at all times and to do business in a transparent, appropriate and fair manner. The Code of Conduct and Ethics is available on the Group's website, <http://www.hil.com.my>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

I Board Roles and Responsibilities (continued)

f) Directors' Fit and Proper Policy

In May 2022, the Board established the Directors' Fit and Proper Policy. The Policy sets the criteria in relation to a fit and proper requirement for Directors within the Group by exemplifying integrity and good character to promote and support an ethical culture.

g) Whistleblowing Policy

The Group is committed to achieving sustainable performance and delivering value to customers and shareholders without compromising ethical standards, behavioural expectation and trusted reputation. The Board recognises that any genuine commitment to detecting and preventing actual or suspected unethical, unlawful, illegal, wrongful or other improper conduct must include a mechanism whereby employees and other stakeholders can report their concerns freely without fear of reprisal or intimidation.

In line with this commitment, the Board has formalised a Whistleblowing Policy for the Group with the aims to promote a workplace conducive to open communication regarding the Group's business practices.

The Whistleblowing Policy is established to help employees and other stakeholders to enable the employee to raise any concerns of integrity and misconduct in timely and systematic manner, to protect the employees from reprisal or unfair treatment for disclosing concerns in good faith in accordance with the Policy and to develop a culture of accountability, integrity and good governance practices within the Group.

The whistleblowing report can be made to an employee's immediate superior or can be made via the Whistleblowing Channels by filling up the Whistleblowing Report. Any concern raised will be investigated by the appropriate official appointed by the Managing Director.

The outcome will be reported to the Audit Committee or the Board accordingly. The Group reserves the right not to inform the whistleblower of the precise action plan and/or the outcome of the investigation.

There was no incident of whistleblowing received in financial year 2025.

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

The Group is committed to conduct business with honesty, integrity and ethics in all business dealings and jurisdictions in which the Group operates in. In respect to this, the Group has implemented an ABC Framework to regulate inappropriate behaviour such as acts of corruption and adopted an ABC Policy.

The implementation is in line with the amendment of the Malaysian Anti-Corruption Commission Act ("**MACC Act**"), which is the new Section 17A on corporate liability for corruption. The objective of the ABC Policy is to outline the principles and behaviours required to ensure that the Group and the employees comply with anti-bribery and anti-corruption laws and governmental guidance.

The ABC Policy sets out its expectations for internal and external parties working for and on behalf of the Group in preventing bribery or corrupt practices in relation to the Group's businesses.

An assessment was carried out across the Group based on the present and potential corruption risks which took into account of the potential impact and likelihood of occurrence, effectiveness of controls in place and action plans taken to mitigate the corruption risks.

In financial year 2025, no incident of bribery and corruption were reported to the Group. In addition, internal audit activities did not identify bribery or corruption problems or issues.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

I Board Roles and Responsibilities (continued)

i) Conflict of Interest (“COI”)

The COI Policy was approved by the Board and was adopted by the Company in 2024 to ensure that actual and potential COIs of certain key persons in the Company are identified, evaluated, reported, monitored, resolved, eliminated or mitigated effectively.

There was no incident of any actual or potential COI identified or reported in financial year 2025.

j) Strategies Promoting Sustainability

The Board is mindful of the importance of business sustainability and in conducting the Group’s business, the impact on the environmental, social and governance aspects is taken into consideration. The Group established a Sustainability Committee (“SC”) on 22 November 2018 to assist the Board in fulfilling its oversight responsibilities in this area.

The Sustainability Committee comprises the following members:

Ooi Hun Yong	(Independent/Non-Executive Director) - Chairman
Dato’ Ir. Hashim Bin Osman	(Independent/Non-Executive Director)
Norazkha Binti Dahlan	(Independent/Non-Executive Director)

This Committee reports to the Board of Directors and is responsible for the overall implementation and execution of sustainability matters such as to:

- Determine the materiality of various sustainability pillars
- Propose necessary action plans to mitigate issues of concern
- Formulate a strategy to improve key areas of sustainability

The Group also embraces sustainability in its operations. The Group’s activities on corporate social responsibilities for the financial year under review are disclosed in the Sustainability Statement on pages 36 to 68.

II Board Composition

a) Board Charter

The Board Charter is accessible for reference at the Company’s website (<http://www.hil.com.my>). In the course of establishing a Board Charter, the Board recognises the importance to set out the key values, principles and ethos of the Company, as policies and strategy development are based on these considerations. The Board Charter is expected to include the division of responsibilities and powers between the Board and management as well as the different committees established by the Board.

b) Nominating Committee

The Board established a Nominating Committee on 29 March 2002 as it recognises the importance of the roles the Committee plays not only in the selection and assessment of Directors but also in other aspects of corporate governance which the Committee can assist the Board to discharge its fiduciary and leadership functions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II Board Composition (continued)

b) Nominating Committee (continued)

The Nominating Committee comprises the following members:

Ooi Hun Yong	(Independent/Non-Executive Director) - Chairman
Dato' Ir. Hashim Bin Osman	(Independent/Non-Executive Director)
Norazkha Binti Dahlan	(Independent/Non-Executive Director)

The terms of reference of the Nominating Committee include:

- Annually review the required mix of skills and experience and other qualities, including core competencies which Non-Executive and Executive Directors should have;
- Assess on an annual basis, the effectiveness of the Board as a whole, the committees of the Board and assessing the contribution of each individual Director, including Independent Non-Executive Directors, as well as the Managing Director;
- Assess on an annual basis, the tenure of an Independent Director which should not exceed a cumulative term of nine (9) years. Upon completion of the nine (9) years, an Independent Director may continue to serve on the Board subject to the Director's re-designation as a Non-Independent Director. To be retained as an Independent Director, the Board must justify and seek shareholder's approval for a person who has served in that capacity for more than nine (9) years but less than twelve (12) through a two-tier voting process;
- Recommends candidates to the Board for all directorship to be filled including those proposed by the Managing Director or any senior executives of the Company;
- Recommends Directors to the Board to fill the seats on Board Committees; and
- Carry out its responsibilities with the assistance and services of a Company Secretary, who must ensure that all appointments are properly made and that all necessary information is obtained from Directors, both for the Company's own records and for the purposes of meeting statutory obligations, as well as obligations arising from the MMLR or other regulatory requirements.

In making its recommendations, the Nominating Committee considers the candidates':

- Skills, knowledge, expertise and experience;
- Professionalism;
- Integrity; and
- In the case of candidates for the position of Independent Non-Executive Directors, the Nominating Committee should also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

During the year under review, the Nominating Committee carried out its duties in accordance with its Terms of Reference. These include:

- Reviewed and assessed the effectiveness of the Board as a whole and the Audit Committee;
- Reviewed and assessed the mix of skills, experience and competencies of each individual Director;
- Reviewed and recommended to the Board guided by the Directors' Fit and Proper Policy regarding the re-election of Directors who will be retiring at the forthcoming AGM of the Company; and
- Reviewed the independence of Independent Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II Board Composition (continued)

c) Develop, Maintain and Review Criteria for Recruitment and Annual Assessment of Directors

MCCG endorses as good practice, a formal procedure for appointments to the Board with a Nominating Committee making recommendation to the Board. MCCG, however, states that this procedure may be performed by the Board as a whole, although, as a matter of best practice, it recommends that this responsibility be delegated to a committee.

In previous years, the appointment of any additional Director was made as and when deemed necessary by the existing Board with due consideration given to the mix of expertise and experience required for an effective Board. Pursuant to its set up on 29 March 2002, the Nominating Committee has been responsible for making recommendations for any appointment to the Board. Any new nomination received is put to the full Board for assessment and endorsement.

In respect of the appointment of Directors, the Company practices a clear and transparent nomination process which involves the following five (5) stages:

- Stage 1: Identification of candidates
- Stage 2: Evaluation of suitability of candidates
- Stage 3: Meeting up with candidates
- Stage 4: Final deliberation by the Nominating Committee
- Stage 5: Recommendation to the Board

In accordance with the Company's Constitution, all Directors who are appointed by the Board are subject to election by shareholders at the next Annual General Meeting after the appointment. In addition, every Director shall be subject to retirement at least once in every three (3) years at each Annual General Meeting.

d) Gender Diversity Policy

The Board recognises that gender and ethnic diversity is an essential element contributing to the sustainable development of the Group and the Board does not discriminate on the basis of ethnicity, age, gender, nationality, political affiliation, religious affiliation, marital status, education background or physical ability. The appointment of the Board and Senior Management are based on objective criteria, merit and with due regard for diversity in skills, experience, age, cultural background and gender. The Board believes that diversity facilitates multi perspectives which result in productivity, sustainability and competencies to deliver the business performance of the Group for the benefit of the shareholders over the medium to long-term.

As at the date of this Annual Report, 2 out of 8 Directors on the Board are women, which demonstrates the Group's commitment on Board gender diversity. The Company has exceeded the prevailing requirement of Paragraph 15.02(1)(b) of the MMLR to have at least 1 woman Director on the Board.

e) Board Composition and Balance

The Board currently consists of four (4) Executive Directors and four (4) Independent Non-Executive Directors, which is in line with the Constitution of the Company as well as Practice 5.2 of MCCG 2021 where at least half of the Board comprises Independent Directors. The composition of the Board complies with paragraph 15.02 of the MMLR of Bursa Securities. A brief description of the background of each Director is disclosed in the Profile of Directors in the Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II Board Composition (continued)

e) Board Composition and Balance (continued)

There is balance in the Board because of the presence of four (4) Independent Non-Executive Directors who are of the caliber necessary to carry sufficient weight on Board decisions thus enabling adequate Board representation of the interest of minority shareholders. Although all the Directors have an equal responsibility for the Group's operation, the role of these Independent Non-Executive Directors is particularly important in ensuring that the strategies proposed by the executive management are fully discussed and examined, and take into account of the long-term interests, not only of the shareholders, but also of employees, customers, suppliers and the many communities in which the Group conducts business.

Mr. Ooi Hun Yong acts as the Senior Independent Non-Executive Director. Any concerns concerning the Group may be conveyed to him.

f) Annual Assessment of Independence

The Nominating Committee is responsible for the Board Effectiveness Evaluation (BEE) process, covering the Board, Board Committees and individual Directors including Independent Directors.

The Nominating Committee, upon conclusion of the BEE exercise, was satisfied that the Board and Board Committee composition had fulfilled the criteria required, possess a right blend of knowledge, experience and the appropriate mix of skills. In addition, there is mutual respect amongst individual Directors which contributes to a healthy environment for constructive deliberation and robust decision-making process. The Independent Directors were assessed to be objective in exercising their judgement and they had also fulfilled their independent role in corporate accountability through their objective participation in Board deliberations during Board meetings.

g) Details of Board Meeting and Attendance of directors

A total of five (5) Board Meetings were held during the financial year ended 31 December 2025. The number of Board meetings attended by the respective Directors during the financial year is as follows:

Name of Directors	No. of meetings attended/held	Percentage of attendance (%)
Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock	5/5	100%
Dato' Milton Norman Ng Kwee Leong	5/5	100%
Steven Junior Ng Kwee Leng	5/5	100%
Malcolm Jeremy Ng Kwee Seng	5/5	100%
Dato' Ir. Hashim Bin Osman	4/5	80%
Ooi Hun Yong	4/5	80%
Norazkha Binti Dahlan	5/5	100%
Tong Sook Yee	4/5	80%

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

II Board Composition (continued)

h) Directors' Training

As an integral element of the process of appointing new Directors, the Nominating Committee ensures that new Board members are given every opportunity to familiarise themselves with the structure, operations and types of businesses of the Group.

All the Directors have attended the Mandatory Accreditation Programme Part I ("MAP Part I") and the Mandatory Accreditation Programme Part II: Leading for Impact ("MAP Part II"), where applicable. Newly-appointed Directors who are required to attend MAP Part I and/or MAP Part II will do so within the prescribed timeframe from the date of appointment. The Board is regularly updated by the Company Secretary on the latest updates and amendments to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and other relevant regulatory requirements relating to the discharge of the Directors' duties and responsibilities. The external auditors also brief the Board on changes to the Malaysian Financial Reporting Standards that affect the Group's financial statements during the financial year under review. The Directors also attend relevant training programmes, including those relating to corporate governance and sustainability, to keep abreast of developments in the capital markets and the regulatory environment.

The training programme and seminars attended by Directors during the financial year ended 31 December 2025 include:

Directors	Trainings	Date of Program
Ooi Hun Yong	Negotiation Strategies for Success - Lee Kuan Yew School of Public Policy, National University of Singapore	30 September 2025 and 20 November 2025
	Condensate & Naphtha Conference, CNF Conference – Phuket, Thailand	29 October 2025 and 30 October 2025

III Remuneration

a) Directors' Remuneration

The Company set up the Remuneration Committee on 29 March 2002 to determine the remuneration for Directors so as to ensure that the Company attracts and retains the Directors needed to run the Group successfully. The component parts of remuneration are structured so as to link rewards to corporate and individual performance, in the case of Executive Directors. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the particular Non-Executive Director concerned.

The members of the Remuneration Committee, comprising all Independent Non-Executive Directors, are as follows:

Ooi Hun Yong	(Independent/Non-Executive Director) - Chairman
Dato' Ir. Hashim Bin Osman	(Independent/Non-Executive Director)
Norazkha Binti Dahlan	(Independent/Non-Executive Director)

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

III Remuneration (continued)

a) Directors' Remuneration (continued)

The Remuneration Committee recommends to the Board the framework of the Executive Directors' remuneration and the remuneration package for each Executive Director in all its forms, drawing from outside advice if necessary. Executive Directors should play no part in decisions on their own remuneration. It is nevertheless the responsibility of the entire Board to approve the remuneration of these Directors.

The determination of the remuneration of Non-Executive Directors is a matter for the Board as a whole. The individuals concerned should abstain from discussions of their own remuneration. The Company reimburses reasonable expenses incurred by these Directors in the course of their duties as Directors.

The appropriate Director's remuneration paid or payable or otherwise made available from the Company and its subsidiary companies for the financial year ended 31st December 2025 are presented in the table below:

- (i) Aggregate remuneration of Directors categorised into appropriate components:

Received from the Group and Company

	Executive Directors RM'000	Non-Executive Directors RM'000
Fees	–	21
Salary and allowances	1,022	–
KWSP	148	–
Bonus	206	–
Perkeso + SIP	7	–

- (ii) The remuneration paid to Directors of the Company for the financial year ended 31 December 2025 in bands of RM50,000 is tabulated as follows:

Range of Remuneration	Number of Directors	
	Executive	Non-Executive
Below RM50,000	–	4
RM150,001 to RM200,000	2	–
RM900,001 to RM1,000,000	1	–

- * None of the Director's remuneration falls within the RM50,001 to RM150,000 and RM200,001 to RM900,000.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

III Remuneration (continued)

a) Directors' Remuneration (continued)

(iii) The details for the remuneration of Directors for the financial year ended 31 December 2025 for the Group and the Company are as follows:

	Fees	Salaries	Bonuses	Allowances	KWSP (Employer)	SIP (Employer)	Perkeso (Employer)	Total
	RM	RM	RM	RM	RM	RM	RM	RM
Executive Directors								
Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock	-	-	-	-	-	-	-	-
Dato' Milton Norman Ng Kwee Leong	-	734,400	149,700	-	106,092	286	2,500	992,978
Steven Junior Ng Kwee Leng	-	144,000	27,000	-	20,520	143	1,250	192,913
Malcolm Jeremy Ng Kwee Seng	-	144,000	29,000	-	21,330	238	2,080	196,648
Independent Non-Executive Directors								
Dato' Ir Hashim bin Osman	4,000	-	-	-	-	-	-	4,000
Ooi Hun Yong	8,000	-	-	-	-	-	-	8,000
Norazkha Binti Dahlan	5,000	-	-	-	-	-	-	5,000
Tong Sook Yee	4,000	-	-	-	-	-	-	4,000
Total	21,000	1,022,400	205,700	-	147,942	667	5,830	1,403,539

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I Audit Committee

a) Effective and Independent Audit Committee

The Audit Committee comprises three (3) members as follows:

- 1) Dato' Ir. Hashim Bin Osman (*Chairman of the Audit Committee and Independent Non-Executive Director*)
- 2) Ooi Hun Yong (*Independent Non-Executive Director*)
- 3) Norazkha Binti Dahlan (*Independent Non-Executive Director*)

Collectively, the Audit Committee possesses a wide range of necessary skills to discharge its duties. All members of the Audit Committee are financially literate, whilst one committee member is a member of the Malaysian Institute of Accountants ("MIA") and a member of the Institute of Internal Auditors Malaysia.

The members of the Audit Committee have undertaken continuous professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

I Audit Committee (continued)

a) Effective and Independent Audit Committee (continued)

During the Audit Committee Meetings, the members were briefed by the external auditor, HLB Ler Lum Chew PLT on the following key areas:

- Financial Reporting developments;
- Malaysian Financial Reporting Standards; and
- Other changes in regulatory environment.

The Audit Committee reviews and provides advice on whether the financial statements taken as whole provide a true and fair view of the Group's and the Company's financial position and performance.

Further information is found at the Audit Committee Report at pages 30 to 31.

b) Compliance with Applicable Malaysian Financial Reporting Standards (MFRS)

The Board is committed to presenting a fair, balanced and comprehensive financial performance and prospects in all disclosures made to the shareholders and the general public. In addition to providing financial statements and annual report on an annual basis to the shareholders, the Company also presents the Group's financial results on quarterly basis via public announcements. The Audit Committee assists the Board in scrutinising information for disclosure to ensure accuracy, adequacy and completeness.

Prior to the presentation of the Company's financial statements to the Board for approval and issuance to stakeholders, Audit Committee meetings were held to review the Company's financial statements in the presence of external auditors and the Group's Financial Controller. A Statement of Directors' Responsibilities for preparing the financial statements is set out on page 71 of this Annual Report.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting records to enable the Group and the Company to disclose with reasonable accuracy and without any material misstatement, the financial position, performance and cash flows of the Group and the Company as at 31 December 2025. With the assistance of Audit Committee, the Board will ensure that the preparation of fair presentation and disclosure in the financial statements are in accordance with the applicable accounting standards and other regulatory requirements.

The Board, through the Audit Committee, maintains a close and formal as well as transparent arrangement and relationship with the Company's external auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia. The Audit Committee meets the external auditors without the presence of the management at least once during a year to further discuss on the Group's audit plans, audit findings and to exchange independent views on the matters which require their attention. Annually, prior to the commencement of the audit engagement, the external auditors confirm to the Audit Committee on their independence.

In addition to the above, the Board has overall responsibility for maintaining a sound system of internal controls, which encompasses financial, operational, and compliance controls and risk management necessary for the Group to achieve its corporate objectives within an acceptable risk profile.

These controls can only provide reasonable but not absolute assurance against material misstatement, loss or fraud. The Board recognises that risk cannot be fully eliminated. As such, the systems, processes and procedures being put in place are aimed at minimizing and managing them. Ongoing reviews are continuously carried out to ensure the effectiveness, adequacy and integrity of the system of internal controls in safeguarding the Company's assets.

In assessing the adequacy and effectiveness of the system of internal control and accounting control procedures of the Group, the Audit Committee reports to the Board its activities, significant results, findings and the necessary recommendations or changes.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

II Risk Management and Internal Control Framework

a) Internal Control and Risk Management

The Board acknowledges their responsibilities for the internal control system of the Group, covering not only financial controls but also controls relating to operations, compliance and risk management. The Board, in fulfilling their responsibilities, had set-up the Audit Committee and outsourced the internal audit function of the Group to an independent consulting firm to assist the Board on these matters. Information of the Group's internal control and risk management is presented in the Statement on Risk Management and Internal Control set out on pages 32 to 34 of this Annual Report.

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

I Communication with Stakeholders

a) Corporate Disclosure Policies and Procedures

The Board acknowledges the need to inform shareholders of all material business matters affecting the Company. The Company is committed to providing shareholders with timely and equal dissemination of material information in order to enhance the transparency and accountability.

The Board has not formalized a corporate disclosure policy but has referred to the MMLR of Bursa Securities to ensure comprehensive, timely and accurate disclosure on the Group to the regulators, shareholders and other stakeholders.

b) Leverage on Information Technology for Effective Dissemination of Information

The Company has established a website, www.hil.com.my, for shareholders and the public to access for information, including the announcements made by the Company. The Company's website incorporates an Investor Relations section which provides all relevant information on the Company and is accessible by the public. This investor Relations section enhances the Investor Relations function by including all announcements made by the Company and annual reports as well as the financial information of the Company.

The Company's website has a "**Contact Us**" section where shareholders and potential investors may direct their enquiries on the Company. The Company's customer services team will endeavour to reply to these queries in the shortest possible time.

The announcement of the quarterly financial results is also made via Bursa Securities website at www.bursamalaysia.com immediately after the Board's approval. This is important in ensuring equal and fair access to information by the investing public.

c) Effective Communication and Proactive Engagements with Shareholders

In maintaining the commitment to effective communication with shareholders, the Group adopts the practice of comprehensive, timely and continuing disclosures of information to its shareholders as well as to the general investing public. The practice of disclosure of information is not just established to comply with requirements of the MMLR of Bursa Securities pertaining to continuing disclosures, it also adopts the best practices as recommended in MCCG with regard to strengthening engagement and communication with shareholders. Where possible and applicable, the Group also provides additional disclosure of information on a voluntary basis. The Group believes that consistently maintaining a high level of disclosure and extensive communication with its shareholders is vital to shareholders and investors to make informed investment decisions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONTINUED)

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

II Conduct of General Meetings

a) Encourage Shareholder Participation at General Meetings

The Annual General Meeting (“**AGM**”) of the Company represents the main venue for communication between the shareholders and the Company. Shareholders are encouraged to attend and participate at these meetings.

A notification to shareholders to view the Annual Report and the notice of the AGM from the Company’s website is sent to all shareholders at least 28 days before the AGM to allow shareholders additional time to go through the Annual Report and make the necessary attendance and voting arrangements. The notice of AGM is also published in a nationally circulated daily newspaper. The notice of AGM provides information to shareholders with regard to details of the agenda to be presented at the AGM. Each item of special business included in the notice of AGM will be accompanied by a full explanation on the effects of a proposed resolution.

During the general meeting, shareholders are at liberty to raise questions or seek clarification on the agenda items of the general meeting from the Company’s Directors. Where appropriate, the Board will undertake to provide written answer(s) to any question(s) that cannot be readily answered at the meeting.

b) Poll Voting

Pursuant to Paragraph 8.29A of the MMLR of Bursa Securities, all resolutions set out in the notice of any general meeting shall be voted by poll. An independent scrutineer will be appointed to validate the votes cast at general meeting. The outcome of the resolutions will be announced to Bursa Securities on the same day of the meeting.

AUDIT COMMITTEE REPORT

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee comprises the following members:

Dato' Ir. Hashim Bin Osman	Chairman (<i>Independent/Non-Executive Director</i>)
Ooi Hun Yong	Member (<i>Independent/Non-Executive Director</i>)
Norazkha Binti Dahlan	Member (<i>Independent/Non-Executive Director</i>)

MEETINGS

During the financial year ended 31 December 2025, the Audit Committee convened five (5) meetings. Attendance at all meetings met the requisite quorum in which the majority of the members present were Independent Non-Executive Directors. The Company Secretary is responsible for ensuring the meetings are held accordingly and duly minuted. The meetings were appropriately structured through the use of agendas, which were distributed to members with sufficient notification.

The attendance of each member of the Audit Committee during the financial year ended 31st December 2025 is as follows:

Name of Audit Committee	Number of Meetings Attended
Dato' Ir. Hashim Bin Osman	4/5
Ooi Hun Yong	4/5
Norazkha Binti Dahlan	5/5

The Chairman of the Audit Committee verbally briefs the Board on the proceedings of the Audit Committee meeting at the Board meetings held subsequent to the Audit Committee meetings.

Other members of senior management are invited to attend Audit Committee meetings. The internal and external auditors are also invited to attend Audit Committee meetings to present their audit plan and audit findings.

ACTIVITIES

The Audit Committee had undertaken the following activities during the financial year ended 31 December 2025:

1. Ensured sufficient audit coverage for all the Group's business and activities;
2. Discussed and reviewed the scope of work and audit plan for the financial year ended 31 December 2025 including any significant issues and concerns arising from audit;
3. Reviewed the unaudited quarterly financial reports and year-end financial statements before they were presented to the Board for approval;
4. Discussed and reviewed with the external auditors the applicability and the impact of new accounting standards issued by the Malaysian Accounting Standards Board;
5. Held a private meeting with the external auditors without the presence of the Management for the purpose of obtaining feedback on sensitive audit issues;
6. Reviewed the Audited Financial Statements and recommended to the Board for approval before release to Bursa Securities and its shareholders;

AUDIT COMMITTEE REPORT (CONTINUED)

ACTIVITIES (CONTINUED)

The Audit Committee had undertaken the following activities during the financial year ended 31 December 2025: (continued)

7. Reviewed the internal audit plan to ensure adequate scope and coverage of the Group's activities based on identified and assessed key risk areas;
8. Reviewed audit reports issued by internal auditors and took note of their observations, recommendations and Management's responses thereto;
9. Reviewed any related party transaction(s) and any conflict of interest situation that arose, persisted or may arise within the Group and the measures taken to resolve, eliminate, or mitigate such conflicts; and
10. Reviewed reports on whistleblowing cases.

INTERNAL AUDIT FUNCTION

The internal audit functions have been outsourced to a professional firm reporting directly to the Audit Committee. The professional firm is free from any relationships and has no conflict of interest with the Group which could impair its objectivity and independence.

The primary role of the internal auditors is to, inter-alia, assist the Audit Committee on an ongoing basis to:

1. Undertake the internal audit of the Group's operating units; ascertain the extent of the units compliance with the established internal control procedures, policies and statutory requirements; highlight the weaknesses and recommend improvements to the existing systems of control;
2. Assist in reviewing the adequacy and effectiveness of the Group's processes for controlling its activities;
3. Provide independent, systematic and objective evaluation on the state of internal control within the Group; and
4. Perform such other functions as requested by the Audit Committee.

The cost incurred for the internal audit function in respect of the financial year ended 31 December 2025 amounted to RM18,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors is pleased to present herewith the Statement on Risk Management and Internal Control which outlines the nature and scope of internal controls and risk management of the Group during the financial year ended 31st December 2025. This statement is prepared pursuant to paragraph 15.26(b) of the MMLR of Bursa Securities.

RESPONSIBILITY OF THE BOARD OF DIRECTORS

The Board of Directors recognises the importance of good risk management framework and sound internal control systems, in order to safeguard shareholders' investment and the Group's assets. The Board of Directors maintains full control over all internal controls within the Group, covering aspects of operational, compliance as well as financial in nature. In view of inherent risks, the Group's internal control system are designed to reduce rather than eliminate possible risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

RISK MANAGEMENT FRAMEWORK

The Board of Directors has established an organisational structure with clearly defined guidelines of authorities and job responsibilities to enhance accountability.

An informal risk management process is carried out throughout the year, for identifying, evaluating and managing significant risks faced by the Group. The Board of Directors has empowered the Managing Director, who formed various task forces/project committees comprising Executive Directors and key senior management personnel to assist him, in reviewing and managing the significant risks faced by the various operating units to achieve their respective business objectives of the Group. The Managing Director will inform the Board of Directors of any pertinent matters, which require decision-making at Board level.

The Managing Director and his senior management team, through their day-to-day involvement in the operations of the Group, ensure that ongoing maintenance, monitoring, reviewing and reporting arrangement have been put in place to provide reasonable assurance that the structure of controls and operations is appropriate to the Group.

KEY FEATURES OF INTERNAL CONTROL SYSTEM

The key features of the internal control systems are:

- The Group has established documented policies and procedures in alignment with a Certified Quality Management System. The Group has been awarded **IATF 16949:2016** and **ISO 9001:2015** certifications for its Quality Management System, as well as **ISO 14001:2015** certification for its Environmental Management System by **National Quality Assurance Limited (NQA), UK/US**. In addition, the Group is certified to **ISO 13485:2016 Medical Devices Quality Management System** and **ISO 45001:2018 Occupational Health and Safety Management System**, both certified by **SIRIM**, reflecting the Group's commitment to quality excellence, environmental responsibility, occupational safety, regulatory compliance, and continual improvement
- Established organisational structure.
- Clear lines of authorities and well defined responsibilities for all personnel of the Group. Strict authorisation and approval procedures have been established within top management.
- Procedure has been established for hiring and termination of employees and an annual performance appraisal are in place to ensure employees are competent to carry out their respective duty. Training and development programs is exist to enhance employee knowledge, skills and abilities required for effective job performance.
- Regular and open communication between management, internal auditor and the Board of Directors on matters relating to risk and control.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

KEY FEATURES OF INTERNAL CONTROL SYSTEM (CONTINUED)

The key features of the internal control systems are: (continued)

- The Board is supported by a qualified Company Secretary. The Company Secretary plays an advisory role to the Board, particularly on issues relating to compliance with the Main Market Listing Requirements (“MMLR”), the Companies Act 2016 and other relevant laws and regulations.
- Group quarterly financial reports are reviewed by Audit Committee to ensure the financial statements are properly drawn up in accordance with the applicable accounting standards and other regulatory requirements in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at the end of financial year. The Group financial statement is presented to Board and subsequently approved before release to Bursa Malaysia.
- Regular group management meetings are held as and when necessary to raise issues, discuss, review and monitor the business development and resolve operational and management issues and review financial performances against the business plans, the targets and the budgets, if any.
- Computerised financial system used to compile and consolidate data to generate monthly management reports, which assist management in identifying key changes and monitoring performance.
- Group assets are covered with sufficient insurance to ensure assets are protected against any mishap and other perils that could result in material loss. A yearly policy renewal exercise is undertaken in which Management reviews the coverage based on the current fixed assets inventory and the respective net book values and “replacement value”.
- Management ensures that safety regulations within the Group are being considered, implemented and adhered to accordingly.

INTERNAL AUDIT FUNCTION

The Group’s internal audit function, which is outsourced to a professional firm, assists the Board and the Audit Committee in providing independent assessment of adequacy, efficiency and effectiveness of the Group’s internal control system. To ensure independence from Management, the internal auditor has direct reporting lines to the Audit Committee.

A high level assessment of the Group’s business risk was carried out by the internal audit function to facilitate the preparation of the internal audit plan. The audit plan was approved by the Audit Committee and the status of the audit plan are presented to the Audit Committee. With the adoption of a risk-based approach, the internal audit function is able to focus its work on principal risk areas and processes of the business operation units. During the course of carrying out their reviews, full cooperation and unrestricted access to all information was given in order to discharge their duties.

During the financial year, the internal auditors carried out reviews on the following areas to assess the adequacy and effectiveness of internal controls:

- Sales and Collections
- Inventory Control Management

The internal auditors have identified some weaknesses in the internal control and these together with improvement recommendations have been reported to the Audit Committee. However, none of the weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group’s Annual Report.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONTINUED)

INTERNAL AUDIT FUNCTION (CONTINUED)

The system of internal control will continue to be reviewed, enhanced or updated in line with changes in the operating environment. The Board will seek regular assurance on the continuity and effectiveness of the internal control system through independent appraisals by the internal auditors. The Board is of the view that there is ongoing process for identifying, evaluating and managing significant risks faced by the Group and the internal control systems are in place and have not resulted on any material misstatement, loss, contingencies or uncertainties that would require disclosure on the Group's Annual Report.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by paragraph 15.23 of MMLR of Bursa Securities, the external auditors have reviewed this statement for inclusion in the Annual Report of the Company for the financial year ended 31st December 2025.

BOARD ASSESSMENT

The Board has received assurance from the Managing Director and the management that the Group's risk management and internal control system is operating adequately and effectively.

The Board is of the view that the system of risk management and internal controls in place are satisfactory to protect the Group's interest and that of its stakeholders, particularly on enhancing shareholder value.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

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

2. AUDIT AND NON-AUDIT FEES

For the financial year ended 31st December 2025, the amounts of audit and non-audit fees paid or payable by the Company and the Group to external auditors are as follows:

	Group (RM)	Company (RM)
Audit fees	207,925	42,000
Non-audit fees	7,500	3,000

3. RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE

During the financial year ended 31 December 2025, there were no recurrent related party transactions of a revenue or trading nature involving the Directors and/or substantial shareholders of the Company.

4. MATERIAL CONTRACTS

There were no material contracts of the Company and/or its subsidiaries involving the interests of Directors or major shareholders, either still subsisting at the end of the financial year or, if not then subsisting, entered into since the end of the previous financial year. The Company does not have a chief executive who is not a director.

SUSTAINABILITY STATEMENT



HIL Industries Berhad (“**HIL**” or “**the Company**”) and its subsidiaries collectively (“**the Group**” or “**HIL Group**”) recognise that sustainability is integral to long-term value creation, operational resilience and responsible growth. This Sustainability Statement (“**Statement**”) outlines the Group’s sustainability priorities, governance approach, material matters, key initiatives and selected performance indicators for the financial year ended 31 December 2025 (“**FYE 2025**”).

BASIS OF PREPARATION

This Statement covers the period from 1 January 2025 to 31 December 2025 and focuses on the principal businesses of the Group, namely plastics manufacturing, service parts operations and property development. It has been prepared taking into account the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”), including the sustainability reporting amendments issued on 23 December 2024 and the related saving and transitional provisions. As HIL falls within the Group 1 listed issuer category, this Statement has been structured to address the applicable transitional requirements for annual reports issued for FYE on or after 31 December 2025, while also retaining broader non-climate sustainability disclosures relevant to the Group’s business.

In addition to Bursa Securities’ sustainability reporting framework and Sustainability Reporting Guide, reference has been made, where relevant, to IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures for the dedicated climate-related section of this Statement. Reference was also made to the United Nations Sustainable Development Goals (“**UNSDG**”) in mapping selected material matters and sustainability initiatives.

Unless otherwise stated, quantitative information is presented on a best-effort basis based on data extracted from the Group’s available internal records, supporting schedules and management inputs.

SUSTAINABILITY STATEMENT (CONTINUED)

STAKEHOLDERS INPUT

As we progress in our sustainability journey, we value feedback in order for us to adopt continuous enhancement in our sustainability measures and reporting standards. All feedback, comments and enquiries are welcome to be directed to irene.koh@hil.com.my.

STATEMENT OF ASSURANCE

The contents of this Statement have been reviewed and approved by the Sustainability Committee and the Board of HIL. For FYE 2025, this Statement has not been subjected to internal review by the Group’s internal auditor nor to independent assurance by an external assurance provider. Accordingly, no assurance conclusion is expressed in respect of this Statement.

Notwithstanding the above, the Group recognises the importance of strengthening data governance, measurement methodologies and assurance readiness over time, and will continue to improve the quality, scope and reliability of its sustainability disclosures in future reporting periods.

OUR COMMITMENT TO SUSTAINABILITY

The Group embraces three major sustainability pillars as follows:

- Environment protection and safeguarding;
- Caring and responsible employer and its community; and
- Responsible business practices and conducts.

These three pillars are important in delivering high quality products and services of the Group to our customers.

SUSTAINABILITY FRAMEWORK

The Group’s sustainability framework can be summarised as follows:



SUSTAINABILITY STATEMENT (CONTINUED)

GOVERNANCE AND OVERSIGHT

Oversight of sustainability matters resides with the Board, supported by the Sustainability Committee (“SC”) and Management. The SC is chaired by the Senior Independent Non-Executive Director and is assisted by the Managing Director and selected Heads of Departments in monitoring material sustainability matters, reviewing initiatives and strengthening disclosures. The terms of reference of the SC are available on our website at <http://www.hil.com.my>.



STAKEHOLDERS' ENGAGEMENT

We understand that our stakeholders are imperative to the sustainability of the business and thus, it is essential to build and maintain our connections through better communication. Our engagement approaches with the key stakeholders during FYE 2025 are as follows:

Stakeholder	Areas of Interest/ Objectives	Engagement Channels	Frequency	Our Response
Regulators	<ul style="list-style-type: none"> Legal and regulatory compliance 	<ul style="list-style-type: none"> Consultations Participation in meetings Forums and Webinars 	Ongoing	<ul style="list-style-type: none"> Continued conformance with regulatory expectations and requirements
Shareholders	<ul style="list-style-type: none"> Business performance and sustainable achievements Governance and transparency 	<ul style="list-style-type: none"> Annual General Meeting Quarterly and Annual Reports Announcement at Bursa Securities Website disclosures 	Periodic and as required	<ul style="list-style-type: none"> Timely updates on performance and material developments

SUSTAINABILITY STATEMENT
 (CONTINUED)

STAKEHOLDERS' ENGAGEMENT (CONTINUED)

Stakeholder	Areas of Interest/ Objectives	Engagement Channels	Frequency	Our Response
Employees	<ul style="list-style-type: none"> • Safe workplace • Fair treatment • Development and engagement 	<ul style="list-style-type: none"> • Internal communication • Performance appraisal • Development programmes and feedback platforms • Employee engagement activities 	Annual review and as required	<ul style="list-style-type: none"> • Continued focus on safety, people development and engagement • Diversity, equity and inclusion
Customers and Suppliers	<ul style="list-style-type: none"> • Product quality • Service reliability • Pricing and relationship management 	<ul style="list-style-type: none"> • Feedback channels • Meetings • Direct engagements 	Ongoing and as required	<ul style="list-style-type: none"> • Quality-driven delivery and fair procurement practices
Communities	<ul style="list-style-type: none"> • Meaningful community contribution 	<ul style="list-style-type: none"> • Corporate Social Responsibility ("CSR") activities and festive outreach programmes 	Ongoing	<ul style="list-style-type: none"> • Targeted outreach and contributions during the year

MATERIALITY MATRIX ASSESSMENT

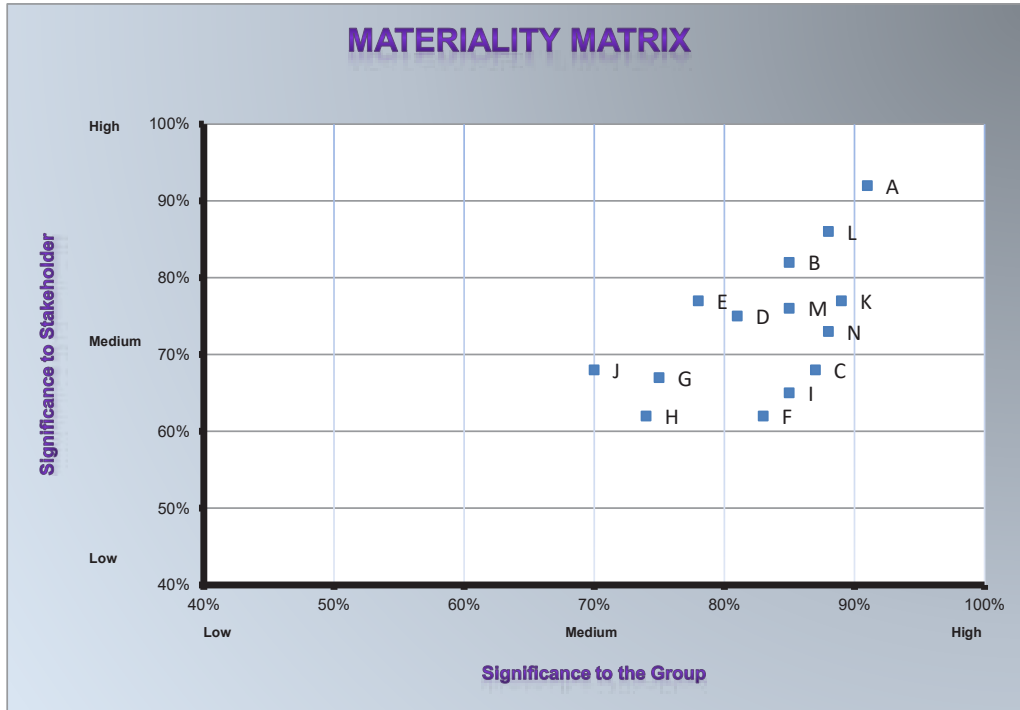
The Group undertakes a materiality review to identify and prioritise the sustainability matters that are most relevant to its business model, operations, stakeholders and regulatory environment. For FYE 2025, management refreshed the existing materiality landscape by considering stakeholder engagement outcomes, Board and management priorities, operating risks, regulatory developments, climate-related developments, and the characteristics of the Group's principal manufacturing and property operations.

The review considered the significance of each matter to the Group and to external stakeholders. In addition to matters traditionally monitored by the Group such as product quality, waste, water, energy, employee development, workplace safety, anti-corruption and supply chain practices, the Group also considered climate-related risks and opportunities as an overarching area of increasing importance in light of the evolving Bursa Securities sustainability reporting framework.

Based on this review, the Group continues to regard financial performance, quality standards and recognition, waste and water management, energy and emissions, sourcing management, employee development, diversity and inclusivity, employee health and safety, social outreach, code of conduct and ethics, anti-bribery and anti-corruption, data privacy and whistleblowing, and supply chain management as material sustainability matters for purposes of this Statement. The materiality matrix below remains a useful summary of the relative significance of these matters to the Group and its stakeholders.

SUSTAINABILITY STATEMENT
(CONTINUED)

MATERIALITY MATRIX ASSESSMENT (CONTINUED)



ECONOMIC INDICATOR

- A - Financial Performance
- B - Quality Standards and Recognition

ENVIRONMENT INDICATOR

- C - Waste, Effluent and Water Management
- D - Energy and Emission Management
- E - Sourcing Management (Circular Economy Model)

SOCIAL INDICATOR

- F - Employees' Training and Education
- G - Employee Career Advancement
- H - Diversity and Inclusivity
- I - Employee Health and Safety
- J - Social Outreach

GOVERNANCE INDICATOR

- K - Code of Business Conduct and Ethics
- L - Anti-Bribery and Anti-Corruption Policy
- M - Data Privacy and Protection, and Whistle-blowing Policy
- N - Supply Chain Management



SUSTAINABILITY STATEMENT (CONTINUED)

ECONOMIC PERFORMANCE AND BUSINESS SUSTAINABILITY

(a) Financial Performance and Resilience

The Group views economic sustainability as inseparable from disciplined execution, product quality and prudent capital management. Sustainable financial performance supports reinvestment in operations, people, product development, compliance and long-term resilience.

Over the three-year period from FYE 2023 to FYE 2025, the Group maintained stable revenue while expanding its asset base materially. Revenue decreased slightly by 0.40% in FYE 2025 to RM219.023 million, while total assets increased by 9.16% to RM660.130 million. The continued asset growth reflects the Group's ongoing investment in its operations and development activities.

Management supports sustainable financial performance through annual business planning, key performance indicator ("KPI") setting, cost benchmarking and operational efficiency monitoring. These measures help the Group manage profitability, cash discipline, production efficiency and waste minimisation, while continuing to support quality, service delivery and future growth.

Items	2025	2024	2023
Revenue (RM'million)	219.023	219.898	212.063
Total Assets (RM'million)	660.130	604.741	514.536
Year on year change in revenue	-0.40%	+3.69%	–

(b) Quality Standards and Operational Excellence

The Group remains committed to delivering products and services that meet customer specifications and applicable quality expectations. Quality management is supported by formal systems, operational controls and the work of the Group's research and development, quality assurance and quality control functions.

The Group continues to reference internationally recognised standards including IATF 16949:2016 and ISO 9001:2015 in strengthening consistency, reliability and process discipline. It also maintains ISO 14001:2015 certification for its environmental management system. Subsequent to the financial year end, HIL Industries Automotive (M) Sdn. Bhd. obtained ISO 45001:2018 certification on a multi-site basis on 17 March 2026, further strengthening the Group's occupational health and safety framework.

ENVIRONMENTAL IMPACT

The Group continues to monitor and manage compliance with applicable environmental laws and regulations governing plant operations, maintenance, environmental standards, emission standards and noise-level management. This is supported by the Group's ISO 14001:2015 Environmental Management System certification, which reinforces a structured approach to environmental management and continual improvement.

On-going programmes initiated among our staff include awareness of recycling of waste materials and continuous improvements in our manufacturing process to create a greener environment. We have reviewed relevant environmental matters and prioritised the following key environmental sustainability matters that are most pertinent to our businesses and stakeholders:

SUSTAINABILITY STATEMENT
(CONTINUED)

ENVIRONMENTAL IMPACT (CONTINUED)

(a) Waste and Effluent Management



This is a top priority for all Divisions to prevent environmental pollution and to reduce the amount of hazardous and non-hazardous wastes. The Group handles waste and effluents in line with local regulations and in accordance with the Environmental Quality Act 1974, and remains dedicated to sustainable waste management through partnerships with certified contractors specialising in the recovery and treatment of scheduled wastes, particularly:

- **SW409** – Disposed containers, bags or equipment contaminated with chemicals, pesticides, mineral oil or scheduled wastes
- **SW410** – Rags, plastics, papers or filters contaminated with scheduled wastes
- **SW416** – Sludges of inks, paints, pigments, lacquer, dye or varnish
- **SW418** – Discarded or off-specification inks, paints, pigments, lacquer, dye or varnish products containing organic solvent

Category	2025 (Metric Tonnes)	2024 (Metric Tonnes)	2023 (Metric Tonnes)
SW409	3.7510	2.2500	3.1500
SW410	1.7201	1.2100	1.5000
SW416	7.8724	7.1300	6.3000
SW418	12.1200	8.6000	5.6000

The scheduled waste table above presents the key scheduled waste streams monitored by the Group. The Group’s total waste generated, waste diverted from disposal and waste directed to disposal are separately disclosed in the Bursa CSI table set out in this Statement.

Through these collaborations, scheduled wastes are transformed into alternative raw materials, reducing disposal and supporting circular economy practices.

In addition to the above, our on-going programmes which are in line with promoting waste management are as follows:

- (i) 3R (Reduce, Reuse, Recycle);
- (ii) waste segregation; and
- (iii) weekly gotong-royong.

We also utilise returnable polypropylene (“PP”) corrugated boxes and trolleys in order to reduce our environmental footprint. Our Service Parts Centre uses returnable boxes and trolleys for outbound delivery. Each box/trolley is labelled with an outlet code to keep track of it and to ensure that each outlet returns the box to the Service Parts Centre. This initiative has enabled us to reduce the use of packaging materials.

These initiatives reinforce our commitment to environmental sustainability, resource efficiency, and regulatory compliance.

SUSTAINABILITY STATEMENT (CONTINUED)

ENVIRONMENTAL IMPACT (CONTINUED)

(b) Water Management

Water remains an important operational input, particularly in cooling tower systems supporting mould temperature control and machinery cooling. The Group seeks to optimise water usage without compromising product quality or operating efficiency.

In line with environmental sustainability goals, we have adopted the following practices:

- (i) Water recycling and reuse;
- (ii) Monitoring and maintenance with regular inspections, conductivity control, and chemical treatment programmes to ensure optimal cooling tower performance and to prevent water wastage.
- (iii) Technology upgrades to the cooling systems to make them more efficient so that they require less makeup water and to improve heat exchange efficiency.
- (iv) Employee awareness by providing training initiatives to promote best practices in water conservation across our operations.

Total water consumption in FYE 2025 was approximately 22.21 megalitres, representing a modest increase from 21.33 megalitres in FYE 2024 but remaining materially below the FYE 2023 level of 32.60 megalitres. This reflects the Group's continued attention to cooling tower efficiency and responsible water use.

	2025 (Megalitres)	2024 (Megalitres)	2023 (Megalitres)
Total water consumption (approximately)	22.205390	21.334000	32.598780

(c) Energy Management

We recognise the importance of effective energy management in reducing operational costs and minimising environmental impact. As part of our commitment to sustainable operations, we continuously seek to improve energy efficiency across our manufacturing processes.

In our manufacturing operations, we implement various initiatives to improve energy efficiency, including minimising wastage, ensuring machinery operates at optimal efficiency, and periodically upgrading equipment. These initiatives include replacing conventional lighting with energy-efficient LED lights and installing inverters to enhance energy performance, as well as implementing process improvements to reduce rework and associated energy consumption.

A summary of the Group's electricity consumption over the past three financial years is presented below in megawatt-hours ("MWh"):

	2025 (MWh)	2024 (MWh)	2023 (MWh)
Total electricity consumption (approximately)	14,069.45	13,363.00	13,965.91

(d) Climate-related Disclosures (Group 1 Transitional Reporting Basis)

As a Group 1 listed issuer, HIL is subject to the transitional sustainability reporting requirements applicable to annual reports issued for FYE on or after 31 December 2025. During this transitional period, the Group has focused its dedicated climate-related disclosures principally on its manufacturing and property development operations. The climate-related information below is organised around governance, strategy, risk management, and metrics and targets, consistent with the applicable transitional reporting direction.

SUSTAINABILITY STATEMENT (CONTINUED)

ENVIRONMENTAL IMPACT (CONTINUED)

(d) Climate-related Disclosures (Group 1 Transitional Reporting Basis) (continued)

(i) Climate Governance

The Board retains ultimate oversight of the Group's sustainability direction, including climate-related matters. The Sustainability Committee supports the Board by reviewing sustainability priorities, emerging risks and management actions, while the Managing Director and relevant Heads of Department are responsible for operational execution, data gathering and implementation of mitigation measures. Climate-related matters are considered together with operating, capital expenditure, maintenance, compliance and business continuity decisions where relevant to the Group's principal business segments.

(ii) Climate Strategy

The Group's principal climate-related physical considerations include rising temperatures, water stress, heavy rainfall, flooding and weather-related disruption that may affect factory operations, site conditions, utilities, logistics and project execution. Transition considerations include evolving regulatory expectations, heightened stakeholder focus on emissions and resource efficiency, and potential changes in energy costs and market expectations. In response, the Group continues to prioritise operational efficiency, electricity management, solar deployment, water management, waste reduction, product quality and prudent site development practices. The Group also continues to preserve natural features where feasible in its property development activities and to incorporate selected sustainability features such as solar panels in relevant property offerings.

(iii) Climate Risk Management

Climate-related considerations are identified and assessed through the Group's existing management and operational review processes, including plant operations monitoring, utility usage tracking, site maintenance, safety and environmental compliance, procurement practices, insurance reviews and project planning. Matters requiring escalation are discussed at management level and, where appropriate, brought to the Sustainability Committee and/or the Board. During the transitional reporting period, the Group continues to strengthen its internal processes for identifying, documenting and managing climate-related risks and opportunities more systematically.

(iv) Climate Metrics and Targets

The Group currently monitors selected climate-related metrics including electricity consumption, solar deployment, water usage and greenhouse gas emissions. As at 31 December 2025, total installed solar capacity across the factories in Shah Alam and Bukit Kemuning stood at 804.64 kWp. The Group has compiled Scope 1, Scope 2 and selected Scope 3 greenhouse gas emissions on a best-effort basis using available internal records and working schedules. During FYE 2025, no formally approved Group-wide quantified climate target had been finalised for public disclosure. The Group intends to continue improving data quality and target-setting readiness over time.

SUSTAINABILITY STATEMENT
(CONTINUED)

ENVIRONMENTAL IMPACT (CONTINUED)

(d) Climate-related Disclosures (Group 1 Transitional Reporting Basis) (continued)

(iv) Climate Metrics and Targets (continued)



We believe that effective management of emissions is essential to achieving our sustainability goals and we strive to implement best practices and technologies to reduce our emissions and minimise our carbon footprint. We are committed to complying with all applicable environmental regulations and standards related to emissions.

We also place emphasis on managing and controlling our environmental emissions by ensuring that all machinery complies with relevant regulatory requirements. Regular inspections and maintenance are conducted to ensure operational compliance and to support the reduction of emissions associated with our manufacturing activities.

We also seek to improve transportation efficiency by increasing load optimisation for the delivery of finished goods to customers. By effectively managing energy efficiency, not only are we able to reduce our carbon footprint, we are also able to lower our operating costs.

Solar photovoltaic (“PV”) is one of the technologies that allows the generation of clean energy and hence will reduce the usage of fossil fuel, reduce carbon dioxide emissions and reduce carbon footprint, and this in turn will mitigate climate change. Self-Consumption (“SELCO”) is an option to generate electricity from renewable resources like solar PV systems to offset carbon emissions and reduce electricity bills. Through Net Energy Metering (“NEM”) and SELCO, the green energy generated by solar PV systems will minimise the electricity consumption from the main grid.

SUSTAINABILITY STATEMENT (CONTINUED)

ENVIRONMENTAL IMPACT (CONTINUED)

(d) Climate-related Disclosures (Group 1 Transitional Reporting Basis) (continued)

(iv) Climate Metrics and Targets (continued)

As part of the Group's continuing efforts to expand the use of renewable energy across its operations, HIL-Edrola (M) Sdn. Bhd. has initiated the development of a PV system under the Solar Accelerated Transition Action Programme ("**Solar ATAP**"). The project involves the development of a solar PV system with a proposed capacity of 321.945 kWp at HIL-Edrola (M) Sdn. Bhd., No. 3, Jalan Bunga Raya 6A/1, Seksyen BS4, 48300 Rawang, Selangor Darul Ehsan. The scope includes the supply, delivery, installation, testing, commissioning and maintenance of the solar PV system, subject to detailed engineering design, local authority approval and finalisation of the Engineering, Procurement, Construction and Commissioning ("**EPCC**") agreement. This initiative is expected to further support the Group's efforts to reduce reliance on grid electricity, improve energy efficiency and lower Scope 2 greenhouse gas emissions over time.

The Group is in the process of developing realistic climate-related and emissions-related targets aligned to its operating context and data maturity.

Looking ahead, we will continue to evaluate opportunities for additional solar installations across its operational sites, including at Bukit Sentosa, subject to technical and commercial feasibility assessments. This initiative forms part of our broader commitment to reducing Scope 2 greenhouse gas emissions and advancing our environmental sustainability objectives.

As part of our drive for environmental sustainability, new properties launched under our properties division include solar panels for the property owners. This initiative allows our home buyers to be more environmentally friendly while at the same time being able to reduce electricity consumption from the main grid.

Trees are preserved and form part of the natural landscape when we develop our properties. Our Amverton Cove joint venture development is a showcase of preserving swamp land ecosystem while integrating modern day amenities and convenience.

In the meantime, the Group has compiled its Scope 1, Scope 2 and selected Scope 3 greenhouse gas emissions data as follows:

GHG Emissions	2025 (tCO ₂ e)	2024 (tCO ₂ e)
Scope 1	11,026.64	9,896.85
Scope 2	520.57	506.46
Scope 3	272.82	283.97

Note: Emissions management indicators were first reported for FYE 2024. Accordingly, no FYE 2023 comparative is presented for these indicators. Scope 3 emissions disclosed above relate to selected Scope 3 categories compiled based on available data and do not represent a full value-chain Scope 3 inventory.

SUSTAINABILITY STATEMENT (CONTINUED)

ENVIRONMENTAL IMPACT (CONTINUED)

(e) Sourcing Management

The Group recognises the importance of managing resources and materials in a responsible and sustainable manner and is dedicated to minimising its environmental footprint by adopting sustainable resource management practices throughout its operations.

The Group's approach to resource management involves adopting a circular economy model whenever possible in order to use resources more efficiently. The circular economy model seeks to create closed-loop systems where waste generation and new resource inputs are minimised. This approach helps the Group conserve natural resources, reduce environmental impact and manage operating costs.

We continually evaluate our supply chain to ensure that we source materials from responsible and sustainable sources. We work closely with our suppliers to develop sustainable procurement practices and ensure that our products are manufactured using sustainable materials whenever commercially possible.

We aim to meet the environmental challenge by going beyond zero-impact towards making a net positive environmental impact. Some of the key criteria expected of suppliers and vendors include:

- (i) Creating and implementing environmental management systems and continuously improving their environmental conservation activities (For example, certified under ISO 14001:2015).
- (ii) Ensuring that their products and activities contribute to biodiversity and promote the concept of harmony with nature.
- (iii) Complying with all applicable laws in their management of chemical substances.

The Group adopts the kanban system (also called just-in-time manufacturing) to optimise manufacturing processes by measuring lead time and cycle time of the full process and process steps. One of the main benefits of the kanban system is to establish an upper limit to work-in-process inventory to avoid overcapacity and this will in turn minimise wastage.

HUMAN CAPITAL

(a) Employees' Development and Engagement

Recognising that our employees are our greatest asset, we remain committed to continuous learning and professional development through a variety of structured training programmes. Throughout the year, we provided employees with access to both **in-house training** and **external courses** aimed at enhancing their skills, knowledge, and overall performance.

In-house training sessions were conducted to strengthen job-related competencies, ensure alignment with internal standards, and improve operational efficiency. These sessions allowed us to address operational needs while fostering consistency across teams.

In addition, employees also participated in external training programmes, workshops, and industry seminars. These opportunities allowed our employees to gain new insights, stay updated with industry trends, and bring back valuable knowledge that could be applied within the Group.

These initiatives not only empower employees in their personal and professional growth but also directly contribute to the Group's success by improving productivity, driving innovation, and enhancing overall service quality. Investing in our people is an investment in our future.

SUSTAINABILITY STATEMENT
(CONTINUED)

HUMAN CAPITAL (CONTINUED)

(a) Employees’ Development and Engagement (continued)

The following is a list of training programmes attended by our employees during FYE 2025:

No.	Trainings	Brief description of training
1.	Jabatan Alam Sekitar – Pemangkin Kelestarian Alam	To provide understanding of the Environmental Quality (Amendment) Act 2024 in support of environmental sustainability
2.	UMW Industries (1985) Sdn Bhd – Forklift Operator and Safety Training	To ensure a safe and efficient handling of materials in a variety of workplaces and to equip operators with the necessary understanding of safe operating procedures, potential hazards and maintenance requirements
3.	SST2U – SST Compliance for Engineer, Installation & Maintenance	To equip employees with a clear understanding of the expanded SST scope effective 1 July 2025
4.	OTC Training Centre Sdn Bhd – Electrical Awareness Training for Non-Electrical Personnel	To equip non-electrical personnel with a foundational understanding of electrical concepts, components, safety practices, and system operations, enabling safe interaction with electrical systems, hazard awareness, and effective communication with qualified electricians



Employee Development: Building Skills and Empowering Growth

SUSTAINABILITY STATEMENT
(CONTINUED)

HUMAN CAPITAL (CONTINUED)

(a) Employees' Development and Engagement (continued)

At the heart of our organisation is a belief that every employee's contribution matters. As part of our ongoing efforts to foster a positive and motivated workplace, we organised several initiatives throughout the year to recognise, appreciate and celebrate our people.

Among the key events held were Majlis Berbuka Puasa, monthly staff birthday celebrations and the town hall session. These initiatives cultivate a sense of belonging and camaraderie, honour cultural diversity, strengthen bonds across our departments, enhance employee morale, and also reflect our commitment to building an inclusive, respectful and people-focused work culture.



SUSTAINABILITY STATEMENT
(CONTINUED)

HUMAN CAPITAL (CONTINUED)

(a) Employees' Development and Engagement (continued)



The Group recognises the importance of inclusivity in promoting employee engagement and sustainability and is committed to fostering an inclusive culture that values diversity in all its forms and promotes equality and respect for all employees. We continuously strive to instill a feeling of belonging in HIL Group and encourage employee unity and a sense of working together to achieve our shared goals.

The Group's "SATU" values – Strive for excellence, Accountability, Trustworthy and Unity – continue to support internal alignment and workplace cohesion.

SUSTAINABILITY STATEMENT (CONTINUED)

HUMAN CAPITAL (CONTINUED)

(a) Employees' Development and Engagement (continued)



HIL Management Meeting at Mangroves @ Carey Circles

SUSTAINABILITY STATEMENT (CONTINUED)

HUMAN CAPITAL (CONTINUED)

(a) Employees' Development and Engagement (continued)



*Employee Engagement and Well-Being:
Encouraging a Healthy and United Workplace*

SUSTAINABILITY STATEMENT (CONTINUED)

HUMAN CAPITAL (CONTINUED)

(a) Employees' Development and Engagement (continued)

Beyond professional development and recognition, we continue to prioritise the overall well-being of our employees by fostering a healthy, active, and collaborative work environment.

One of our key initiatives is the implementation of daily **Taisho** exercises, a light and energising group workout conducted every morning. This Japanese-inspired routine helps staff to kickstart the day with improved focus, flexibility and team spirit, promoting both physical wellness and mental clarity in the workplace.

In addition, we introduced **weekly gotong-royong activities** where employees work together to clean and organise their respective work areas. This practice not only reinforces the values of teamwork and shared responsibility but also ensures a cleaner, safer and more pleasant work environment for all.

Together, these activities reflect our commitment to creating a balanced and supportive workplace – one where employees are encouraged to stay active, collaborate meaningfully, and take pride in their shared spaces.

(b) Talent Management, Diversity, Equity and Inclusion

We recognise the importance of talent management in achieving our sustainability goals and are committed to attracting, developing and retaining the best talent in the industry and providing them with opportunities for career growth and development.

We recognise the importance of diversity and inclusivity in talent management and are committed to fostering a culture that values diversity in all its forms and promotes equality and respect for all employees. All employees are treated fairly regardless of age, gender, race, religion and background. Our workforce consists of approximately 16% women and 84% men. Our employment and diversity policies and measures to support working mothers ensure that our work environment is a place where women can thrive.

(c) Employee Health and Safety

The Group is committed to creating a safe and healthy work environment for all employees and stakeholders. We recognise that occupational health and safety is a critical aspect of our sustainability strategy and an essential part of our responsibility to our employees, customers and communities.

Subsequent to the financial year end, HIL Industries Automotive (M) Sdn. Bhd. obtained ISO 45001:2018 Occupational Health and Safety Management System certification on 17 March 2026 for its multi-site operations. This certification further strengthens the Group's occupational health and safety framework and reinforces its continued emphasis on workplace safety, regulatory compliance and continual improvement.

Given the nature of industrial materials and processes that we use in the manufacture of our products, our workplace must adhere to the highest standards of health and safety and to this end, we constantly monitor and introduce improvement to our working environment. The concept of **Kaizen**, or continuous improvement, requires the ongoing pursuit of excellence and the desire to push beyond boundaries. We integrate Kaizen throughout our entire value chain.

Our approach to occupational health and safety involves establishing robust policies, procedures, and practices that meet or exceed the relevant legal and regulatory requirements. The Group undertakes comprehensive training programmes and awareness campaigns to educate employees and stakeholders on the importance of occupational health and safety, and encourage their active participation in creating a safe work environment. All factory workers are provided with safety shoes, helmets and ear muffers and are required to wear them.

SUSTAINABILITY STATEMENT (CONTINUED)

HUMAN CAPITAL (CONTINUED)

(c) Employee Health and Safety (continued)

Representatives from all levels attend occupational safety and health courses conducted by certified trainers to enhance their understanding of workplace safety responsibilities. These programmes focus on identifying common hazards and unsafe work practices, and implementing corrective actions to improve the work environment. First Aid and CPR training sessions are also organised to help staff and workers understand their role as Emergency First Responders. In addition, all workers are covered by Personal Accident Insurance and, where applicable, the Foreign Workers Compensation Scheme.

The Group implements regular health and safety assessments to identify and manage any potential risks, and conduct periodic audits to ensure compliance with our health and safety policies and procedures. We also encourage employees to report any incidents or near-misses, and take prompt action to investigate and address any issues identified. On top of that, regular audits of safety systems are conducted to support the continuous improvement of occupational safety and health systems and processes.

In addition to the above, both employees and the contractors in our property development division must adhere to various standards set by the Group. Contractors must submit Safety, Health and Environmental Plans and Sanitation Plans before work on site can commence.

	2025	2024	2023
Number of work-related fatalities	0	0	0
Lost time incident rate ("LTIR")	0.00	0.00	0.00
Number of employees trained on health and safety standards	669	646	674

In FYE 2025, the Group recorded zero work-related fatalities and a LTIR of 0.00, reflecting its continued commitment to workplace safety and employees' welfare.

(d) Community Investment and Outreach

During the year, the Group continued its community outreach efforts through festive-season engagement and targeted contributions to community organisations. In conjunction with Chinese New Year, the Group undertook an outreach initiative with **Padmasambhava Children Loving Association**. In conjunction with Hari Raya Aidilfitri, representatives of the Group visited **Pusat Jagaan Nur Sakinah**. These engagements were intended to foster inclusivity, meaningful interaction and positive social impact.

The Group contributed RM5,000 to Padmasambhava Children Loving Association and RM5,000 to Pusat Jagaan Nur Sakinah during FYE 2025. Beyond the monetary contribution, the Group values the opportunity to engage directly with the beneficiaries and reinforce a culture of care and social responsibility within the organisation.

Initiative	Nature of support	Amount (RM)
Padmasambhava Children Loving Association	Chinese New Year outreach and donation	5,000
Pusat Jagaan Nur Sakinah	Hari Raya outreach and donation	5,000

The Bursa CSI table records total community investment of RM16,262 and 42 beneficiaries for FYE 2025. The Group will continue to refine the classification and presentation of community investment data in future reporting periods.

SUSTAINABILITY STATEMENT (CONTINUED)

HUMAN CAPITAL (CONTINUED)

(d) Community Investment and Outreach (continued)



Chinese New Year and Raya Celebration with Padmasambhava Children Loving Association and Pusat Jagaan Nur Sakinah.

SUSTAINABILITY STATEMENT (CONTINUED)

COMPLIANCE AND INTEGRITY HIGHLIGHTS, AND SUPPLY CHAIN MANAGEMENT

(a) Regulatory Compliance

The Group is committed to conducting its business responsibly which requires thorough internal control, compliance with the Group's Code of Business Conduct and Ethics ("**the Code**"), and adhering to all legal and regulatory requirements. This ensures that we conduct our business with integrity and transparency whilst promoting sustainable business practices.

(i) Anti-Bribery and Anti-Corruption Framework and Policy

The Group continues to reinforce its Anti-Bribery and Anti-Corruption ("**ABC**") framework and policy in support of compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009. Anti-corruption training coverage across management, executive, non-executive/technical staff and general workers remained at 100% based on the Group's internal records. The Group recorded no confirmed incidents of corruption in FYE 2025.

The following table shows the percentage of employees who received anti-corruption training:

	2025	2024	2023
Management	100%	100%	100%
Executive	100%	100%	100%
Non-executive/Technical Staff	100%	100%	100%
General Workers	100%	100%	100%

(ii) Data Privacy and Protection

The Group also continues to uphold confidentiality and data privacy standards in the handling of customer and employee information. No substantiated complaints concerning breaches of customer privacy or losses of customer data were recorded in FYE 2025.

	2025	2024	2023
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0

(iii) Whistleblowing Policy

The Group maintains a whistleblowing policy and reporting channels to allow concerns on suspected misconduct to be raised confidentially. No whistleblowing reports were received in FYE 2025.

(b) Supply Chain Management

The Group is committed to strengthening a resilient supply chain by incorporating sustainability considerations into its procurement processes. Local sourcing remains an important feature of the Group's procurement approach. At least 90% of purchases in FYE 2025 were sourced locally, reflecting the Group's continued support for local businesses and the practical environmental benefit of reducing transport intensity where commercially feasible. We also help reduce our carbon footprint by minimising emissions associated with long-distance transportation.

	2025	2024	2023
Proportion of spending on local suppliers	90%	90%	90%

SUSTAINABILITY STATEMENT (CONTINUED)

BURSA CSI PERFORMANCE DATA TABLE

Set out in the following pages are the Group’s sustainability performance data for FYE 2025 generated from Bursa Malaysia’s CSI Platform. The table should be read together with the narrative disclosures in this Statement and the Statement of Assurance above.

A dash (“-”) in the Target column indicates that no formal quantitative target had been approved for public disclosure for the relevant metric for FYE 2025.

The “No assurance” notation means that the relevant sustainability data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider.

SUSTAINABILITY STATEMENT
(CONTINUED)

BURSA CSI PERFORMANCE DATA TABLE (CONTINUED)

Date & Time: 2026-04-27_11:06:45
FYE: 31/12/2025

Hil Industries Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Anti-Corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category – Managerial and above	Percentage	100.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Anti-Corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	100.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Anti-Corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - Non-executive/Technical Staff	Percentage	100.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Anti-Corruption)	Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category - General Workers	Percentage	100.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Anti-Corruption)	Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				

This report was generated on the Bursa Malaysia CSI Platform on 2026-04-27_11:06:45

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SUSTAINABILITY STATEMENT
(CONTINUED)

BURSA CSI PERFORMANCE DATA TABLE (CONTINUED)

Hil Industries Berhad
 BMLR Transition Period

Date & Time: 2026-04-27_11:06:45
 FYE: 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Anti-Corruption)	Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Community/Society)	Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	16,262.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Community/Society)	Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	42	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (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	0.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (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	45.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				

SUSTAINABILITY STATEMENT
(CONTINUED)

BURSA CSI PERFORMANCE DATA TABLE (CONTINUED)

Date & Time: 2026-04-27_11:06:45
FYE 31/12/2025

Hil Industries Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (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	55.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (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	22.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (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	59.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (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	20.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (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	27.00	-	* No assurance

SUSTAINABILITY STATEMENT
(CONTINUED)

BURSA CSI PERFORMANCE DATA TABLE (CONTINUED)

Date & Time: 2026-04-27_11:06:45
FYE 31/12/2025

Hil Industries Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (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	64.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (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	9.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (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	41.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (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	51.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				

SUSTAINABILITY STATEMENT
(CONTINUED)

BURSA CSI PERFORMANCE DATA TABLE (CONTINUED)

Date & Time: 2026-04-27_11:06:45
FYE 31/12/2025

Hil Industries Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (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	8.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category (Management Male)	Percentage	75.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category (Management Female)	Percentage	25.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category (Executive Male)	Percentage	68.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Diversity)	Bursa C3(a) Percentage of employees by gender and age group, for each employee category - Gender Group by Employee Category (Executive Female)	Percentage	32.00	-	* No assurance

SUSTAINABILITY STATEMENT
(CONTINUED)

BURSA CSI PERFORMANCE DATA TABLE (CONTINUED)

Date & Time: 2026-04-27_11:06:45
FYE 31/12/2025

Hil Industries Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (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	90.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (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	10.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (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	90.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (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	10.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				

SUSTAINABILITY STATEMENT
(CONTINUED)

BURSA CSI PERFORMANCE DATA TABLE (CONTINUED)

Date & Time: 2026-04-27_11:06:45
FYE 31/12/2025

Hil Industries Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Male	Percentage	75.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Female	Percentage	25.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Between 31-50	Percentage	37.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Between 51-70	Percentage	50.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Diversity)	Bursa C3(b) Percentage of directors by gender and age group - Above 70	Percentage	13.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Health and safety)	Bursa C5(a) Number of work-related fatalities	Number	0.00	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Health and safety)	Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	-	* No assurance

BURSA CSI PERFORMANCE DATA TABLE (CONTINUED)

Date & Time: 2026-04-27_11:06:45
FYE: 31/12/2025

Hil Industries Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Health and safety)	Bursa C5(c) Number of employees trained on health and safety standards	Number	669	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category - Management	Hours	420	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category - Executive	Hours	861	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category - Non-executive/Technical Staff	Hours	2,030	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Labour practices and standards)	Bursa C6(a) Total hours of training by employee category - General Workers	Hours	6,699	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Labour practices and standards)	Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	4.00	-	* No assurance

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SUSTAINABILITY STATEMENT
(CONTINUED)

BURSA CSI PERFORMANCE DATA TABLE (CONTINUED)

Hil Industries Berhad
BMLR Transition Period

Date & Time: 2026-04-27_11:06:45
FYE: 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Management	Number	0	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Executive	Number	2	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - Non-executive/Technical Staff	Number	4	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Labour practices and standards)	Bursa C6(c) Total number of employee turnover by employee category - General Workers	Number	7	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Labour practices and standards)	Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Supply chain management)	Bursa C7(a) Proportion of spending on local suppliers	Percentage	90.00	-	* No assurance

SUSTAINABILITY STATEMENT
(CONTINUED)

BURSA CSI PERFORMANCE DATA TABLE (CONTINUED)

Date & Time: 2026-04-27_11:06:45
FYE 31/12/2025

Hil Industries Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Data privacy and security)	Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Energy management)	Bursa C4(a) Total energy consumption	Megawatt	14,069.45	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Water)	Bursa C8(a) Total volume of water used	Megalitres	22,205,390	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Waste management)	Bursa C10(a) Total waste generated	Metric tonnes	87.13	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Waste management)	Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	70.58	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Waste management)	Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	16.55	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				

SUSTAINABILITY STATEMENT
(CONTINUED)

BURSA CSI PERFORMANCE DATA TABLE (CONTINUED)

Date & Time: 2026-04-27_11:06:45
FYE 31/12/2025

Hil Industries Berhad
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Bursa (Emissions management)	Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	11,026.64	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Emissions management)	Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	520.57	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				
Bursa (Emissions management)	Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	272.82	-	* No assurance
Footnote Assurance	No assurance means the data has not been subjected to internal review by the internal auditor or independent assurance by an external assurance provider. The data was compiled from the Group's internal records, supporting schedules and management inputs.				

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

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

(A) Group Total Income and Total Assets

	Remarks	Group	
		2025 (RM)	2024 (RM)
Total Income			
Revenue		219,023,378	219,898,028
Interest income		1,865,748	3,415,216
Other income		1,579,710	828,523
Total		222,468,836	224,141,767
Total Assets		660,129,969	604,741,454

(B) Business Activities

	Remarks	Group	
		2025 (RM)	2024 (RM)
Shariah Non-Compliant Activities			
Interest income	Conventional	1,865,748	3,415,216
Total		1,865,748	3,415,216

(C) Component of Financial Position

(i) Cash Component

	Remarks	Group	
		2025 (RM)	2024 (RM)
Islamic Account/Instruments			
Cash at bank (exclude cash in hand)		2,350,110	–
Total		2,350,110	–
Conventional Account/Instruments			
Deposits with licensed bank		21,351,181	30,294,057
Money market instruments		9,320,223	15,590,781
Cash at bank (exclude cash in hand)		13,906,606	17,579,678
Cash held under Conventional Housing Development Accounts		57,505,250	63,062,773
Total		102,083,260	126,527,289

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING
(CONTINUED)

(C) Component of Financial Position (Cont'd)

(ii) Debt Component

Islamic Financing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current			
Commodity Financing	MBB	1,180,878	–
Revolving credit and financing	CIMB	3,012,279	–
Non-Current			
Commodity Financing	MBB	12,486,023	–
Total		16,679,180	–

Conventional Borrowing	Remarks	Group	
		2025 (RM)	2024 (RM)
Current			
Hire purchase payables		95,925	91,479
Non-Current			
Hire purchase payables		305,174	401,099
Total		401,099	492,578

STATEMENT OF DIRECTORS' RESPONSIBILITIES

IN RESPECT OF THE AUDITED FINANCIAL STATEMENT

Directors are required by the Companies Act 2016 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the Company for the financial year then ended.

In preparing those financial statements, the Directors have:

- Adopted applicable accounting policies and applied them consistently,
- Made judgements and estimates that are prudent and reasonable,
- Ensured applicable approved accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepared the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company and to prevent and detect fraud and other irregularities.



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DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and the manufacture and sale of industrial and domestic moulded plastic products. The principal activities of the subsidiary companies are disclosed in Note 16 to the Financial Statements. There have been no significant changes in the nature of these activities during the financial year.

RESULTS

	Group RM	Company RM
Profit attributable to:		
Owners of the Company	32,796,289	3,398,826
Non-controlling interests	1,597,442	–
	34,393,731	3,398,826

DIVIDEND

On 28 May 2025, the Board of Directors declared a first and final single tier dividend of 3.00 sen per ordinary share amounting to RM9,958,224 in respect of the financial year ended 31 December 2024 which was paid on 3 July 2025.

On 2 April 2026, the Board of Directors declared a first and final single tier dividend of 2.50 sen per ordinary share for the financial year ended 31 December 2025. The dividend entitlement and payment dates will be determined at a later date.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are shown in the financial statements.

TREASURY SHARES

The shareholders of the Company granted a mandate to the Company to repurchase its own shares at the Annual General Meeting held on 29 May 2025. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interest of the Company and its shareholders.

The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares in accordance with Section 127(6) of the Companies Act 2016.

There were no repurchase of own shares during the financial year ended 31 December 2025.

Details of treasury shares are set out in Note 27(b) to the financial statements.

DIRECTORS' REPORT (CONTINUED)

OPTIONS GRANTED OVER UNISSUED SHARES

No options have been granted by the Company to any parties during the financial year to take up any unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any options to take up unissued shares of the Company. At the end of the financial year, there were no unissued shares of the Company under options.

DIRECTORS

The Directors who served on the Board of the Company during the financial year until the date of this Report are:-

Tan Sri Dato' Ir. Ng Boon Thong @ Ng Tian Hock
Dato' Milton Norman Ng Kwee Leong
Steven Junior Ng Kwee Leng
Malcolm Jeremy Ng Kwee Seng
Ooi Hun Yong
Dato' Ir Hashim Bin Osman
Norazkha Binti Dahlan
Tong Sook Yee

DIRECTORS OF SUBSIDIARIES

The following is a list of Directors of the subsidiaries (excluding Directors who are also Directors of the Company) in office during the financial year until the date of this report:

Tan Sri Dato' Dr. Sak Cheng Lum
Raden Ronald Setjodiningrat
Ho Swee Main
Irawan Walujo Wibowo
Shan, Weidong
Mohd Zubir Bin Idrus
Chiam Hui Peng

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit, (other than benefits included in the aggregate amount of remunerations received or due and receivable by the Directors as shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except that certain Directors received remuneration from the Company's related corporations.

DIRECTORS' REPORT

(CONTINUED)

DIRECTORS' BENEFITS (CONTINUED)

Directors' remuneration

	Group RM	Company RM
Fees	21,000	21,000
Salaries	1,022,400	–
Bonus	205,700	–
Defined contribution plan	147,942	–
Others*	6,497	–
	1,403,539	21,000

* Others include SOCSO and EIS.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, particulars of interests of Directors who held office at the end of the financial year in shares in the Company and its related corporations are as follows:

(a) Shares in the Company

	At 1.1.2025	<u>Number of ordinary shares</u>		At 31.12.2025
		Additions	Disposals	
<u>Shareholdings in the name of the Director</u>				
Tan Sri Dato' Ir. Ng Boon Thong				
@ Ng Thian Hock	15,069,479	810,500	–	15,879,979
Dato' Milton Norman Ng Kwee Leong	13,262,559	534,400	–	13,796,959
Steven Junior Ng Kwee Leng	7,249,800	–	–	7,249,800
Malcolm Jeremy Ng Kwee Seng	6,290,720	224,500	–	6,515,220
Norazkha Binti Dahlan	97,920	–	–	97,920
<u>Shareholdings in which the Director is deemed to have an interest</u>				
Tan Sri Dato' Ir. Ng Boon Thong				
@ Ng Thian Hock	225,952,745	758,900	–	226,711,645
Dato' Milton Norman Ng Kwee Leong	209,955,065	810,500	–	210,765,565
Steven Junior Ng Kwee Leng	209,955,065	810,500	–	210,765,565
Malcolm Jeremy Ng Kwee Seng	209,955,065	810,500	–	210,765,565

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' INTERESTS (CONTINUED)

(b) Warrants in the Company

	<u>Number of Warrants 2017/2027</u>			<u>At 31.12.2025</u>
	<u>At 1.1.2025</u>	<u>Additions</u>	<u>Disposals</u>	
<u>Shareholdings in the name of the Director</u>				
Tan Sri Dato' Ir. Ng Boon Thong				
@ Ng Thian Hock	5,022,713	–	–	5,022,713
Dato' Milton Norman Ng Kwee Leong	1,333,659	–	–	1,333,659
Steven Junior Ng Kwee Leng	708,300	–	–	708,300
Malcolm Jeremy Ng Kwee Seng	715,120	–	–	715,120
Norazkha Binti Dahlan	16,320	–	–	16,320
<u>Shareholdings in which the Director is deemed to have an interest</u>				
Tan Sri Dato' Ir. Ng Boon Thong				
@ Ng Thian Hock	34,743,071	–	–	34,743,071
Dato' Milton Norman Ng Kwee Leong	36,298,025	–	–	36,298,025
Steven Junior Ng Kwee Leng	36,298,025	–	–	36,298,025
Malcolm Jeremy Ng Kwee Seng	36,298,025	–	–	36,298,025

(c) Shares in the holding company

	<u>Number of ordinary shares in Delta Industries Sdn. Bhd. ("Delta")</u>			<u>At 31.12.2025</u>
	<u>At 1.1.2025</u>	<u>Additions</u>	<u>Disposals</u>	
<u>Shareholdings in the name of the Director</u>				
Tan Sri Dato' Ir. Ng Boon Thong				
@ Ng Thian Hock	7,000,000	–	–	7,000,000
Dato' Milton Norman Ng Kwee Leong	1,000,000	–	–	1,000,000
Steven Junior Ng Kwee Leng	1,000,000	–	–	1,000,000
Malcolm Jeremy Ng Kwee Seng	1,000,000	–	–	1,000,000
<u>Shareholdings in which the Director is deemed to have an interest</u>				
Tan Sri Dato' Ir. Ng Boon Thong				
@ Ng Thian Hock	6,000,000	–	–	6,000,000
Dato' Milton Norman Ng Kwee Leong	10,000,000	–	–	10,000,000
Steven Junior Ng Kwee Leng	10,000,000	–	–	10,000,000
Malcolm Jeremy Ng Kwee Seng	10,000,000	–	–	10,000,000

DIRECTORS' REPORT
 (CONTINUED)

DIRECTORS' INTERESTS (CONTINUED)

(d) Shares in related company

	Number of ordinary shares in Amverton Berhad			
	At 1.1.2025	Additions	Disposals	At 31.12.2025
<u>Shareholdings in the name of the Director</u>				
Tan Sri Dato' Ir. Ng Boon Thong				
@ Ng Thian Hock	39,822,112	-	-	39,822,112
Dato' Milton Norman Ng Kwee Leong	1,400,000	-	-	1,400,000
Steven Junior Ng Kwee Leng	1,000,000	-	-	1,000,000
Malcolm Jeremy Ng Kwee Seng	3,507,900	-	-	3,507,900
<u>Shareholdings in which the Director is deemed to have an interest</u>				
Tan Sri Dato' Ir. Ng Boon Thong				
@ Ng Thian Hock	320,259,022	-	-	320,259,022
Dato' Milton Norman Ng Kwee Leong	351,585,234	-	-	351,585,234
Steven Junior Ng Kwee Leng	351,585,234	-	-	351,585,234
Malcolm Jeremy Ng Kwee Seng	351,585,234	-	-	351,585,234

By virtue of their interests in shares in the Company, Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock, Dato' Milton Norman Ng Kwee Leong, Steven Junior Ng Kwee Leng, Malcolm Jeremy Ng Kwee Seng and Norazkha Binti Dahlan are also deemed interested in shares in the subsidiary companies to the extent that the Company has an interest.

Other than as disclosed above, according to the register of Directors' shareholdings, the Directors in office at the end of the financial year did not hold any interest in shares in the Company or in shares in its related corporations during the financial year.

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS, AND AUDITORS

During the financial year, there were no indemnity given to or insurance effected for, any director or officer of the Company.

The Company has agreed to indemnify the Auditors, HLB Ler Lum Chew PLT as permitted under Section 289 of the Companies Act, 2016 in Malaysia.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, 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 satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to realise in the ordinary course of business their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

DIRECTORS' REPORT (CONTINUED)

OTHER STATUTORY INFORMATION (CONTINUED)

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

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

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

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

In the opinion of the Directors:

- (a) the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (b) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION

The auditors' remuneration of the Group and of the Company during the financial year are RM207,925 and RM42,000 respectively.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 16 to the Financial Statements.

HOLDING COMPANY

The Directors regard Delta Industries Sdn. Bhd., a company incorporated in Malaysia, as the holding company.

DIRECTORS' REPORT
(CONTINUED)

AUDITORS

The auditors, HLB Ler Lum Chew PLT, have expressed their willingness to continue in office.

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

Dato' Milton Norman Ng Kwee Leong
Managing Director

Dated: 2 April 2026
Shah Alam

Malcolm Jeremy Ng Kwee Seng
Director

STATEMENT BY DIRECTORS

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

We, DATO' MILTON NORMAN NG KWEE LEONG and MALCOLM JEREMY NG KWEE SENG, being two of the Directors of HIL INDUSTRIES BERHAD, do hereby state that, in the opinion of the Directors, 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 at 31 December 2025 and of their financial performance and cash flows of the Group and of the Company for the financial year then ended.

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

Dato' Milton Norman Ng Kwee Leong
Managing Director

Dated: 2 April 2026
Shah Alam

Malcolm Jeremy Ng Kwee Seng
Director

STATUTORY DECLARATION

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

I, MALCOLM JEREMY NG KWEE SENG, being the Director primarily responsible for the financial management of HIL INDUSTRIES BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief the accompanying financial statements are correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Malcolm Jeremy Ng Kwee Seng
Director

Subscribed and solemnly declared by the abovenamed
MALCOLM JEREMY NG KWEE SENG
at Klang, in the State of Selangor on 2 April 2026

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF HIL INDUSTRIES BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of HIL Industries Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 85 to 157.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

1. Revenue recognition from property development activities

The risk

We refer to Note 2.4(a), 3.1(ii) and 4 to the financial statements.

During the financial year, the Group's revenue contribution from its property development segment amounted to RM35,612,064.

We focused on this area because the revenue recognition for property development activities is inherently complex as it involves the use of significant estimates and judgements made by management which include the following:

- a) Estimation of the total budgeted project costs and the assessment of costs yet to be incurred to complete these projects;
- b) Determination of the progress towards satisfaction of the performance obligations and overall progress of the Group's projects; and
- c) Estimation of changes in transaction price arising from liquidated ascertained damages penalties.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Key Audit Matters (Continued)

1. Revenue recognition from property development activities (continued)

Our response:

Our audit procedures focused on the following:

- We obtained an understanding and tested the Group's internal controls over property development project budget approvals and revenue recognition process;
- We evaluated the management's key judgements used in the estimation of budgeted property development costs by examining documentation such as letter of awards issued, variation orders, historical evidence or results and retrospective review of these estimates;
- We verified the budgeted revenue by examining the construction projects' approved letters of award and signed property development sales and purchase agreements;
- We inspected the costs incurred to date and compared against sub-contractor claim certificates and external architects' certifications of work performed to corroborate the projects' progress towards satisfaction of the performance obligations and reasonableness of the estimated project budgets;
- We observed the progress of the ongoing projects by performing site visits and discussions with the project team;
- We performed re-computations on the calculation of the stage of completion to ascertain there is no mathematical error in the profit recognition; and
- We reviewed the stage of completion of all on-going property development projects to determine if any adjustments to the transaction price is required arising from the estimation for liquidated and ascertained damages.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

From the matters communicated with the Directors, we determine 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 and regulation preclude 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, as disclosed in Note 16 to the financial statements.

Other Matters

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

HLB LER LUM CHEW PLT
201906002362 & AF 0276
Chartered Accountants

CHEW LOONG JIN
03279/03/2027 J
Chartered Accountant

Dated: 2 April 2026
Kuala Lumpur

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	4	219,023,378	219,898,028	10,588,208	8,702,190
Cost of sales	5	(151,997,162)	(145,489,613)	(7,119,113)	(6,546,249)
Gross profit		67,026,216	74,408,415	3,469,095	2,155,941
Other items of income					
- Interest income	6	1,865,748	3,415,216	1,367,529	1,593,069
- Other income		1,579,710	828,523	2,576,198	2,126,023
Other items of expenses					
- Selling and marketing expenses		(5,500,657)	(6,272,238)	(33,158)	(40,542)
- Administrative expenses		(6,874,884)	(6,233,218)	(1,202,339)	(1,133,877)
- Other expenses		(7,250,545)	(8,157,768)	(250,708)	(2,113,106)
Profit from operations		50,845,588	57,988,930	5,926,617	2,587,508
Finance costs	7	(39,618)	(7,404)	(121,362)	(1,852)
Profit before tax	8	50,805,970	57,981,526	5,805,255	2,585,656
Income tax expense	11	(16,412,239)	(14,938,066)	(2,406,429)	(2,303,960)
Profit for the year		34,393,731	43,043,460	3,398,826	281,696
<u>Other comprehensive income, net of tax</u>					
Items that may be reclassified subsequently to profit or loss:					
Foreign currency translation differences for foreign operations		(896,765)	(1,002,555)	-	-
Total comprehensive income for the financial year		33,496,966	42,040,905	3,398,826	281,696

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<u>Profit attributable to:</u>					
Owners of the Company		32,796,289	41,324,587	3,398,826	281,696
Non-controlling interests		1,597,442	1,718,873	–	–
Profits for the financial year		34,393,731	43,043,460	3,398,826	281,696
<u>Total comprehensive income attributable to:</u>					
Owners of the Company		31,899,524	40,322,032	3,398,826	281,696
Non-controlling interests		1,597,442	1,718,873	–	–
Total comprehensive income for the financial year		33,496,966	42,040,905	3,398,826	281,696
Basic/Diluted earnings per share attributable to owners of the Company (sen)	12	9.88	12.45	–	–

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
ASSETS					
<u>Non-current assets</u>					
Property, plant and equipment	13	64,255,203	65,406,000	17,412,091	19,122,379
Right-of-use assets	14	2,881,859	3,252,101	373,797	587,359
Investment properties	15	28,957,531	23,073,175	–	–
Investment in subsidiary companies	16	–	–	168,370,433	174,503,978
Investment in associate companies	17	3,234,050	50	–	–
Goodwill	19	3,301,086	3,301,086	–	–
Fixed deposits with licensed bank	25	–	1,317,726	–	–
Deferred tax assets	31	788,304	–	–	–
		103,418,033	96,350,138	186,156,321	194,213,716
<u>Current assets</u>					
Inventories	20	367,865,499	308,508,736	396,025	338,568
Contract assets	21	46,117,404	35,854,189	123,167	–
Contract cost assets	22	58,606	1,156,235	–	–
Trade and other receivables	23	25,931,019	26,520,772	1,715,040	1,132,606
Amount due from subsidiaries	24	–	–	32,917,550	31,895,583
Income tax assets		12,306,038	11,141,821	828,951	1,039,909
Investments	18	9,320,223	15,590,781	6,000,000	6,375,784
Fixed deposits with licensed bank	25	21,351,181	28,976,331	10,051,778	6,370,239
Cash and bank balances	26	73,761,966	80,642,451	3,943,980	4,540,981
		556,711,936	508,391,316	55,976,491	51,693,670
TOTAL ASSETS		660,129,969	604,741,454	242,132,812	245,907,386

STATEMENTS OF FINANCIAL POSITION
(CONTINUED)

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
EQUITY AND LIABILITIES					
<u>Equity attributable to owners of the Company</u>					
Share capital	27	167,018,806	167,018,806	167,018,806	167,018,806
Treasury shares	27(b)	(947,224)	(947,224)	(947,224)	(947,224)
Capital reserve		308,161	308,161	–	–
Currency translation reserve	28	3,625,270	4,522,035	–	–
Retained profits		328,377,059	305,538,994	69,657,339	76,216,737
		498,382,072	476,440,772	235,728,921	242,288,319
Non-controlling interests		6,033,225	4,435,783	–	–
Total equity		504,415,297	480,876,555	235,728,921	242,288,319
<u>Non-current liabilities</u>					
Lease liabilities	29	366,834	513,619	305,174	401,099
Borrowings	30	12,486,023	–	–	–
Deferred tax liabilities	31	21,055,691	22,187,041	1,251,518	1,278,460
		33,908,548	22,700,660	1,556,692	1,679,559
<u>Current liabilities</u>					
Trade and other payables	32	116,904,980	100,843,231	1,364,928	1,431,130
Amount due to subsidiaries	24	–	–	3,386,346	416,899
Lease liabilities	29	146,785	140,502	95,925	91,479
Borrowings	30	4,193,157	–	–	–
Income tax liabilities		561,202	180,506	–	–
		121,806,124	101,164,239	4,847,199	1,939,508
Total liabilities		155,714,672	123,864,899	6,403,891	3,619,067
TOTAL EQUITY AND LIABILITIES		660,129,969	604,741,454	242,132,812	245,907,386

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Note	Attributable to owners of the Company							Total equity RM
	Share capital RM	Treasury shares RM	Capital reserve RM	Currency translation reserve RM	Retained profits RM	Total RM	Non-controlling interests RM	
Group 2025								
At 1 January 2025	167,018,806	(947,224)	308,161	4,522,035	305,538,994	476,440,772	4,435,783	480,876,555
Profit for the year	-	-	-	-	32,796,289	32,796,289	1,597,442	34,393,731
Other comprehensive income:								
- Foreign currency translation differences for foreign operations	-	-	-	(896,765)	-	(896,765)	-	(896,765)
Total comprehensive (expense)/income for the year	-	-	-	(896,765)	32,796,289	31,899,524	1,597,442	33,496,966
Transactions with owners:								
Dividends	-	-	-	-	(9,958,224)	(9,958,224)	-	(9,958,224)
At 31 December 2025	167,018,806	(947,224)	308,161	3,625,270	328,377,059	498,382,072	6,033,225	504,415,297

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(CONTINUED)

Note	Attributable to owners of the Company							Non-controlling interests RM	Total equity RM
	Share capital RM	Treasury shares RM	Capital reserve RM	Currency translation reserve RM	Retained profits RM	Total RM			
Group 2024									
At 1 January 2024	167,018,806	(947,224)	308,161	5,524,590	274,183,334	446,087,667	2,506,207	448,593,874	
Profit for the year	-	-	-	-	41,324,587	41,324,587	1,718,873	43,043,460	
Other comprehensive income:									
- Foreign currency translation differences for foreign operations	-	-	-	(1,002,555)	-	(1,002,555)	-	(1,002,555)	
Total comprehensive (expense)/ income for the year	-	-	-	(1,002,555)	41,324,587	40,322,032	1,718,873	42,040,905	
Transactions with owners: Additional investment in a subsidiary by non-controlling interest									
16(e)	-	-	-	-	-	-	200,000	200,000	
Changes in composition of the Group									
33	-	-	-	-	(10,703)	(10,703)	10,703	-	
Dividends									
	-	-	-	-	(9,958,224)	(9,958,224)	-	(9,958,224)	
At 31 December 2024	167,018,806	(947,224)	308,161	4,522,035	305,538,994	476,440,772	4,435,783	480,876,555	

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

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	← Non-distributable →		Distributable	
Note	Share capital RM	Treasury shares RM	Retained profits RM	Total equity RM
Company 2025				
At 1 January 2025	167,018,806	(947,224)	76,216,737	242,288,319
Total comprehensive income for the financial year	-	-	3,398,826	3,398,826
<u>Transactions with owners:</u>				
Dividends	33	-	(9,958,224)	(9,958,224)
At 31 December 2025	167,018,806	(947,224)	69,657,339	235,728,921
Company 2024				
At 1 January 2024	167,018,806	(947,224)	85,893,265	251,964,847
Total comprehensive income for the financial year	-	-	281,696	281,696
<u>Transactions with owners:</u>				
Dividends	33	-	(9,958,224)	(9,958,224)
At 31 December 2024	167,018,806	(947,224)	76,216,737	242,288,319

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

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	50,805,970	57,981,526	5,805,255	2,585,656
Adjustment for:				
Amortisation of right-of-use assets	370,242	148,303	213,562	–
Amortisation of contract cost assets	1,663,879	3,115,661	–	–
Bad debts written-off	–	–	–	–
Depreciation of property, plant and equipment	6,330,105	5,489,973	1,701,953	1,744,840
Depreciation of investment properties	106,355	63,040	–	–
Dividend income	–	–	(5,999,520)	–
Fair value gain on other investment	(85,521)	(405,038)	–	(146,394)
(Gain)/Loss on disposal of property, plant and equipment	(51,665)	217,777	(51,665)	(84,000)
Impairment losses on financial assets – net:				
- Trade receivables	38,895	8,820	(1,414)	(22,103)
- Other receivables	–	176,236	–	–
- Contract assets	(734,900)	(14,920)	(734,900)	(14,920)
Impairment losses on property, plant and equipment	–	352,304	–	–
Impairment losses on investment in subsidiaries	–	–	–	1,598,049
Inventories written-down	–	99,839	–	–
Interest expense	39,618	7,404	121,362	1,852
Interest income	(1,865,748)	(3,424,474)	(1,367,529)	(1,593,069)
Property, plant and equipment written-off	–	26,566	–	–
Net unrealised foreign exchange (gain)/loss	(288,708)	(27,204)	59,971	14,254
Operating profit/(loss) before working capital changes	56,328,522	63,815,813	(252,925)	4,084,165
Working capital changes:				
Inventories	(64,801,017)	(77,989,741)	(57,457)	79,714
Contract assets	(9,528,315)	(9,040,112)	611,733	6,110,127
Contract cost assets	(566,250)	(2,275,754)	–	–
Related party balances	–	–	1,857,989	(31,834,191)
Receivables	839,566	14,601,841	(585,368)	3,933,195
Payables	16,061,749	16,279,362	(66,202)	(3,627,689)
Cash (used in)/generated from operations	(1,665,745)	5,391,409	1,507,770	(21,254,679)
Dividend received	–	–	5,999,520	–
Interest paid	(548,998)	(1,852)	(22,326)	(1,852)
Interest received	1,865,748	3,424,474	1,367,529	1,593,069
Income tax paid	(21,169,490)	(17,299,829)	(2,863,326)	(1,622,301)
Income tax refund	2,054,076	–	640,913	–
Net cash (used in)/from operating activities	(19,464,409)	(8,485,798)	6,630,080	(21,285,763)

STATEMENTS OF CASH FLOWS
 (CONTINUED)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(5,187,643)	(5,370,807)	–	(1,148,864)
Proceeds from disposal of property, plant and equipment	60,000	433,636	60,000	84,000
Acquisition of additional shares in existing subsidiaries (net)	–	–	–	(349,575)
Acquisition of new subsidiary (net of cash acquired)	–	(9,189,774)	–	–
Acquisition of shares in associate company	(3,234,000)	(50)	–	–
Purchase of investments	(17,700,000)	(45,865,000)	(13,500,000)	(26,255,000)
Proceeds from disposal of short term investments	24,056,079	38,553,000	13,875,784	23,700,000
Redemption of preference shares of a subsidiary company	–	–	6,124,000	–
Net cash (used in)/from investing activities	(2,005,564)	(21,438,995)	6,559,784	(3,969,439)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of lease liabilities	(10,653,021)	(52,422)	(91,479)	(7,422)
Placement of fixed deposits under lien	1,317,726	(39,209)	–	–
Additional investment in a subsidiary by non-controlling interest	–	200,000	–	–
Proceeds from borrowings	27,154,622	–	–	–
Dividend paid on ordinary shares	(9,958,224)	(9,958,224)	(9,958,224)	(9,958,224)
Net cash from/(used in) financing activities	7,861,103	(9,849,855)	(10,049,703)	(9,965,646)
NET CHANGES IN CASH AND CASH EQUIVALENTS	(13,608,870)	(39,774,648)	3,140,161	(35,220,848)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	109,618,782	150,351,238	10,911,220	46,146,322
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	(896,765)	(957,808)	(55,623)	(14,254)
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR (NOTE 34)	95,113,147	109,618,782	13,995,758	10,911,220

STATEMENTS OF CASH FLOWS (CONTINUED)

NOTES TO THE STATEMENTS OF CASH FLOWS

(i) Purchase of property, plant and equipment:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash	5,187,643	5,370,807	60,000	1,148,864
Hire purchase financing	–	500,000	–	500,000
	5,187,643	5,870,807	60,000	1,648,864

(ii) Reconciliation of liabilities arising from financing activities:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Lease liabilities and borrowings				
At 1 January	654,121	–	492,578	–
Repayment	(10,653,021)	(52,422)	(91,479)	(7,422)
<u>Non-cash changes</u>				
Additions	27,154,622	700,991	–	500,000
Interest accrued	37,077	5,552	–	–
At 31 December	17,192,799	654,121	401,099	492,578

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

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The principal activities of the Company are investment holding and the manufacture and sale of industrial and domestic moulded plastic products. The principal activities of the subsidiary companies are disclosed in Note 16 to the Financial Statements.

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

The address of the registered office of the Company is as follows:-

Lot 3, Jalan Lada Sulah 16/11
Section 16
40000 Shah Alam
Selangor Darul Ehsan

The address of the principal place of business of the Company is as follows:-

Lot 3, Jalan Lada Sulah 16/11
Section 16
40000 Shah Alam
Selangor Darul Ehsan

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.4.

Amendments to accounting standards that are effective for the Group's and the Company's financial year beginning on or after 1 January 2025 are as follows:

- Amendments to MFRS 121 "The Effects of Changes in Foreign Exchange Rates" (Lack of Exchangeability)

The above amendments to accounting standards effective during the financial year do not have any significant impact to the financial results and position of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.1 Statement of compliance (continued)

Accounting standards and amendments to accounting standards that are applicable for the Group and the Company in the following periods but are not yet effective:

Annual periods beginning on/after 1 January 2026

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

Annual periods beginning on/after 1 January 2027

- MFRS 18, “Presentation and Disclosure in Financial Statements”
- MFRS 19, “Subsidiaries without Public Accountability: Disclosures”

Effective date yet to be determined by the Malaysian Accounting Standards Board

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

The adoption of the accounting standards and amendments to accounting standards are not expected to have any significant impact to the financial statements of the Group and of the Company.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

2.3 Functional and presentation currency

The consolidated financial statements are presented in Ringgit Malaysia (RM), which is the Company’s functional and presentation currency. The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operate (“the functional currency”).

2.4 Use of judgements and estimates

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

The Directors are of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.4 Use of judgements and estimates (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Revenue recognition for property development activities

The Group recognised property development revenue in profit or loss by using the progress towards complete satisfaction of performance obligation. The progress towards complete satisfaction of performance obligation is determined by the proportion that development costs incurred for work performed to date bear to the estimated total development costs.

Significant judgement is required in determining the progress towards complete satisfaction of performance obligation, the extent of the development costs incurred, the estimated total property development revenue and expenses, as well as the recoverability of the property development projects. In making the judgement, the Group evaluates based on past experience and by relying on the work of specialists.

(b) Impairment test for goodwill

Goodwill represents the excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities. Goodwill is measured at cost less accumulated impairment losses.

Goodwill is tested for impairment annually and at other times when such indicators exist. This requires an estimation of the higher of value in use and fair value less costs of disposal of the cash-generating units to which goodwill is allocated.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

When fair value less cost to sell calculations are undertaken, management estimate the expected selling price of the cash-generating unit less its estimated costs of disposal. Further details of the carrying value, the key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in the assumptions are disclosed in Note 19 to the financial statements.

(c) Impairment of trade receivables

The Group and the Company uses a provision matrix to calculate expected credit losses ("ECLs") for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.4 Use of judgements and estimates (continued)

Key sources of estimation uncertainty (continued)

(c) Impairment of trade receivables (continued)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's and the Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's and the Company's trade receivables are disclosed in Note 23 to the financial statements.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Revenue recognition

Revenue from contracts with customers

(i) Sale of goods – Manufacturing

The Group and the Company sells moulded plastic products in the market. Sales are recognised when control of the products have transferred to its customers, being when the products are delivered to the customers. The customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. The risk of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provision have lapsed, or the Group and the Company have objective evidence that all criteria for acceptance have been satisfied. No element of financing is deemed present as the sales are made with a credit term of 120 days, which is consistent with market practice.

Revenue from sales of moulded plastic is recognised when the Group and the Company has delivered the products to the customers, the customers have accepted the products and the collectability of the related receivables is reasonably assured.

(ii) Revenue from property development

The Group develops and sells residential and commercial properties before completion of construction of the properties.

Revenue is recognised when control over the property has been transferred to the customer, either over time or at a point in time, depending on the contractual terms and the practices in the legal jurisdictions.

For development properties whereby the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred.

For development properties whereby the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.1 Revenue recognition (continued)

Revenue from contracts with customers (continued)

(ii) Revenue from property development (continued)

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advanced payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses.

(iii) Service rendered

Maintenance services is recognised over time, when the services have been performed and rendered.

Revenue from other sources

Specific revenue recognition criteria for other revenue and income earned by the Group and the Company are as follows:

(i) Rental income

Rental income is recognised on an accrual basis in accordance with the substance of the relevant agreements. Other rent related income is recognised in the accounting period in which the services have been rendered.

(ii) Interest income

Interest income is recognised on an accrual basis, using the effective interest method, unless collectability is in doubt, in which case it is recognised on a receipt basis.

(iii) Dividend income

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Employee benefits

(a) Short term benefits

Salaries, wages, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees.

(b) Defined contribution plans

The Group and the Company participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

3.3 Leases

(a) When the Group and the Company is the lessee:

At the inception of the contract, the Group and the Company assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

Right-of-use assets

The Group and the Company recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment".

Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group and the Company shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments),
- Payment of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

For contract that contain both lease and non-lease components, the Group and the Company allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group and the Company has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.3 Leases (continued)

- (a) When the Group and the Company is the lessee: (continued)

Lease liabilities (continued)

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in the Group's or in the Company's assessment of whether it will exercise an extension option; or
- There are modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- (b) Operating leases – the Company as lessor

Leases where the Company retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Company in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

3.4 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantially enacted by the reporting date, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the Statement of Financial Position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.5 Foreign currency

(a) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currency using the exchange rates prevailing on the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated to RM at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the year.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the year except for the differences arising on the retranslation of non-monetary items, in respect of which gains and losses are recognised directly in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(b) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency of the consolidated financial statements are translated into the presentation currency as follows:

- assets and liabilities of foreign operations are translated at the closing rate prevailing at the reporting date;
- income and expenses for each statement of profit and loss and other comprehensive income presented are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- all resulting exchange differences are taken directly to other comprehensive income through the currency translation reserve.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognised in other comprehensive income and accumulated in the separate component of equity are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the group's ownership interest in associates or joint ventures that do not result in the group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income through the currency translation reserve.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.6 Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiary companies not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary company that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary company. Any difference between the amount by which the non-controlling interests is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

3.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial year in which they are incurred.

Freehold land is not depreciated as it has an infinite life.

Assets under construction are stated at cost and are not depreciated. Upon completion, assets under construction are transferred to categories of property, plant and equipment depending on nature of assets and depreciation commences when they are ready for their intended use.

All other property, plant and equipment are depreciated on the straight-line basis to write off the cost of the assets, or the revalued amount, to their residual values over their estimated useful lives as follows:

Leasehold land	43 - 57 years
Buildings	33 - 50 years
Plant and machinery	3 - 13 years
Motor vehicles, equipment and furniture	2 - 5 years

The residual values, useful lives and depreciation methods are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the financial year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.8 Investment properties

Investment properties are properties which are owned or held to earn rental income or for capital appreciation or for both. These include land held for a currently undetermined future use. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties. Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses, consistent with the accounting policy for property, plant and equipment as stated in Note 3.7.

No depreciation is provided for freehold land.

Depreciation on other investment properties is calculated on the straight-line basis at rates required to write off the cost of the investment properties over their estimated useful lives.

The principal annual rate of amortisation used is as follows:-

Buildings	2% to 3%
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3.9 Subsidiaries

Investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

3.10 Basis of consolidation

Subsidiaries

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are consolidated from the date control is transferred to the Group to the date control ceases.

The acquisition method is used to account for business combinations. Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Please refer to Note 3.12 for the Group's accounting policy on Goodwill.

All intra-group transactions and balances are eliminated on consolidation.

Associates

Associates are all entities over which the Group has significant influence but not control or joint control, over the financial and operating policies. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost. The Group's investment in associates includes goodwill identified on acquisition.

The Group's share of post-acquisition profit or loss is recognised in profit or loss and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.10 Basis of consolidation (continued)

Associates (continued)

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

If the ownership interest in an associate is reduced but significant influence is retained, the proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. Dilution gains or losses arising from investments in associates are recognised in profit or loss.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment if the carrying value exceeds the recoverable amount of the associate and recognises the difference as impairment losses in profit or loss.

3.11 Inventories

(i) Finished goods, raw materials, consumables and trading goods

Inventories are stated at the lower of cost and net realisable value. The cost of raw materials, consumables and trading goods includes the original cost of purchase and other incidental costs required to bring the inventories to their present location and condition.

The cost of finished goods and work in progress includes raw materials, direct labour, other direct costs and an appropriate proportion of production overheads.

(ii) Property development cost

Property development costs are stated at the lower of costs and net realisable value. The cost of land, related developments costs common to whole projects and direct building costs less cumulative amounts recognised as expense in the profit or loss for property under development are carried in the statements of financial position as property development costs. The property development cost is subsequently recognised as an expense in profit or loss as and when the control of the inventory is transferred to the customer.

(iii) Completed development units

Units of development properties completed and held for sale are stated at the lower of cost and net realisable value. Costs comprise costs of acquisition of land including all related costs incurred subsequent to the acquisition necessary to prepare the land for its intended use, related development costs to projects and direct building costs.

(iv) Land held for property development

Land held for property development for which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle, is classified as non-current. The carrying amount of such land classified as inventory under non-current assets is carried at the lower of cost and net realisable value.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.11 Inventories (continued)

- (iv) Land held for property development (continued)

Land held for property development is transferred to property development costs under current assets when development activities have commenced and are expected to be completed within the normal operating cycle.

Net realisable value is the estimate of the selling price in the ordinary course of business, less costs to completion and selling expenses.

3.12 Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

3.13 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis. Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.14 Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group and the Company measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Subsequent measurement of debt instruments depends on the Group's and the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through profit or loss (FVPL)

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

(iii) Fair value through other comprehensive income (FVOCI)

Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income ("OCI") and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is recognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is recognised using the effective interest rate method in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the assets has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instrument is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.15 Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12 month ECL). For those credit exposures for which there has been significant losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group and the Company apply a simplified approach in calculation of ECLs. Therefore, the Group and the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.16 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

3.17 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.18 Treasury shares

Shares repurchased by the Company are held as treasury shares and are accounted for on the cost method. The amount of the consideration paid, including directly attributable costs, is recognised as cost and set off against equity. Should such shares be cancelled, reissued or disposed off, their nominal amounts will be eliminated, and the differences between their cost and nominal amounts will be taken to reserves, as appropriate. Where the treasury shares are subsequently distributed as dividends to equity holders, the cost of the treasury shares on the original purchase are applied in the reduction of the funds otherwise available for distribution as dividends.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.19 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group and the Company becomes a party to the contractual provisions of the financial instrument. The Group and the Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

3.20 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Managing Director of the Company, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

4. REVENUE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Revenue from contracts with customers</u>				
- Sale of goods	180,195,135	154,718,756	4,588,688	8,702,190
- Services rendered	248,239	116,554	-	-
- Sale of completed properties	1,083,780	3,517,010	-	-
- Property development activities	35,612,064	59,700,862	-	-
	217,139,218	218,053,182	4,588,688	8,702,190
<u>Revenue from other sources</u>				
- Rental income from investment properties	1,874,835	1,835,588	-	-
- Interest income from financial assets measured at fair value through profit or loss				
- Unit trust	9,325	9,258	-	-
- Dividend income	-	-	5,999,520	-
	219,023,378	219,898,028	10,588,208	8,702,190

Disaggregation of the Group's revenue from contracts with customers:

	Manufacturing RM	Property development and management RM	Trading and others RM	Total RM
2025				
Major goods and services:				
Sales of goods	178,453,580	-	1,741,555	180,195,135
Services rendered	-	248,239	-	248,239
Sale of completed properties	-	1,083,780	-	1,083,780
Property development revenue	-	35,612,064	-	35,612,064
	178,453,580	36,944,083	1,741,555	217,139,218
Geographical market:				
Malaysia	178,396,821	36,944,083	1,741,555	217,082,459
Thailand	56,759	-	-	56,759
	178,453,580	36,944,083	1,741,555	217,139,218
Timing of revenue recognition:				
- At a point in time	178,453,580	1,083,780	1,741,555	181,278,915
- Over time	-	35,860,303	-	35,860,303
	178,453,580	36,944,083	1,741,555	217,139,218

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

4. REVENUE (CONTINUED)

Disaggregation of the Group's revenue from contracts with customers: (continued)

	Manufacturing RM	Property development and management RM	Trading and others RM	Total RM
2024				
Major goods and services:				
Sales of goods	153,355,339	–	1,363,417	154,718,756
Services rendered	–	116,554	–	116,554
Sale of completed properties	–	3,517,010	–	3,517,010
Property development revenue	–	59,700,862	–	59,700,862
	153,355,339	63,334,426	1,363,417	218,053,182
Geographical market:				
Malaysia	148,415,037	63,334,426	1,363,417	213,112,880
People's Republic of China	4,866,671	–	–	4,866,671
Thailand	73,631	–	–	73,631
	153,355,339	63,334,426	1,363,417	218,053,182
Timing of revenue recognition:				
- At a point in time	153,355,339	3,517,010	1,363,417	158,235,766
- Over time	–	59,817,416	–	59,817,416
	153,355,339	63,334,426	1,363,417	218,053,182

5. COST OF SALES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Property development costs	22,328,889	36,621,732	–	–
Cost of inventories	127,676,015	104,903,900	7,119,113	6,546,249
Cost of services rendered	330,529	159,532	–	–
Cost of renting properties and equipment	1,103,187	1,127,625	–	–
Cost of completed properties	558,542	2,676,824	–	–
	151,997,162	145,489,613	7,119,113	6,546,249

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

6. INTEREST INCOME

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest income from financial assets measured at amortised cost				
- Bank deposit	1,370,438	1,334,074	35,013	54,334
- Fixed deposit	447,876	2,070,886	334,727	1,365,974
- Inter-company advances	-	-	984,613	170,366
- Late interest income	-	2,211	-	-
Interest income from financial assets measured at fair value through profit or loss				
- Unit trust	47,434	8,045	13,176	2,395
	1,865,748	3,415,216	1,367,529	1,593,069

7. FINANCE COSTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest expense on:				
- Bank overdraft	2,541	-	2,505	-
- Borrowings	558,736	-	-	-
- Hire purchase	19,821	1,852	19,821	1,852
- Lease liabilities	4,977	5,552	-	-
- Inter-company advances	-	-	99,036	-
	586,075	7,404	121,362	1,852
Less:				
Amounts capitalized in property development costs	(546,457)	-	-	-
	39,618	7,404	121,362	1,852

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. PROFIT BEFORE TAX

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax is arrived at after charging/(crediting):				
Amortisation of right-of-use assets (Note 14)	370,242	148,303	213,562	-
Amortisation of contract cost assets	1,663,879	3,115,661	-	-
Auditors' remuneration				
- Statutory audit	207,925	139,013	42,000	27,000
- Under-provision in prior year	27,100	-	8,000	-
- Others	7,500	7,500	3,000	3,000
Depreciation of property, plant and equipment (Note 13)	6,330,105	5,489,973	1,701,953	1,744,840
Depreciation of investment properties (Note 15)	106,355	63,040	-	-
Direct operating expenses arising from investment properties:				
- Generate rental income	181,641	117,382	-	-
- Did not generate rental income	10,679	8,849	-	-
Employee benefits expenses (Note 9)	25,973,433	26,135,297	1,757,672	1,498,352
Fair value gain in investment	(85,521)	(405,038)	-	(146,394)
(Gain)/ Loss on disposal of property, plant and equipment	(51,665)	217,777	(51,665)	(84,000)
Impairment losses on (net):				
- Trade receivables	38,896	8,820	(1,414)	(22,103)
- Other receivable	-	176,236	-	-
- Contract asset	(734,900)	(14,920)	(734,900)	(14,920)
- Property, plant and equipment	-	352,304	-	-
- Investment in subsidiary	-	-	-	1,598,049
Inventories written down	-	99,839	-	-
Net foreign exchange loss/(gain)				
- Realised	153,628	(130,527)	-	-
- Unrealised	(288,708)	(27,204)	59,971	14,254
Property, plant and equipment written off	-	26,566	-	-
Lease expenses not capitalised in lease liabilities				
- Short term lease	133,920	150,720	894,000	762,000
Rental income from land and buildings	-	-	(1,845,600)	(1,845,600)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. EMPLOYEE BENEFITS EXPENSES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries, bonuses and allowances	22,272,196	22,490,637	1,360,098	1,228,423
Contributions to defined contribution plans	1,317,390	1,361,835	37,902	77,109
Social security contributions	286,157	233,034	40,675	11,694
Other employee benefits	2,097,690	2,049,791	318,997	181,126
	25,973,433	26,135,297	1,757,672	1,498,352

Included in employee benefits expense of the Group are executive directors' remuneration amounting to RM1,382,539 (2024: RM1,390,021) as further disclosed in Note 10 to the financial statements.

10. DIRECTORS' REMUNERATION

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Executive directors' remuneration (Note 9):				
- Non-fee emoluments	1,382,539	1,390,021	-	-
Non-executive directors' remuneration				
- Fees	21,000	57,000	21,000	57,000
Total directors' remuneration	1,403,539	1,447,021	21,000	57,000

11. INCOME TAX EXPENSE

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Current tax expenses:				
Malaysian income tax	14,121,461	14,319,347	328,157	1,134,253
Under provision in previous financial year	4,210,432	135,511	2,105,214	111,247
	18,331,893	14,454,858	2,433,371	1,245,500
Deferred tax (Note 31):				
Relating to origination and reversal of temporary differences	(906,961)	(79,368)	(87,998)	342,405
Under provision in previous financial year	(1,012,693)	562,576	61,056	716,055
	(1,919,654)	483,208	(26,942)	1,058,460
Income tax expense recognised in profit or loss	16,412,239	14,938,066	2,406,429	2,303,960

Domestic current income tax is calculated at the statutory tax rate of 24% (2024: 24%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the prevailing tax rates in the respective jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. INCOME TAX EXPENSE (CONTINUED)

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax	50,805,970	57,981,526	5,805,255	2,585,656
Income tax calculated at Malaysian statutory tax rate of 24%	12,193,433	13,915,566	1,393,261	620,557
Tax effects of:				
- Income not subject to tax	(106,445)	(136,729)	(1,455,447)	(73,166)
- Expenses not deductible for tax purposes	1,460,574	1,380,134	302,345	929,267
- Utilisation of reinvestment allowance	(317,713)	(485,811)	-	-
- Tax impact of deferred tax asset not recognised	(15,349)	(433,181)	-	-
- Under provision in previous financial year	3,197,739	698,087	2,166,270	827,302
Income tax expense recognized in profit or loss	16,412,239	14,938,066	2,406,429	2,303,960

12. EARNINGS PER SHARE

(i) Basic earnings per share

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

	Group	
	2025 RM	2024 RM
Profit for the financial year attributable to owners of the Company (RM)	32,796,289	41,324,587
Weighted average number of ordinary shares in issue	331,940,812	331,940,812
Basic earnings per share (sen)	9.88	12.45

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. EARNINGS PER SHARE (CONTINUED)

(ii) Diluted earnings per share

For the purposes of calculating diluted earnings per share, consolidated profit attributable to owners of the Company is divided by weighted average number of ordinary shares in issue during the financial year, adjusted for the dilutive effects of all potential ordinary shares.

	Group	
	2025 RM	2024 RM
Profit for the financial year attributable to owners of the Company (RM)	32,796,289	41,324,587
Weighted average number of ordinary shares issued	331,940,812	331,940,812
Adjusted for:		
Assumed exercise of Warrants at no consideration	-	-*
	331,940,812	331,940,812
Diluted earnings per share (sen)	9.88	12.45

* No warrants are assumed to be exercised at no consideration as the average fair value of the Company's quoted share price during the financial year is below the exercise price of the warrants.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

13. PROPERTY, PLANT AND EQUIPMENT

2025 – Group

	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicle, equipment and furniture RM	Total RM
Cost					
At 1.1.2025	7,258,048	38,414,747	135,562,892	22,581,140	203,816,827
Additions	-	-	2,667,533	2,520,110	5,187,643
Disposal	-	-	(475,000)	(87,095)	(562,095)
At 31.12.2025	7,258,048	38,414,747	137,755,425	25,014,155	208,442,375
Accumulated depreciation/ Impairment loss					
At 1.1.2025	-	16,890,947	103,314,527	18,205,353	138,410,827
Charges during the year	-	817,585	3,561,609	1,950,911	6,330,105
Disposal	-	-	(475,000)	(78,760)	(553,760)
At 31.12.2025	-	17,708,532	106,401,136	20,077,504	144,187,172
Net Book Value at 31.12.2025	7,258,048	20,706,215	31,354,289	4,936,651	64,255,203

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2024 – Group

	Assets under construction RM	Freehold land RM	Buildings RM	Plant and machinery RM	Motor vehicle, equipment and furniture RM	Total RM
Cost						
At 1.1.2024	6,242,045	7,258,048	37,959,367	149,528,644	24,718,003	225,706,107
Additions	-	-	455,380	2,333,750	3,081,677	5,870,807
Transfer to plant and machinery	(6,242,045)	-	-	6,242,045	-	-
Transfer to right-of-use assets	-	-	-	-	(640,749)	(640,749)
Disposal	-	-	-	(22,013,028)	(4,323,866)	(26,336,894)
Written-off	-	-	-	-	(174,226)	(174,226)
Currency translation difference	-	-	-	(528,519)	(79,699)	(608,218)
At 31.12.2024	-	7,258,048	38,414,747	135,562,892	22,581,140	203,816,827
Accumulated depreciation/ Impairment loss						
At 1.1.2024	-	-	16,061,021	122,021,425	20,965,614	159,048,060
Charges during the year	-	-	829,926	2,793,064	1,866,983	5,489,973
Disposal	-	-	-	(21,339,511)	(4,345,970)	(25,685,481)
Transfer to right-of-use assets	-	-	-	-	(53,390)	(53,390)
Impairment losses	-	-	-	352,304	-	352,304
Written-off	-	-	-	-	(147,660)	(147,660)
Currency translation difference	-	-	-	(512,755)	(80,224)	(592,979)
At 31.12.2024	-	-	16,890,947	103,314,527	18,205,353	138,410,827
Net Book Value at 31.12.2024	-	7,258,048	21,523,800	32,248,365	4,375,787	65,406,000

An impairment charge of Nil (2024: RM352,304) is included within "Other expenses" in the profit or loss. The impairment charge in the previous financial year arose from the manufacturing segment in Malaysia as a subsidiary is restructuring its business operations .

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

2025 - Company

	Buildings RM	Plant and machinery RM	Motor vehicle, equipment and furniture RM	Total RM
Cost				
At 1.1.2025	32,346,055	47,329,691	14,805,275	94,481,021
Additions	-	-	-	-
Disposal	-	(475,000)	(87,095)	(562,095)
At 31.12.2025	32,346,055	46,854,691	14,718,180	93,918,926
Accumulated depreciation				
At 1.1.2025	16,693,910	44,977,091	13,687,641	75,358,642
Charges during the year	646,921	383,802	671,230	1,701,953
Disposal	-	(475,000)	(78,760)	(553,760)
At 31.12.2025	17,340,831	44,885,893	14,280,111	76,506,835
Net Book Value at 31.12.2025	15,005,224	1,968,798	438,069	17,412,091

2024 - Company

Cost				
At 1.1.2024	32,346,055	47,365,191	14,818,135	94,529,381
Additions	-	-	1,648,864	1,648,864
Disposal	-	(35,500)	(1,020,975)	(1,056,475)
Transfer to right-of-use assets (Note 14)	-	-	(640,749)	(640,749)
At 31.12.2024	32,346,055	47,329,691	14,805,275	94,481,021
Accumulated depreciation				
At 1.1.2024	16,046,988	44,592,174	14,084,505	74,723,667
Charges during the year	646,922	420,417	677,501	1,744,840
Disposal	-	(35,500)	(1,020,975)	(1,056,475)
Transfer to right-of-use assets (Note 14)	-	-	(53,390)	(53,390)
At 31.12.2024	16,693,910	44,977,091	13,687,641	75,358,642
Net Book Value at 31.12.2024	15,652,145	2,352,600	1,117,634	19,122,379

The buildings of the Company are located on its subsidiary companies' land.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

14. RIGHT-OF-USE ASSETS
Group
2025

	Building RM	Leasehold Land RM	Motor Vehicles RM	Total RM
Cost				
As at 1 January 2025/31 December 2025	200,991	5,915,671	640,749	6,757,411
Accumulated depreciation				
As at 1 January 2025	41,873	3,410,047	53,390	3,505,310
Depreciation charge	50,248	106,432	213,562	370,242
As at 31 December 2025	92,121	3,516,479	266,952	3,875,552
Net Book Value	108,870	2,399,192	373,797	2,881,859

2024
Cost

As at 1 January 2024	–	5,915,671	–	5,915,671
Additions	200,991	–	–	200,991
Transferred from property, plant and equipment	–	–	640,749	640,749
As at 31 December 2024	200,991	5,915,671	640,749	6,757,411

Accumulated depreciation

As at 1 January 2024	–	3,303,617	–	3,303,617
Depreciation charge	41,873	106,430	–	148,303
Transferred from property, plant and equipment (Note 13)	–	–	53,390	53,390
As at 31 December 2024	41,873	3,410,047	53,390	3,505,310
Net Book Value	159,118	2,505,624	587,359	3,252,101

NOTES TO THE FINANCIAL STATEMENTS
 (CONTINUED)

14. RIGHT-OF-USE ASSETS (CONTINUED)
Company
2025

	Motor Vehicles RM	Total RM
Cost		
As at 1 January 2025 / 31 December 2025	640,749	640,749
Accumulated depreciation		
As at 1 January 2025	53,390	53,390
Depreciation charge	213,562	213,562
As at 31 December 2025	266,952	266,952
Net Book Value	373,797	373,797

2024
Cost

As at 1 January 2024	-	-
Transferred from property, plant and equipment	640,749	640,749
As at 31 December 2024	640,749	640,749

Accumulated depreciation

As at 1 January 2024	-	-
Transferred from property, plant and equipment (Note 13)	53,390	53,390
As at 31 December 2024	53,390	53,390
Net Book Value	587,359	587,359

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. INVESTMENT PROPERTIES

	Group	
	2025 RM	2024 RM
Cost		
At 1 January	23,955,722	23,955,722
Transferred from inventories (Note 20)	5,990,711	–
	29,946,433	23,955,722
At 31 December	29,946,433	23,955,722
Accumulated depreciation		
At 1 January	882,547	819,507
Depreciation for the financial year (Note 8)	106,355	63,040
	988,902	882,547
At 31 December	988,902	882,547
Net carrying amount	28,957,531	23,073,175

The total fair value of the investment properties of the Group as at 31 December 2025 is determined as RM68,878,295 (2024: RM52,440,000).

The fair value of Group's investment properties is valued based on sale comparison approach and unobservable inputs and classified in Level 2 of the fair value hierarchy. The different levels of the fair value hierarchy are defined in Note 38(e) to the Financial Statements.

During the current financial year, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

Valuation techniques used to derive Level 2 fair values are as follow:-

Level 2 fair values of the Group's properties have been generally derived using the sales comparison approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is selling price per square feet.

16. INVESTMENT IN SUBSIDIARY COMPANIES

(a) Investment in subsidiary companies

	Company	
	2025 RM	2024 RM
Unquoted shares:		
- Ordinary shares	29,638,433	29,638,433
- Preference shares	142,197,000	148,321,000
Equity capital contribution	–	9,545
Less: Impairment	(3,465,000)	(3,465,000)
	168,370,433	174,503,978

NOTES TO THE FINANCIAL STATEMENTS
 (CONTINUED)

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(a) Investment in subsidiary companies (continued)

The movement in impairment of investment in subsidiaries are as follows:-

	Company	
	2025 RM	2024 RM
At 1 January	3,465,000	1,866,951
Net addition during the financial year	-	1,598,049
At 31 December	3,465,000	3,465,000

The subsidiary companies are as follows:

Name	Group's effective interest		Principal activities
	2025	2024	
Gradefield Property Management Sdn. Bhd. *	100%	100%	Property management
Greens Property Management Sdn. Bhd.	-	100%	Property management
HIL-Edrola (M) Sdn. Bhd. *	60%	60%	Developing and manufacturing of headlining for automotive industry
HIL Assembly Services Sdn. Bhd. *	51%	51%	Investment holding, manufacture and sale of industrial and domestic moulded plastic products and sub-assembly of plastic-related products
HIL Automation Sdn. Bhd. *	97%	97%	Investment holding
HIL Huafeng (M) Sdn. Bhd. *	60%	60%	Dormant
HIL Woodlands Pharmacy Sdn. Bhd.	51%	51%	Operating and managing pharmacies
HIL Properties Sdn. Bhd.	100%	100%	Investment holding and property development
HIL Sales & Marketing Sdn. Bhd. *	100%	100%	General trading and provision of marketing support services
HIL Medic Sdn. Bhd. *	100%	100%	Sub-assembly of plastic-related products
Iziba Sdn. Bhd. *	100%	100%	Property holding
Nada Mestika Sdn. Bhd.	100%	100%	Investment holding and property holding
Proedge Property Management Sdn. Bhd.	100%	100%	Property management

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(a) Investment in subsidiary companies (continued)

The subsidiary companies are as follows: (continued)

Name	Group's effective interest		Principal activities
	2025	2024	
Sedar Makmur Sdn. Bhd.	100%	100%	Property management
HIL Industries Automotive (M) Sdn. Bhd.	100%	100%	Mould making and the manufacture and sale of industrial and domestic moulded plastic products
Supreme Logic Sdn. Bhd. *	100%	100%	Property holding
<u>Subsidiary company of HIL Assembly Services Sdn. Bhd.</u>			
Antaforce Engineering Sdn. Bhd. *	51%	51%	Investment holding
<u>Subsidiary company of HIL Automation Sdn. Bhd.</u>			
HIL Technology Sdn. Bhd. *	41%	41%	Designing and assembling industrial machinery and equipment for the purpose of factory automation
<u>Subsidiary companies of HIL Properties Sdn. Bhd.</u>			
Pembinaan Laksamana Sdn. Bhd.	100%	100%	Property development and property management
Satu Tunas Sdn. Bhd.	100%	100%	Property investment and investment holding
Tunas Pasti Sdn. Bhd.	100%	100%	Housing development and investment holding
<u>Subsidiary company of HIL Sales & Marketing Sdn. Bhd.</u>			
HIL Precision Plastic Technology (Suzhou) Co., Ltd. *	100%	100%	Inactive
<u>Subsidiary company of Satu Tunas Sdn. Bhd.</u>			
Amverton Prop Sdn. Bhd.	100%	100%	Property development, investment holding and property management including the provision of cleaning services.

NOTES TO THE FINANCIAL STATEMENTS
 (CONTINUED)

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

- (a) Investment in subsidiary companies (continued)

The subsidiary companies are as follows: (continued)

Name	Group's effective interest		Principal activities
	2025	2024	
<u>Subsidiary companies of Amverton Prop Sdn. Bhd.</u>			
Show Piece Sdn. Bhd.	100%	100%	Investment holding
A&M Concrete Products Sdn. Bhd.	100%	100%	Property development
Broadwise Corporation Sdn. Bhd.	100%	100%	Property development
Greens Property Management Sdn. Bhd.	100%	–	Hospitality, accommodation, wellness, spa, tourism and related services.

Subsidiary company of Show Piece Sdn. Bhd.

Innocentral Sdn. Bhd.	100%	100%	Property development
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* Audited by a firm other than HLB Ler Lum Chew PLT

All the subsidiary companies listed above are incorporated in Malaysia except for HIL Precision Plastic Technology (Suzhou) Co., Ltd., which is incorporated in the People's Republic of China.

The country of incorporation of subsidiary is also their place of principal place of business.

- (b) Acquisition of equity interest in Broadwise Corporation Sdn. Bhd.

In the previous financial year, the Group acquired 100% equity interest in Broadwise Corporation Sdn. Bhd. ("BCSB") from Catherine Yeoh Eng Neo, Dato' Milton Norman Ng Kwee Leong and Konsep Kekal Sdn. Bhd. for a total purchase consideration of RM46,000,000.

The effect of the acquisition of equity interest in BCSB to the Group for the financial year is as follows:

	2024 RM
Inventories	49,657,564
Other receivables	51,717
Cash and bank balances	10,226
Other payables	(3,719,507)
Total net assets acquired, representing total purchase consideration	46,000,000
Less: Deposits paid (Note 23)	(4,600,000)
Less: Cash and bank balances acquired	(10,226)
Less: Other payables (Note 32)	(32,200,000)
Net cash outflow on acquisition, net of cash	9,189,774

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(c) Non-controlling interests in subsidiaries

Set out below are the summarised financial information for subsidiaries that has non-controlling interests. These are presented before inter-companies eliminations.

	HIL-Edrola (M) Sdn. Bhd. RM	HIL Assembly Services Sdn. Bhd. Group RM	Other individually immaterial subsidiaries RM	Total RM
Group - 2025				
NCI effective equity interest	40%	49%		
Carrying amount of NCI	4,442,832	1,603,141	(12,748)	6,033,225
Profit/(Loss) allocated to NCI	1,571,848	48,492	(22,898)	1,597,442

Summarised financial information before inter-company elimination

As at 31 December

Non-current assets	5,349,901	8
Current assets	9,795,428	3,401,581
Non-current liabilities	(649,008)	-
Current liabilities	(3,350,703)	(28,516)
Net assets	11,145,618	3,373,073

Year ended 31 December

Revenue	21,910,793	9,325
Profit for the year	3,968,164	200,330
Total comprehensive income	3,968,164	200,330

Cash flows from/(used in) operating activities	6,017,503	(2,960,129)
Cash flows (used in)/ from investing activities	(368,890)	3,004,276
Cash flows used in financing activities	(6,124,000)	-
Net (decrease)/increase in cash and cash equivalents	(475,387)	44,147

NOTES TO THE FINANCIAL STATEMENTS
 (CONTINUED)

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

(c) Non-controlling interests in subsidiaries (continued)

	HIL-Edrola (M) Sdn. Bhd. RM	HIL Assembly Services Sdn. Bhd. Group RM	Other individually immaterial subsidiaries RM	Total RM
Group - 2024				
NCI effective equity interest	40%	49%		
Carrying amount of NCI	2,870,984	1,554,649	10,150	4,435,783
Profit/(Loss) allocated to NCI	1,704,789	48,636	(34,552)	1,718,873

Summarised financial information before inter-company elimination

As at 31 December

Non-current assets	5,674,591	3,258,845
Current assets	10,380,434	43,299
Non-current liabilities	(531,027)	–
Current liabilities	(2,222,544)	(129,402)
Net assets	13,301,454	3,172,742

Year ended 31 December

Revenue	20,755,127	9,258
Profit for the year	4,261,973	99,258
Total comprehensive income	4,261,973	99,258

Cash flows from/(used in) operating activities	825,218	(9,026)
Cash flows (used in)/from investing activities	(346,357)	3,000
Net increase/(decrease) in cash and cash equivalents	478,861	(6,026)

(d) Subscription of additional shares in Greens Property Management Sdn. Bhd. (“GPM”)

On 5 December 2025, the Group subscribed to additional 500,000 ordinary shares in GPM for a total purchase consideration of RM500,000.

(e) Acquisition of additional interest in HIL-Edrola (M) Sdn. Bhd.

In the previous financial year, the Group and the Company acquired additional shares in HIL-Edrola (M) Sdn. Bhd. (“subsidiary”) for a total purchase consideration of RM300,000 and shares of RM200,000 were acquired by non-controlling interests.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

16. INVESTMENT IN SUBSIDIARY COMPANIES (CONTINUED)

- (f) Additional interest in HIL Automation Sdn. Bhd.

In the previous financial year, the Group and the Company subscribed to additional shares of 150,000 in HIL Automation Sdn. Bhd. by way of capitalisation of debt and cash consideration amounting to RM145,044 and RM4,956 respectively. The change in the ownership interest resulted in a decrease in retained earnings amounting to RM10,703.

- (g) Additional interest in other subsidiaries

- (i) Increase in ordinary shares

In the previous financial year, the Company subscribed to additional shares amounting to RM4,531,621 by way of capitalisation of debt/capital reserve and cash consideration as follows:

Subsidiary	By way of capitalisation of debt/ capital reserve RM	Cash consideration RM	Total RM
Iziba Sdn. Bhd.	600,000	16,627	616,627
Sedar Makmur Sdn. Bhd.	2,806,948	3,050	2,809,998
Supreme Logic Sdn. Bhd.	376,384	3,616	380,000
HIL Medic Sdn. Bhd.	440,486	9,514	450,000
Proedge Property Management Sdn. Bhd.	153,853	1,145	154,998
HIL Sales & Marketing Sdn. Bhd.	16,684	3,316	20,000
Gradefield Property Management Sdn. Bhd.	92,647	7,351	99,998
Total	4,487,002	44,619	4,531,621

- (ii) Increase in preference shares

In the previous financial year, the Company subscribed to 132 additional preference shares in HIL Woodlands Pharmacy Sdn. Bhd. by way of capitalisation of debt amounting to RM132,000.

17. INVESTMENT IN ASSOCIATE COMPANIES

- (a) Investment in associate company

	2025 RM	Group 2024 RM
Unquoted shares, at cost	3,234,050	50

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. INVESTMENT IN ASSOCIATE COMPANIES (CONTINUED)

- (a) Investment in associate company (continued)

The associate companies are as follows:

Name	Group's effective interest		Principal activities
	2025	2024	
Amverton Health Sdn. Bhd.*	50%	50%	Dormant
SAS Amverton Sdn. Bhd. ("SAS")*	49%	–	Property development

* Audited by a firm other than HLB Ler Lum Chew PLT

The associates are incorporated in Malaysia.

The country of incorporation of associates are also its place of principal place of business.

- (b) Acquisition of associate

On 4 August 2025, Amverton Prop Sdn. Bhd. ("APSB") entered into a Joint Venture and Shareholders' Agreement ("JVSA") with SA Sentral Development Sdn. Bhd. ("SASD").

Pursuant to the JVSA, the joint venture company, SAS Amverton Sdn. Bhd. ("SAS") was incorporated with the Company acquiring a 49% equity interest of SAS in the form of ordinary shares and redeemable preference shares for a total purchase consideration of RM3,234,000.

- (c) Summarised financial information of the material associate is as follows:

	SAS Amverton Sdn. Bhd. 2025 RM
<u>As at 31 December</u>	
Current assets	6,599,900
Net assets	6,599,900
<u>Year ended 31 December</u>	
Loss for the year	(101)
Total comprehensive loss	(101)
Cash flows used in operating activities	(101)
Cash flows from financing activities	1,000,000
Net increase in cash and cash equivalents	999,899

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

18. INVESTMENTS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Unit trust				
- Fair value through profit or loss				
- Current	9,320,223	15,590,781	6,000,000	6,375,784
	9,320,223	15,590,781	6,000,000	6,375,784

19. GOODWILL

	Group	
	2025 RM	2024 RM
Cost		
At 1 January/31 December	5,909,619	5,909,619
Accumulated impairment		
At 1 January/31 December	2,608,533	2,608,533
Net carrying amount	3,301,086	3,301,086

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment.

No geographical segment of the goodwill allocation is prepared as the CGU's activities are carried out predominantly in Malaysia.

For the purposes of impairment testing, goodwill is allocated to the Group's cash generating units (CGUs) identified according to the following CGUs:

	Group	
	2025 RM	2024 RM
Pembinaan Laksamana Sdn. Bhd. ("PLSB")	1,471,013	1,471,013
A&M Concrete Products Sdn. Bhd. ("AMCP")	977,261	977,261
Supreme Logic Sdn. Bhd. ("SLSB")	852,812	852,812
	3,301,086	3,301,086

Impairment test of goodwill is carried out on an annual basis and whenever there is an indication of impairment by comparing the carrying amount of goodwill with the recoverable amount of each cash generating unit ("CGU"). The recoverable amounts of the CGUs are determined based on the fair value less costs of disposal ("FVLCD") calculations.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. GOODWILL (CONTINUED)

(a) Key assumptions

(i) Recoverable amount based on fair value less costs of disposal

The recoverable amount of PLSB, SLSB and AMCP cash generating units impairment test has been determined based on the FVLCD calculation. The fair value of the property has been generally derived using the sales comparison approach. Sales proceeds of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is market price per square feet.

(b) Sensitivity to changes in key assumptions

(i) Recoverable amount based on fair value less costs of disposal

The sensitivity tests indicated that with a decrease in the market price per square feet by 10%, there would be no impairment loss required, while other realistic variations remained the same.

20. INVENTORIES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Raw materials	5,028,279	4,421,181	265,649	157,789
Work in progress	1,083,398	618,519	7,493	-
Finished goods	1,753,192	1,919,310	122,883	180,779
Trading goods	415,125	475,377	-	-
Completed properties held for sale	36,234,278	42,496,236	-	-
Property development costs (Note (a))	323,351,227	258,578,113	-	-
Total inventories	367,865,499	308,508,736	396,025	338,568

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

20. INVENTORIES (CONTINUED)

(a) Property development costs

Group	Freehold land RM	Development costs RM	Total RM
2025			
Cumulative property development costs:-			
At 1 January	209,192,963	155,052,174	364,245,137
Cost incurred during the year	44,970,791	42,180,948	87,151,739
Reversal of completed projects	(11,630,400)	(70,562,950)	(82,193,350)
Cost written off	-	(49,736)	(49,736)
At 31 December	242,533,354	126,620,436	369,153,790
Cumulative cost recognised in profit or loss:-			
At 1 January			(105,667,024)
Recognised during the year			(22,328,889)
Reversal of completed projects			82,193,350
At 31 December			(45,802,563)
Property development costs At 31 December			323,351,227
2024			
Cumulative property development costs:-			
At 1 January	114,916,815	83,144,027	198,060,842
Cost incurred during the year	47,000,000	69,526,731	116,526,731
Acquisition of subsidiary (Note 16 (b))	47,276,148	2,381,416	49,657,564
At 31 December	209,192,963	155,052,174	364,245,137
Cumulative cost recognised in profit or loss:-			
At 1 January			(69,045,292)
Recognised during the year			(36,621,732)
At 31 December			(105,667,024)
Property development costs At 31 December			258,578,113

Included in property development cost are freehold land with carrying amount of RM40,356,511 (2024: Nil) pledged to licensed banks for term loan facilities granted to the Group as disclosed in Note 30 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. CONTRACT ASSETS/(LIABILITIES)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Contract assets</u>				
Property development – Accrued billing (Note (a))	32,164,598	27,664,659	–	–
Manufacturing – Cost to fulfill a contract (Note(b))	13,952,806	8,189,530	123,167	–
	46,117,404	35,854,189	123,167	–
<u>Contract liabilities</u>				
Manufacturing – Upfront payments from customers (Notes (b) and 32)	(7,742,697)	(4,210,427)	(149,184)	(404,460)
	38,374,707	31,643,762	(26,017)	(404,460)

(a) Property development

The Group's contract assets and liabilities relating to property development is summarised as follows:-

	Group	
	2025 RM	2024 RM
At 1 January	27,664,659	18,468,070
Property development revenue recognised during the financial year	35,612,064	59,700,862
Less: Progress billings during the financial year	(31,112,125)	(50,504,273)
At 31 December	32,164,598	27,664,659

As at the end of the financial year, the aggregate amount of the transaction price allocated to the remaining unfulfilled performance obligations of the Group are RM1,106,003 (2024: RM26,319,378) which will be recognised as revenue when the relevant projects are completed, which are expected to occur over the next 4 months (2024: 11 to 14 months).

(b) Manufacturing

Contract assets and liabilities represent cost incurred to fulfil the Group's and the Company's manufacturing contracts with customers and upfront payments received from customers. These are related to the acquisition of moulds used exclusively for the manufacturing contracts.

Details for contract costs incurred to fulfil a contract are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Gross cost to fulfill a contract	14,349,987	9,321,611	520,348	1,132,081
Less: Accumulated impairment losses	(397,181)	(1,132,081)	(397,181)	(1,132,081)
Total	13,952,806	8,189,530	123,167	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

(b) Manufacturing (continued)

The movement in allowance for impairment losses of contract assets is as follows:-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
At 1 January	1,132,081	2,985,595	1,132,081	2,985,595
Reversal for the year	(734,900)	(14,920)	(734,900)	(14,920)
Write-off for the year	-	(1,838,594)	-	(1,838,594)
At 31 December	397,181	1,132,081	397,181	1,132,081

Significant changes to contract liabilities balances during the period are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Contract liabilities as at the beginning of the period recognised as income during the year	3,364,326	5,910,338	404,460	2,502,952

As the unfulfilled performance obligations have an original expected duration of one year or less, the Group elected the practical expedient to not disclose the information relating to the aggregate amount of the transaction price allocated to the remaining unfulfilled performance obligations.

22. CONTRACT COST ASSETS

Contract cost assets represents incidental costs of obtaining a contract with a customer. In the course of the Group's property development activities, the Group incurred sales commission and agent fees in conducting sales. The movement on the contract cost assets during the financial year are as follows:

	Group	
	2025 RM	2024 RM
At beginning of financial year	1,156,235	1,996,142
Cost incurred during the financial year	566,250	2,275,754
Less: Amortisation during the financial year	(1,663,879)	(3,115,661)
At end of financial year	58,606	1,156,235

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Trade receivables</u>				
Third parties	12,315,388	13,662,780	1,282,856	749,745
Stakeholders' funds	4,027,783	1,705,475	-	-
Less: Allowance for impairment	(125,234)	(86,339)	(11)	(1,425)
	16,217,937	15,281,916	1,282,845	748,320
<u>Other receivables</u>				
Deposits	7,947,142	9,578,360	36,114	36,114
Other receivables	603,269	1,164,069	183,386	153,088
Less: Allowance for impairment	(176,236)	(176,236)	-	-
	427,033	987,833	183,386	153,088
Prepayments	1,338,907	672,663	212,695	195,084
	9,713,082	11,238,856	432,195	384,286
Total trade and other receivables	25,931,019	26,520,772	1,715,040	1,132,606

Trade receivables of the Group and of the Company are non-interest bearing and are generally on 30 to 120 days (2024: 30 to 120 days) terms. The Group's and the Company's other receivables credit terms are assessed and approved on a case-by-case basis.

They are recognised at their original invoice amounts which represent their fair values on initial recognition. Other receivables are non-interest bearing and repayable on demand.

Included in the Group's deposits are amounts paid for the acquisition of land and joint development arrangements with related parties amounting to Nil and RM3,000,000 (2024: RM4,026,401 and RM3,000,000) respectively.

Expected credit losses ("ECL")

- (i) The movement in allowance for expected credit losses of trade receivables based on lifetime ECL are as follows:-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Movement in allowance accounts:				
At 1 January	86,339	77,519	1,425	23,528
Charge/(Reversal) for the year	38,895	8,820	(1,414)	(22,103)
At 31 December	125,234	86,339	11	1,425

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

23. TRADE AND OTHER RECEIVABLES (CONTINUED)

Expected credit losses (“ECL”) (continued)

- (ii) The movement in allowance for expected credit losses of other receivables based on lifetime ECL are as follows:-

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Movement in allowance accounts:				
At 1 January	176,236	-	-	-
(Reversal)/Charge for the year	-	176,236	-	-
At 31 December	176,236	176,236	-	-

24. AMOUNT DUE FROM / (TO) SUBSIDIARIES

- (a) Amount due from subsidiary companies

The amount due from subsidiary companies are interest free, unsecured and repayable on demand, except for an amount of RM14,623,755 (2024: RM31,670,128) which bear weighted average interest of 2.80% (2024: 2.80%) per annum.

- (b) Amount due to subsidiary companies

The amount due to subsidiary companies are interest free, unsecured and repayable on demand, except for an amount of RM3,000,000 (2024: Nil) which bear weighted average interest of 2.80% (2024: Nil) per annum.

25. FIXED DEPOSITS WITH LICENSED BANKS

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Non-current</u>				
Fixed deposits with licensed bank	-	1,317,726	-	-
<u>Current</u>				
Fixed deposits with licensed bank	21,351,181	28,976,331	10,051,778	6,370,239
	21,351,181	30,294,057	10,051,778	6,370,239

The fixed deposits interest rates of the Group and of the Company at the reporting date ranges from 0.45% to 4.20% and 3.15% to 3.50%, respectively (2024: 0.30% to 4.20% and 3.50% to 4.20%) per annum.

Fixed deposits of the Group and of the Company have maturities ranging from 30 to 365 days and 30 to 184 days, respectively (2024: 30 to 366 days and 90 to 366 days) at the end of the financial year.

The Group’s fixed deposit amounting to Nil (2024: RM1,317,726) has been pledged to licensed banks for banking facilities granted to the Group.

NOTES TO THE FINANCIAL STATEMENTS

(CONTINUED)

26. CASH AND BANK BALANCES

Cash and bank balances of the Group as at reporting period include bank balances held under Housing Development Accounts (opened and maintained under Section 7A of the Housing Development (Control and Licensing) Amendment Act 2002) amounting to RM57,505,250 (2024: RM63,062,773) that may only be used in accordance with the said Act.

27. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2025	2024	2025 RM	2024 RM
Issued and fully paid:- At 1 January/31 December	334,037,612	334,037,612	167,018,806	167,018,806

(a) Share capital

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

(b) Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

The Company did not acquire any shares through purchases on the Bursa Malaysia Securities during the financial year.

The Directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are being held as treasury shares.

As at 31 December 2025, the Company held as treasury shares a total of 2,096,800 (2024: 2,096,800) of its 334,037,612 (2024: 334,037,612) issued ordinary shares. Such treasury shares are held at a carrying amount of RM947,224 (2024: RM947,224).

(c) Warrants 2017/2027

On 26 October 2017, the Company issued 55,323,468 free detached warrants ("Warrant") to its registered shareholders.

The Warrants were constituted under a Deed Poll dated 1 November 2017 and each Warrant entitles its registered shareholder to subscribe for one (1) ordinary share in the Company at the exercise price of RM1.08 payable in cash. The price is subject to adjustments in accordance with the basis set out in the Deed Poll.

The Warrants may be exercised at any time commencing on the date of issue of Warrants on 26 October 2017 but not later than 25 October 2027. Any Warrants which have not been exercised at date of maturity will lapse and cease to be valid for any purpose.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

27. SHARE CAPITAL (CONTINUED)

(c) Warrants 2017/2027 (continued)

The total numbers of Warrants that remain unexercised are as follows:

	Group and Company	
	2025	2024
	RM	RM
At 1 January/31 December	55,323,468	55,323,468

28. CURRENCY TRANSLATION RESERVE

The currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the Group entities with functional currencies other than RM.

29. LEASE LIABILITIES

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
<u>Non-current</u>				
- Hire purchase	305,174	401,099	305,174	401,099
- Lease liabilities	61,660	112,520	-	-
	366,834	513,619	305,174	401,099
<u>Current</u>				
- Hire purchase	95,925	91,479	95,925	91,479
- Lease liabilities	50,860	49,023	-	-
	146,785	140,502	95,925	91,479
Total	513,619	654,121	401,099	492,578

The effective interest rates of the lease liabilities of the Group and of the Company as at the reporting date are as follows:

	Group		Company	
	2025	2024	2025	2024
	%	%	%	%
Hire purchase	2.26	2.26	2.26	2.26
Lease liabilities	2.80	2.80	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

29. LEASE LIABILITIES (CONTINUED)

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Future minimum lease payments:</u>				
- Not later than one year	165,300	165,300	111,300	111,300
- Later than one year and not later than five years	387,625	552,925	324,625	435,925
	552,925	718,225	435,925	547,225
Future interest charges	(39,306)	(64,104)	(34,826)	(54,647)
Present value of minimum lease payments	513,619	654,121	401,099	492,578
Current	146,785	140,502	95,925	91,479
Non-current	366,834	513,619	305,174	401,099
	513,619	654,121	401,099	492,578

30. BORROWINGS

	Group	
	2025 RM	2024 RM
Non-current		
<u>Secured</u>		
- Term loan	12,486,023	-
Current		
<u>Secured</u>		
- Revolving credit	3,012,279	-
- Term loan	1,180,878	-
	4,193,157	-
Total	16,679,180	-

The borrowings of the Group are secured as follows:

- (a) corporate guarantee by the Company;
- (b) facility agreements; and
- (c) first party legal charge over the freehold land in property development cost as disclosed in Note 20 to the financial statements.

The effective interest rates of the borrowings of the Group as at the reporting date are as follows:

	2025 %	2024 %
Borrowings:		
- Term loan	4.50	-
- Revolving credit	4.98	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

31. DEFERRED TAXATION

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deferred tax liabilities	21,055,691	22,187,041	1,251,518	1,278,460
Deferred tax assets	(788,304)	–	–	–
	20,267,387	22,187,041	1,251,518	1,278,460

The movement on the net deferred tax liabilities are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
At 1 January	22,187,041	21,703,833	1,278,460	220,000
Recognised in profit or loss	(1,919,654)	483,208	(26,942)	1,058,460
At 31 December	20,267,387	22,187,041	1,251,518	1,278,460

The components of deferred tax assets and liabilities of the Group during the financial year prior to offsetting are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Deferred tax assets				
- contract assets and receivables	(104,664)	(281,040)	(95,666)	(272,042)
- provision	(788,304)	–	–	–
- unutilised tax losses	–	(96,898)	–	–
- unabsorbed capital allowance	(183,296)	(817)	(183,295)	–
	(1,076,264)	(378,755)	(278,961)	(272,042)
Offsetting	287,960	378,755	278,961	272,042
Net deferred tax assets	(788,304)	–	–	–
Deferred tax liabilities				
- property, plant and equipment	4,982,268	5,366,191	1,530,479	1,550,502
- property development	16,361,383	17,199,605	–	–
	21,343,651	22,565,796	1,530,479	1,550,502
Offsetting	(287,960)	(378,755)	(278,961)	(272,042)
Net deferred tax liabilities	21,055,691	22,187,041	1,251,518	1,278,460

NOTES TO THE FINANCIAL STATEMENTS
 (CONTINUED)

31. DEFERRED TAXATION (CONTINUED)

Deferred tax assets have not been recognised in respect of the following items:

	2025 RM	Group 2024 RM
Temporary differences arising from excess of book depreciation over capital allowances	40,962	56,925
Unabsorbed capital allowance	266,226	504,950
Unutilised tax losses	5,062,590	4,795,916
	5,369,778	5,357,791

Year of expiry of unutilised tax losses is analysed as follows:

	2025 RM	Group 2024 RM
Expiring in 2028	2,281,904	2,336,893
Expiring in 2029	262,732	262,732
Expiring in 2030	266,020	266,020
Expiring in 2031	260,451	260,451
Expiring in 2032	562,122	569,311
Expiring in 2033	873,272	873,272
Expiring in 2034	281,446	227,237
Expiring in 2035	274,643	–
Total	5,062,590	4,795,916

32. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Trade payables</u>				
Third parties	25,079,881	20,476,369	587,810	426,694
<u>Other payables</u>				
Accruals	8,960,347	3,891,504	567,111	549,308
Other payables	75,122,055	72,264,931	60,823	50,668
Contract liabilities (Note 21)	7,742,697	4,210,427	149,184	404,460
	91,825,099	80,366,862	777,118	1,004,436
Total trade and other payables	116,904,980	100,843,231	1,364,928	1,431,130

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

32. TRADE AND OTHER PAYABLES (CONTINUED)

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group and to the Company are 30 to 90 days and 30 to 90 days, respectively (2024: 30 to 90 days and 30 to 90 days).

(b) Other payables

Included in other payables of the Group are balance of the purchase consideration to be paid for the acquisition of a company and land amounting to RM32,200,000 and RM32,900,000 (2024: RM32,200,000 and RM32,900,000), respectively.

33. DIVIDENDS

	Group and Company	
	2025	2024
	RM	RM
<u>Recognised during the financial year:</u>		
Dividends on ordinary shares:		
- First and final single tier dividend for 2024: 3.00 sen per share	9,958,224	-
- First and final single tier dividend for 2023: 3.00 sen per share	-	9,958,224
	9,958,224	9,958,224

On 2 April 2026, the Board of Directors declared a first and final single tier dividend of 2.50 sen per ordinary share for the financial year ended 31 December 2025 amounting to a total dividend payment of approximately RM8,298,520. The dividend entitlement and payment dates will be determined at a later date. The financial statements for the current financial year do not reflect this dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2026.

34. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Fixed deposits with licensed banks	21,351,181	30,294,057	10,051,778	6,370,239
Cash and bank balances	73,761,966	80,642,451	3,943,980	4,540,981
	95,113,147	110,936,508	13,995,758	10,911,220
Less: Fixed deposit under lien	-	(1,317,726)	-	-
	95,113,147	109,618,782	13,995,758	10,911,220

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35. CONTINGENT LIABILITIES AND COMMITMENTS

Contingent liabilities and commitments are as follows:-

(a) Capital commitments

	2025	Group	2024
	RM		RM
Approved and contracted for:			
- Property, plant and equipment	913,978		66,150

(b) Leases

The Group had leased out its investment properties and inventories to third parties for monthly lease payments. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Undiscounted lease payments from the operating leases to be received after the reporting date are as follow:

	2025	Group	2024
	RM		RM
Less than 1 year	745,886		553,750
Between 1 to 2 years	262,000		113,040
Total undiscounted lease payments to be received	1,007,886		666,790

36. SIGNIFICANT RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Key management personnel are 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 include all the Directors of the Group, and certain members of senior management of the Group.

(a) Related party transactions

The following significant transactions which have been transacted with companies where a Director has financial interests are as follows:-

	2025	Group/Company	2024
	RM		RM
<u>Transactions with company in which is controlled by the close family members of key management personnel</u>			
Purchase of property, plant and equipment	-		350,010

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

36. SIGNIFICANT RELATED PARTY DISCLOSURES (CONTINUED)

(a) Related party transactions (continued)

The following significant transactions which have been transacted with companies where a Director has financial interests are as follows:- (continued)

	Group	
	2025 RM	2024 RM
<u>Transactions with related company</u>		
Purchase of land	–	47,000,000
Purchase of company	–	46,000,000
Collections on behalf	2,586,925	8,071,115
Refund for the collections on behalf	–	(5,565,240)
	Company	
	2025 RM	2024 RM
<u>Transactions with subsidiaries of the Group</u>		
Rental income of land and buildings from subsidiaries	1,845,600	1,845,600
Rental of land and buildings charged by subsidiaries	(894,000)	(733,200)
Advances to subsidiaries	16,399,000	39,220,590
Advances from subsidiaries	(3,000,000)	–
Interest income from inter-company advances - Amverton Prop Sdn. Bhd.	984,613	–
Interest expense from inter-company advance - HIL Assembly Services Sdn. Bhd.	(99,036)	–

(b) Information regarding outstanding balances arising from related party transactions as at the end of the reporting period are disclosed in Notes 16, 23, 24 and 32 to the financial statements.

(c) Compensation of key management personnel

The compensation paid to key management personnel during the financial year was as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Short-term employee benefits	1,255,597	1,514,282	21,000	57,000
Defined contribution plans	147,942	161,476	–	–
	1,403,539	1,675,758	21,000	57,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

37. SEGMENT INFORMATION

The Group is organised into the following main business segments :-

(i) Manufacturing

Manufacture and sale of industrial and domestic moulded plastic products.

(ii) Property development and management

Development of residential, commercial and light and management industrial properties, and letting out of properties.

(iii) Trading, services and others

General trading.

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker ("CODM") that are used to make strategic decisions, allocate resources and assess performance.

The CODM receives separate reports for property development and management, they have been aggregated into one reportable segment as they have similar economic characteristics.

Although the trading, services and others segment does not meet the quantitative thresholds required by MFRS 8 for reportable segments, management has concluded that this segment should be reported, as it is closely monitored by CODM as a potential growth segment.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

37. SEGMENT INFORMATION (CONTINUED)

Business segments

	Manufacturing		Property development and management		Trading, services and others		Group	
	2025 RM	2024 RM	2025 RM	2024 RM	2025 RM	2024 RM	2025 RM	2024 RM
<u>Sales</u>								
Total sales	178,463,262	153,366,044	40,459,918	66,522,914	1,741,555	1,363,417	220,664,735	221,252,375
Intersegment sales	(357)	(1,447)	(1,641,000)	(1,352,900)	-	-	(1,641,357)	(1,354,347)
External sales	178,462,905	153,364,597	38,818,918	65,170,014	1,741,555	1,363,417	219,023,378	219,898,028
<u>Results</u>								
Segment results (external)	42,049,390	40,408,626	8,785,846	17,635,719	10,352	(55,415)	50,845,588	57,988,930
Finance costs	(22,326)	(1,852)	(12,315)	-	(4,977)	(5,552)	(39,618)	(7,404)
Profit before tax	42,027,064	40,406,774	8,773,531	17,635,719	5,375	(60,967)	50,805,970	57,981,526
<u>Other information</u>								
Segment assets	234,346,382	137,099,435	425,431,560	466,678,208	352,026	963,811	660,129,969	604,741,454
Segment liabilities	31,101,746	24,899,203	124,391,850	98,713,421	221,076	252,275	155,714,672	123,864,899
Addition to non-current asset	3,010,905	5,192,127	2,176,737	535,080	-	143,600	5,187,643	5,870,807
Depreciation and amortisation	6,400,748	5,014,053	2,246,410	3,700,356	109,974	102,568	8,470,581	8,816,977
Inventories written down	-	99,839	-	-	-	-	-	99,839
Impairment losses on property, plant and equipment	-	352,304	-	-	-	-	-	352,304

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

37. SEGMENT INFORMATION (CONTINUED)

Geographical segments

	Malaysia RM	*People's Republic of China RM	Consolidated RM
2025			
Segment assets	644,163,073	15,966,896	660,129,969
Revenue from external customers	219,023,378	–	219,023,378
Addition to non-current asset	5,187,643	–	5,187,643
2024			
Segment assets	587,765,688	16,975,766	604,741,454
Revenue from external customers	219,898,028	–	219,898,028
Addition to non-current asset	5,870,807	–	5,870,807

* Includes revenue arising from export sales to Taiwan customers.

Major customers

There are one (2024: one) major customer's group from manufacturing segment with revenue equals or more than 10 percent over the Group's total revenue.

38. FINANCIAL INSTRUMENTS

The Group's operations are subject to a variety of financial risks, including foreign currency risk, interest rate risk, credit risk, liquidity risk.

The Group's financial risk management policy seeks to ensure that adequate resources are available to manage the above risks and to create value for its shareholders. The Board regularly reviews these risks and approves treasury policies, which covers the management of these risks. It is not the Group's policy to engage in speculative transactions.

(a) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group and to the Company. The Group and the Company adopts the policy of dealing only with:

- Customers of appropriate credit standing and history, and obtaining sufficient collateral where appropriate to mitigate credit risk; and
- High credit quality counterparties of at least an 'A' rating by external credit rating companies.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the Head of Credit Control based on ongoing credit evaluation. The counterparty's payment pattern and credit exposure are continuously monitored at the entity level by the respective management and at the Company level by the Head of Credit Control.

There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

As the Group and the Company do not hold collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (continued)

Cash and cash equivalents, other receivables, amount due from related company and investment are subject to immaterial credit loss.

(l) Trade receivables

(i) Manufacturing segment

The Group and the Company uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables.

In measuring the expected credit losses, trade receivables are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group and the Company considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The Group and the Company has identified the crude palm oil price in which it sells goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group and the Company. The Group and the Company considers a financial asset as in default if the counterparty fails to make contractual payments within 90 days when they fall due, and writes off the financial asset when a debtor fails to make contractual payments greater than 365 days past due. Where receivables are written off, the company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The ageing analysis of the Group's and the Company's trade receivables in the manufacturing segment are as follows:

	Gross carrying amount RM	Loss allowance RM	Total RM
Group 2025			
Trade receivables			
Neither past due nor individually impaired	11,544,454	(704)	11,543,750
1 to 30 days past due but not individually impaired	267,626	(11)	267,615
31 to 60 days past due but not individually impaired	95,086	-	95,086
61 to 90days past but not individually impaired	-	-	-
More than 91 days past but not individually impaired	28,917	-	28,917
	391,629	(11)	391,618
Individually impaired	-	-	-
	11,936,083	(715)	11,935,368

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (continued)

(i) Trade receivables (continued)

(i) Manufacturing segment (continued)

	Gross carrying amount RM	Loss allowance RM	Total RM
Group 2024			
Trade receivables			
Neither past due nor individually impaired	11,837,203	(7,975)	11,829,228
1 to 30 days past due but not individually impaired	280,770	(7,824)	272,946
31 to 60 days past due but not individually impaired	617,003	(23,118)	593,885
61 to 90 days past but not individually impaired	5,100	–	5,100
More than 91 days past but not individually impaired	38,590	–	38,590
	941,463	(30,942)	910,521
Individually impaired	–	–	–
	12,778,666	(38,917)	12,739,749
Company 2025			
Trade receivables			
Neither past due nor individually impaired	920,144	–	920,144
1 to 30 days past due but not individually impaired	267,626	(11)	267,615
31 to 60 days past due but not individually impaired	95,086	–	95,086
61 to 90 days past but not individually impaired	–	–	–
More than 91 days past but not individually impaired	–	–	–
	362,712	(11)	362,701
Individually impaired	1,282,856	(11)	1,282,845

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. FINANCIAL INSTRUMENTS (CONTINUED)

(a) Credit risk (continued)

(i) Trade receivables (continued)

(i) Manufacturing segment (continued)

	Gross carrying amount RM	Loss allowance RM	Total RM
Company 2024			
Trade receivables			
Neither past due nor individually impaired	713,726	(56)	713,670
1 to 30 days past due but not individually impaired	9,076	(133)	8,943
31 to 60 days past due but not individually impaired	26,943	(1,236)	25,707
61 to 90 days past but not individually impaired	–	–	–
More than 91 days past but not individually impaired	–	–	–
	36,019	(1,369)	34,650
Individually impaired	–	–	–
	749,745	(1,425)	748,320

(ii) Property development

The Group do not have any significant credit risk as its services and products are predominantly rendered and sold to a large number of customers comprising substantially property purchasers with financing facilities from reputable end-financiers. Credit risks with respect to property purchasers with no end-financing facilities are limited as the ownership and rights to the properties revert to the Group in the event of default. The Group do not have any significant exposure to any individual or counterparty nor any major concentration of credit risk related to any financial instruments.

(iii) Property investment

Credit risk arising from outstanding receivables from tenants is minimised by closely monitoring the limit of the Group's associations to business partners and their credit worthiness. In addition, the tenants have placed security deposits with the Group which act as collateral.

Information regarding loss allowance movement of trade and other receivables are disclosed in Note 23 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
 (CONTINUED)

38. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from borrowings and deposits. The Group does not hedge the interest rate risk.

The Group's and the Company's exposure to interest rate risk arise primarily from their floating rate borrowings, which is partially offset by the short-term investments held at variable rates. The Group and the Company manage their cash flow interest rate risk by using a mix of fixed and variable rate debts.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting date, are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Fixed rate instruments				
Financial assets	21,351,181	30,294,057	10,051,778	6,370,239
Financial liabilities	(513,619)	(654,121)	(401,099)	(492,578)
	20,837,562	29,639,936	9,650,679	5,877,661
Variable rate instruments				
Financial liabilities	(16,679,180)	–	–	–

Sensitivity analysis for interest rate risk

At the reporting date, if the interest rates had been 25 basis points lower/higher, with all other variables held constant, the Group's profit after tax would be higher/lower by approximately RM31,690 (2024: Nil) as a result of lower/higher interest expense on borrowings.

Since the Group's and the Company's fixed rate financial assets and liabilities are measured at amortised cost, possible changes in interest rates are not expected to have a significant impact on the Group and the Company's profit or loss.

(c) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily USD and Renminbi ("RMB").

The Group and the Company ensure that net exposure to foreign currency risk is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short term imbalances. The Group and the Company do not transact in derivative instruments.

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

38. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Foreign currency risk (continued)

The Group's and the Company's exposure to foreign currency risk based on carrying amounts as at the end of the reporting period was:

Group <i>In RM</i>	2025 <i>Denominated in</i>		2024 <i>Denominated in</i>	
	USD	RMB	USD	RMB
Trade and other receivables	894,037	922,304	289,764	1,706,925
Fixed deposits with licensed bank	8,168,936	8,215,685	8,973,575	8,838,861
Cash and bank balances	4,205,678	3,541,048	4,917,603	4,259,817
Trade and other payables	(438,112)	(243,274)	–	(298,951)
Exposure in the statement of financial position	12,830,539	12,435,763	14,180,942	14,506,652

Company <i>In RM</i>	<i>Denominated in USD</i>	
	2025	2024
Trade and other receivables	894,037	289,763
Cash and bank balances	680,954	588,681
Trade and other payables	(352,151)	–
Exposure in the statement of financial position	1,222,840	878,444

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and of the Company's post-tax profit or loss to a reasonably possible change in the USD and RMB against the respective functional currencies of the Group entities, with all other variables held constant.

Group		2025	2024
		Profit or loss RM	Profit or loss RM
USD/RM	- strengthened 10%	86,694	67,080
	- weakened 10%	(86,694)	(67,080)
USD/RMB	- strengthened 10%	888,427	1,010,672
	- weakened 10%	(888,427)	(1,010,672)
RMB/RM	- strengthened 10%	945,118	1,102,506
	- weakened 10%	(945,118)	(1,102,506)

Company		2025	2024
USD/RM	- strengthened 10%	92,936	66,762
	- weakened 10%	(92,936)	(66,762)

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

38. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

2025	Carrying amount RM	Contractual interest rate	Contractual cash flows RM	Under 1 year RM	1-2 years RM	2-5 years RM	More than 5 years RM
Group							
Trade and other payables	109,162,283	-	109,162,283	109,162,283	-	-	-
Lease liabilities	513,619	2.26% - 2.80%	552,925	165,300	165,300	222,325	-
Borrowings	16,679,180	4.50% - 4.98%	20,129,653	4,144,237	1,862,064	5,586,192	8,537,160
	<u>126,355,082</u>		<u>129,844,861</u>	<u>113,471,820</u>	<u>2,027,364</u>	<u>5,808,517</u>	<u>8,537,160</u>
Company							
Amount due to subsidiaries	3,386,346	-	3,386,346	3,386,346	-	-	-
Lease liabilities	401,099	2.26%	435,925	111,300	111,300	213,325	-
Trade and other payables	1,215,744	-	1,215,744	1,215,744	-	-	-
	<u>5,003,189</u>		<u>5,038,015</u>	<u>4,713,390</u>	<u>111,300</u>	<u>213,325</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

38. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Liquidity risk (continued)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments: (continued)

2024	Carrying amount RM	Contractual interest rate	Contractual cash flows RM	Under 1 year RM	1-2 years RM	2-5 years RM	More than 5 years RM
Group							
Trade and other payables	96,632,804	–	96,632,804	96,632,804	–	–	–
Lease liabilities	654,121	2.26% - 2.80%	718,225	165,300	165,300	387,625	–
	97,286,925		97,351,029	96,798,104	165,300	387,625	–
Company							
Amount due to subsidiaries	416,899	–	416,899	416,899	–	–	–
Lease liabilities	492,578	2.26%	547,225	111,300	111,300	324,625	–
Trade and other payables	1,026,670	–	1,026,670	1,026,670	–	–	–
	1,936,147		1,990,794	1,554,869	111,300	324,625	–

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

38. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Fair values

The carrying amounts of cash and cash equivalents, short term receivables and payables and borrowings approximate fair values due to the relatively short term nature of these financial instruments or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(i) The following table analyses the fair value hierarchy for financial instruments carried at fair value, together with their carrying amounts in the statement of financial position:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Level 1</u>				
Investment in unit trusts	9,320,223	15,590,781	6,000,000	6,375,784

(f) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

<u>Group</u>	Note	2025 RM	2024 RM
<u>Financial assets at fair value through profit or loss</u>			
Investments	18	9,320,223	15,590,781
		9,320,223	15,590,781
<u>Financial assets carried at amortised cost</u>			
Fixed deposit with licensed bank	25	21,351,181	30,294,057
Trade and other receivables	23	24,592,112	25,848,109
Cash and bank balances	26	73,761,966	80,642,451
		119,705,259	136,784,617
<u>Financial liabilities carried at amortised cost</u>			
Lease liabilities	29	513,619	654,121
Borrowings	30	16,679,180	–
Trade and other payables	32	109,162,283	96,632,804
		126,355,082	97,286,925

NOTES TO THE FINANCIAL STATEMENTS
(CONTINUED)

38. FINANCIAL INSTRUMENTS (CONTINUED)

(f) Categories of financial instruments (continued)

The table below provides an analysis of financial instruments categorised as follows: (continued)

<u>Company</u>	<u>Note</u>	<u>2025 RM</u>	<u>2024 RM</u>
<u>Financial assets at fair value through profit or loss</u>			
Investments	18	6,000,000	6,375,784
<u>Financial assets carried at amortised cost</u>			
Trade and other receivables	23	1,502,346	937,522
Amount due from subsidiaries	24	32,917,550	31,895,583
Fixed deposits with licensed bank	25	10,051,778	6,370,239
Cash and bank balances	26	3,943,980	4,540,981
Total		48,415,654	43,744,325
<u>Financial liabilities carried at amortised cost</u>			
Amount due to subsidiaries	24	3,386,346	416,899
Lease liabilities	29	401,099	492,578
Trade and other payables	32	1,215,744	1,026,670
		5,003,189	1,936,147

39. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise its shareholders value.

The Group and the Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 31 December 2025.

The Group and the Company monitors capital using return on equity, which is profit for the financial year as percentage of average equity.

At the reporting date, the ratios were the following:

	<u>Group</u>	
	<u>2025 RM</u>	<u>2024 RM</u>
Return on equity	7%	9%

NOTES TO THE FINANCIAL STATEMENTS
 (CONTINUED)

40. FINANCIAL GUARANTEES

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<u>Secured</u>				
In respect of financial guarantees given by the Group and the Company to financial institutions for banking and credit facilities granted to:				
- Subsidiary	-	-	34,154,622	-
- Third parties	3,214,334	1,262,370	-	-
	3,214,334	1,262,370	34,154,622	-

41. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements have been authorised for issue in accordance with a resolution of the Board of Directors on 2 April 2026.

PROPERTIES OWNED BY THE GROUP

Location	Description	Tenure (Year of Expiry)	Existing Use	Approximate Age of Building	Land Area/ Built up Area (SQ FT)	Date of Acquisition	Net Book Value (RM'000)
Lot 3, Jalan Lada Sulah 16/11, Section 16, 40000 Shah Alam Selangor Darul Ehsan	Land	Leasehold 60 years (2049)	Factory	–	294,457	21.08.1989	2,092
Lot Nos 15825 & 15830 Bukit Kemuning Mukim & Daerah of Klang Selangor Darul Ehsan	Land	Freehold	Factory & Warehouse	–	173,331	15.12.1994	537
Lot 3, Jalan Lada Sulah 16/11, Section 16, 40000 Shah Alam Selangor Darul Ehsan	1 Factory buildings	–	Factory	34 years	78,087	–	2,487
	2 Factory buildings	–	Factory	33 years	23,465	–	753
	3 Factory Buildings	–	Factory	31 years	21,993	–	678
Lot No 15825, Bukit Kemuning Mukim & Daerah of Klang Selangor Darul Ehsan	Factory buildings	–	Factory	27 years	117,552	–	5,918
Lot No 15830, Bukit Kemuning Mukim & Daerah of Klang Selangor Darul Ehsan	Factory buildings	–	Factory	25 years	20,996	–	2,127
P.T. Nos 5655 – 5682 Mukim of Kapar, District of Klang Selangor Darul Ehsan	Industrial (28 units of 1½ storey terrace factory)	Freehold	Rental	29 years	86,117	05.12.1996	2,031
P.T. Nos 5443, 5444, 5446, 5447, 5470 – 5474, Mukim of Kapar, District of Klang Selangor Darul Ehsan	Industrial (9 units of 1½ storey terrace)	Freehold	Rental	29 years	82,441	05.12.1996	1,291
P.T. Nos 20989 - 21003 Mukim & Daerah of Klang Selangor Darul Ehsan	Commercial (15 units of double storey shophouse)	Freehold	Rental	29 years	24,759	05.12.1996	1,374
P.T. No 30946, Mukim 1, District of Seberang Prai Tengah, Pulau Pinang	Land	Leasehold 60 years (2049)	Factory	–	39,209	28.09.2006	292

PROPERTIES OWNED BY THE GROUP
 (CONTINUED)

Location	Description	Tenure (Year of Expiry)	Existing Use	Approximate Age of Building	Land Area/ Built up Area (SQ FT)	Date of Acquisition	Net Book Value (RM'000)
Lot 476, Tingkat Perusahaan Empat Kawasan Perindustrian Prai, SPT Pulau Pinang	Factory buildings	–	Factory	18 years	36,121	–	3,042
P.T. No 147538 to P.T. No 147631, P.T. No 147522 to P.T. No 147647 and P.T. No 147514 to P.T. No 147521, Mukim & District of Klang, Selangor Darul Ehsan	Land	Freehold	Residential development	–	321,908	1.1.2018	31,520
PT 18881, No. 3, Jalan Bunga Raya 6A/1, Seksyen BS4, 48300 Bukit Sentosa, Selangor	Factory buildings	Leasehold 99 years (2122)	Factory	–	28	30.12.2023	15
PT 18881, No. 3, Jalan Bunga Raya 6A/1, Seksyen BS4, 48300 Bukit Sentosa, Selangor	Land	Leasehold 99 years (2122)	Factory Building	–	28	30.12.2023	15
PT 18880, No. 3, Jalan Bunga Raya 6A/1, Seksyen BS4, 48300 Bukit Sentosa, Selangor	Land	Freehold	Factory Building	–	54,675	30.12.2023	3,121
PT 18880, No. 3, Jalan Bunga Raya 6A/1, Seksyen BS4, 48300 Bukit Sentosa, Selangor	Factory buildings	Freehold	Factory	2 year	30,210	30.12.2023	5,686
Geran Mukim 1745 Lot 2369, Tempat Sg Teba, Mukim Batu, Daerah Kuala Lumpur, Negeri Wilayah Persekutuan KL	Land	Freehold	Residential development	–	12,270	14.03.2024	48,864
PT 151479 held under Title No. H.S. (D) 158928, Mukim Klang, Daerah Klang, Selangor	Land	Freehold	Residential development	–	29,800	14.03.2024	1,105

PROPERTIES OWNED BY THE GROUP
(CONTINUED)

Location	Description	Tenure (Year of Expiry)	Existing Use	Approximate Age of Building	Land Area/ Built up Area (SQ FT)	Date of Acquisition	Net Book Value (RM'000)
Geran Mukim 1742 Lot 641, Geran Mukim 194 Lot 632, Geran Mukim 1761 Lot 720, Geran Mukim 195 Lot 633, Geran Mukim 2247 Lot 630, Geran Mukim 2249 Lot 626, Geran Mukim 2248 Lot 635, Geran Mukim 2250 Lot 642, Geran Mukim 2251 Lot 650, Geran Mukim 2252 Lot 651, Geran Mukim 2253 Lot 634, Geran Mukim 2327 Lot 540, Geran Mukim 2254 Lot 629, Geran Mukim 1741 Lot 640, Geran Mukim 1776 Lot 745, Geran Mukim 1241 Lot 1094, Mukim of Tanjung Duabelas, Daerah Kuala Langat, Selangor	Land	Freehold	Residential development	–	3,279,545	4.11.2024	43,107

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

Class of Securities	:	Ordinary Shares
Issued and Fully Paid up Capital	:	RM166,071,582 comprising 331,940,812 ordinary shares (net of treasury shares)
Voting Rights	:	Every member present in person or by proxy or represented by attorney shall have one vote and upon a poll, every such member shall have one vote for every share held by him
No. of Shareholders	:	3,372

LIST OF SUBSTANTIAL SHAREHOLDERS AS AT 31 MARCH 2026

Name	Direct Shareholdings	%	Indirect Shareholdings	%
Delta Industries Sdn Bhd	166,908,742	50.282	115,464	0.035
Fame Alliance Sdn Bhd	25,740,100	7.754	–	–

ANALYSIS BY SIZE OF SHAREHOLDING AS AT 31 MARCH 2026

Size of Shareholding	No. of Shareholders	%	No. of Shares#	%
1 - 99	807	23.932	41,421	0.012
100 – 1,000	285	8.451	125,633	0.037
1,001 – 10,000	1741	51.631	6,571,130	1.979
10,001 – 100,000	470	13.938	12,798,331	3.855
100,001 – 16,597,039 (*)	67	1.986	119,755,455	36.077
16,597,040 and above (**)	2	0.059	192,648,842	58.037
Grand Total	3,372	100.000	331,940,812	100.000

* - Less than 5% of issued shares

** - 5% and above of issued shares

Excluding 2,096,800 shares bought back and retained by the Company as treasury shares.

ANALYSIS OF SHAREHOLDINGS (CONTINUED)

LIST OF THIRTY (30) LARGEST SHAREHOLDERS AS AT 31 MARCH 2026

(Without aggregating the securities from different securities accounts belonging to the same person)

No	Name	No. of Shares	%
1	Dalta Industries Sdn Bhd	140,918,648	42.452
2	Dalta Industries Sdn Bhd	25,990,094	7.829
3	Fame Alliance Sdn Bhd	25,740,100	7.754
4	Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock	12,455,899	3.752
5	Dato' Milton Norman Ng Kwee Leong	9,328,913	2.810
6	Golden Approval Sdn. Bhd.	8,577,000	2.583
7	HLB Nominees (Tempatan) Sdn Bhd Hong Leong Bank Berhad (Global Market)	7,625,000	2.297
8	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (PHEIM)	7,463,900	2.248
9	Malcolm Jeremy Ng Kwee Seng	5,515,220	1.661
10	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Mujur Cemerlang Sdn. Bhd.	5,381,100	1.621
11	Steven Junior Ng Kwee Leng	4,829,800	1.455
12	Dato' Milton Norman Ng Kwee Leong	4,608,046	1.388
13	Affin Hwang Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Lim Gaik Eng	4,468,400	1.346
14	Dato' Ambrose Leonard Ng Kwee Heng	4,264,080	1.284
15	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad For Dana Makmur Pheim (211901)	4,050,300	1.220
16	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Teo Siew Lai	3,994,500	1.203
17	Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock	3,606,480	1.086
18	Teo Kwee Hock	3,164,400	0.953
19	Lee Thian Lye	3,158,800	0.951
20	Telus Cemerlang Sdn Bhd	2,055,600	0.619
21	Koh Bee Lan	1,959,312	0.590
22	Puan Sri Datin Catherine Yeoh Eng Neo	1,625,640	0.489
23	Steven Junior Ng Kwee Leng	1,420,000	0.427
24	Poh Sin Yoong	1,300,000	0.391
25	Poh Sin Ee	1,290,765	0.388
26	HSBC Nominees (Asing) Sdn Bhd Exempt An For Caceis Bank (CBLB-AIFCLNODT)	1,245,700	0.375
27	Malcolm Jeremy Ng Kwee Seng	1,000,000	0.301
28	Steven Junior Ng Kwee Leng	1,000,000	0.301
29	Ngan Bee Poh	910,500	0.274
30	Telus Cemerlang Sdn. Bhd.	855,800	0.257
	Total	299,803,997	90.318

ANALYSIS OF SHAREHOLDINGS
 (CONTINUED)

DIRECTORS' INTEREST IN SHARES OF THE COMPANY AND RELATED CORPORATIONS AS AT 31 MARCH 2026

	Direct Shareholdings	%	Indirect Shareholdings	%
Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock	16,544,779	4.984	226,851,645	68.341
Dato' Milton Norman Ng Kwee Leong	13,936,959	4.198	211,430,365	63.695
Steven Junior Ng Kwee Leng	7,249,800	2.184	211,430,365	63.695
Malcolm Jeremy Ng Kwee Seng	6,515,220	1.962	211,430,365	63.695
Dato' Ir. Hashim Bin Osman	-	-	-	-
Ooi Hun Yong	-	-	-	-
Norazkha Binti Dahlan	97,920	0.029	-	-
Tong Sook Yee	-	-	-	-

Other than stated above, the Directors have no interest in the shares of the subsidiary companies.

ANALYSIS OF WARRANT HOLDINGS

AS AT 31 MARCH 2026

No. of Warrants 2017/2027 in issue	:	55,323,468
Exercise/Conversion price	:	RM1.08
Exercise/Conversion ratio	:	1:1
Exercise/Conversion period	:	10 years
Maturity date	:	25 October 2027

LIST OF SUBSTANTIAL WARRANT HOLDERS AS AT 31 MARCH 2026

Warrant Holders	Direct Warrant Holders	%	Indirect Warrant Holders	%
Delta Industries Sdn Bhd	29,819,188	53.899	19,244	0.034
Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock	5,022,713	9.078	34,743,071	62.800
Mujur Cemerlang Sdn Bhd	3,371,014	6.093	–	–

ANALYSIS BY SIZE OF WARRANT HOLDINGS AS AT 31 MARCH 2026

Size of Warrant Holdings	No. of Warrant Holders	%	Warrant holdings	%
1 – 99	932	30.328	13,358	0.024
100 – 1,000	1,545	50.276	663,024	1.198
1,001 – 10,000	496	16.140	1,430,901	2.586
10,001 – 100,000	65	2.115	2,064,543	3.731
100,001 – 2,766,172 (*)	32	1.041	12,938,727	23.387
2,766,173 and above (**)	3	0.097	38,212,915	69.071
Grand Total	3,073	100.00	55,323,468	100.00

* - Less than 5% of issued warrants

** - 5% and above of issued warrants

ANALYSIS OF WARRANT HOLDINGS (CONTINUED)

LIST OF THIRTY (30) LARGEST WARRANT HOLDERS AS AT 31 MARCH 2026

(without aggregating the securities from different securities accounts belonging to the same person)

No	Name	Warrant holdings	%
1	Delta Industries Sdn Bhd	23,487,506	42.454
2	Delta Industries Sdn Bhd	6,331,682	11.444
3	Mujur Cemerlang Sdn Bhd	3,328,014	6.015
4	Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock	2,341,233	4.231
5	Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock	2,000,000	3.615
6	Dato' Milton Norman Ng Kwee Leong	1,255,585	2.269
7	Puan Sri Datin Catherine Yeoh Eng Neo	1,165,940	2.107
8	Maybank Nominees (Tempatan) Sdn Bhd Leong Pak Wah	1,069,201	1.932
9	Foo See Yoon	890,000	1.608
10	Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Wan Mohd Zaki Bin Wan Md Ali	782,200	1.413
11	Malcolm Jeremy Ng Kwee Seng	715,120	1.292
12	Dato' Ambrose Leonard Ng Kwee Heng	710,680	1.284
13	Steven Junior Ng Kwee Leng	638,300	1.153
14	Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock	601,080	1.086
15	Wong Kong Wai	350,000	0.632
16	Loh Eng Hock	332,000	0.600
17	Law Wei Yang	320,000	0.578
18	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tan Tai Kuan	300,000	0.542
19	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Muhammad Qushairi Bin Jantan	284,000	0.513
20	Puan Sri Datin Catherine Yeoh Eng Neo	270,940	0.489
21	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Leong Chun Hoo (E-BPJ)	251,300	0.454
22	Lee Chooi San	249,000	0.450
23	Tan Say Thiam	242,600	0.438
24	Koh Bee Lan	240,002	0.433
25	Tan Kim Hong	240,000	0.433
26	Azril Bin Azman	225,000	0.406
27	Maybank Nominees (Tempatan) Sdn Bhd Chan Yik Long	220,000	0.397
28	Natasha Binti Sheikh Othman	220,000	0.397
29	Siew Chee Huat	218,400	0.394
30	Poh Sin Ee	216,794	0.391
	Total	49,496,577	89.47

ANALYSIS OF WARRANT HOLDINGS (CONTINUED)

DIRECTORS' WARRANT HOLDINGS AS AT 31 MARCH 2026

	Direct Warrant Holdings	%	Indirect Warrant Holdings	%
Tan Sri Dato' Ir. Ng Boon Thong @ Ng Thian Hock	5,022,713	9.078	34,743,071	62.800
Dato' Milton Norman Ng Kwee Leong	1,333,659	2.410	36,298,025	65.611
Steven Junior Ng Kwee Leng	708,300	1.280	36,298,025	65.611
Malcolm Jeremy Ng Kwee Seng	715,120	1.292	36,298,025	65.611
Dato' Ir. Hashim Bin Osman	-	-	-	-
Ooi Hun Yong	-	-	-	-
Norazkha Binti Dahlan	16,320	0.029	-	-
Tong Sook Yee	-	-	-	-

NOTICE OF 56TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 56th Annual General Meeting (“AGM”) of **HIL INDUSTRIES BERHAD** (“the Company”) will be held at Bukit Kemuning Golf & Country Resort, Lot 6031, Batu 7, Bukit Kemuning, 42450 Shah Alam, Selangor Darul Ehsan on **Thursday, 4 June 2026 at 11.00 a.m.** for the purpose of transacting the following business:

AS ORDINARY BUSINESS

- | | |
|--|-------------------------------|
| 1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 and the Reports of the Directors and Auditors thereon. | Please refer to Note 2 |
| 2. To re-elect the following Directors who retire in accordance with Rule 144 of the Company’s Constitution and who, being eligible, offer themselves for re-election: | |
| (i) Dato’ Milton Norman Ng Kwee Leong | Ordinary Resolution 1 |
| (ii) Steven Junior Ng Kwee Leng | Ordinary Resolution 2 |
| (iii) Malcolm Jeremy Ng Kwee Seng | Ordinary Resolution 3 |
| 3. To approve the payment of Directors’ fees up to an amount of RM100,000 in total from the date of this Annual General Meeting until the conclusion of the next Annual General Meeting. | Ordinary Resolution 4 |
| 4. To re-appoint HLB Ler Lum Chew PLT as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Board of Directors to fix their remuneration. | Ordinary Resolution 5 |

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following as Ordinary Resolutions:

- | | |
|--|------------------------------|
| 5. WAIVER OF STATUTORY PRE-EMPTIVE RIGHTS OF THE SHAREHOLDERS UNDER SECTION 85 OF THE COMPANIES ACT 2016 | Ordinary Resolution 6 |
| “THAT approval be and is hereby given to waive the pre-emptive rights of the shareholders, pursuant to Section 85 of the Companies Act 2016 (“the Act”) read together with Rule 17 of the Constitution of the Company, in respect of the allotment of new shares of the Company pursuant to Ordinary Resolution 7 which rank equally with the existing issued shares of the Company.” | |
| 6. AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 | Ordinary Resolution 7 |
| “THAT contingent upon the passing of Ordinary Resolution 6 and subject always to the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Listing Requirements”) and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Section 75(1) of the Act to allot and issue shares in the Company from time to time at such price and upon such terms and conditions for such purposes and to such person or persons whomsoever the Directors may in their absolute discretion deem fit, provided always that the aggregate number of shares issued pursuant to this resolution, when aggregated with the total number of shares issued during the preceding twelve (12) months, does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being. | |

AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares to be issued on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”).

FURTHER THAT such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

NOTICE OF 56TH ANNUAL GENERAL MEETING (CONTINUED)

7. PROPOSED RENEWAL OF AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES

Ordinary Resolution 8

“THAT, subject always to the Companies Act 2016 (“the Act”), rules, regulations and orders made pursuant to the Act, provisions of the Company’s Constitution, the Listing Requirements and any other relevant regulatory authority, the Company be and is hereby authorised to purchase such number of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities (“Proposed Share Buy-Back”) upon such terms and conditions as the Directors in their discretion deem fit and expedient in the best interest of the Company, provided that:

- (a) the maximum number of shares which may be purchased by the Company shall not exceed ten per cent (10%) of the total number of issued shares of the Company at any point in time;
- (b) the maximum fund to be allocated by the Company for the purpose of purchasing the Company’s shares shall not exceed the aggregate of the retained earnings of the Company;
- (c) the authority conferred by this resolution will be effective upon passing of this resolution and will continue in force until:
 - (i) the conclusion of the next Annual General Meeting (“AGM”) of the Company, at which time the authority shall lapse unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
 - (iii) revoked or varied by ordinary resolution passed by shareholders in general meeting, whichever occurs first.
- (d) upon completion of the purchase(s) of the shares by the Company, the shares shall be dealt with in the following manner:
 - (i) to cancel the shares so purchased;
 - (ii) to retain the shares so purchased as Treasury Shares;
 - (iii) to distribute the Treasury Shares as dividends to shareholders;
 - (iv) to resell the Treasury Shares on Bursa Securities in accordance with the relevant rules of Bursa Securities; and
 - (v) any combination of the above (i), (ii), (iii) and (iv).

AND THAT authority be and is hereby given unconditionally to the Directors of the Company to take all such steps as are necessary or expedient (including without limitation, the opening and maintaining of central depository account(s) under the Securities Industry (Central Depositories) Act 1991) to implement or to effect the purchase(s) with full powers to assent to any conditions, modifications, variations and/or amendments (if any) as may be required or imposed by the relevant authorities and to do all such acts and things as the Directors may deem fit and expedient in the best interest of the Company.”

NOTICE OF 56TH ANNUAL GENERAL MEETING
(CONTINUED)**OTHER ORDINARY BUSINESS**

8. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

By Order of the Board

Cheam Tau Chern
Company Secretary
(MIA 18593)
[SSM PC No.: 201908000002]

Klang
30 April 2026

NOTES:**1. Participation and Appointment of Proxy**

- (a) A member entitled to attend and vote at the 56th Annual General Meeting (“**AGM**”) is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (b) The instrument appointing a proxy (“**proxy form**”) shall be in writing under the hand of the member or his attorney duly authorised in writing or, if the member is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- (c) Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (“**SICDA**”), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
- (d) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of Section 25A(1) of the SICDA.
- (e) Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
- (f) The proxy form must be deposited at the Company's Share Registrar's office, **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, Malaysia**, or the drop box located at **Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia**.
- (g) The proxy form may also be lodged electronically with the Company's Share Registrar via **Vistra Share Registry and IPO (MY) portal (“the Portal”)** at <https://srmy.vistra.com>. Kindly refer to the Administrative Guide for the 56th AGM for further information on electronic lodgement of Proxy Form.
- (h) Only members whose names appear in the Record of Depositors as at **25 May 2026** will be entitled to attend the meeting or appoint proxies to attend and/or vote on his/her behalf.
- (i) Please ensure **ALL** the particulars as required in the proxy form are completed and that the proxy form is signed and dated accordingly.

NOTICE OF 56TH ANNUAL GENERAL MEETING (CONTINUED)

- (j) The last date and time for lodging the proxy form is **Tuesday, 2 June 2026 at 11.00 a.m.**
- (k) For a corporate member who has appointed a representative instead of a proxy to participate in this 56th AGM, please deposit the ORIGINAL certificate of appointment executed in the manner as stated in the proxy form if this has not been lodged with the Company's Share Registrar earlier.
- (l) It is important that you read the Notification to Shareholders for the conduct of this 56th AGM.
- (m) Pursuant to Section 320(2) of the Companies Act 2016, a copy of this Notice together with the proxy form is available at the Company's website at <https://www.hil.com.my>.
- (n) Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Listing Requirements**"), all resolutions set out in the Notice of the 56th AGM will be put to vote by poll.

Explanatory Notes on Ordinary Business

2. Audited Financial Statements for financial year ended 31 December 2025

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 ("**the Act**") for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

3. Ordinary Resolutions 1, 2 and 3 – Re-election of Directors

Rule 144 of the Company's Constitution states that every Director shall be subject to retirement at least once in every three (3) years. A retiring Director shall be eligible for re-election.

In determining the eligibility of the Directors due for retirement to stand for re-election at the forthcoming Annual General Meeting, the Nominating Committee ("**NC**") had assessed the retiring Directors and was satisfied with the outcome of the fit and proper assessment.

The Board had considered the NC's evaluation of the eligibility of the retiring Directors and was satisfied that they will continue to bring their knowledge, experience and skills and contribute effectively to the Board's discussions, deliberations and decisions.

Explanatory Notes on Special Business

4. Ordinary Resolution 6 – Waiver of Pre-emptive Rights under Section 85 of the Act

Pursuant to Section 85 of the Act read together with Rule 17 of the Constitution of the Company, the shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally with the existing issued shares of the Company and are offered in proportion to their existing shareholdings.

The proposed Ordinary Resolution 6, if passed, will result in a waiver of your pre-emptive rights in respect of the allotment of new shares by the Company pursuant to Ordinary Resolution 7.

5. Ordinary Resolution 7 – Authority for Directors to Allot and Issue Shares

The proposed Ordinary Resolution 7, if passed, will empower the Directors of the Company to allot and issue ordinary shares of the Company from time to time, provided that the aggregate number of shares issued pursuant to this resolution, when aggregated with the total number of shares previously issued pursuant to this resolution during the preceding 12 months, does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being, subject to Paragraph 6.03 of the Listing Requirements.

This authority is a renewal of the general mandate previously granted by shareholders at the Company's 55th AGM and will, unless revoked or varied by the Company at a general meeting, expire at the conclusion of the next AGM.

NOTICE OF 56TH ANNUAL GENERAL MEETING (CONTINUED)

The authority will provide flexibility to the Company to raise funds, including but not limited to placements, through the allotment and issuance of shares for the purpose of funding future investment project(s), working capital and/or acquisitions.

As at the date of this Notice, no new shares have been issued pursuant to the authority granted to the Directors at the 55th AGM held on 29 May 2025, and such mandate will lapse at the conclusion of the forthcoming 56th AGM.

6. Ordinary Resolution 8 – Proposed Renewal of Authority for the Company to Purchase its Own Shares

The proposed resolution, if passed, will allow the Company to purchase its own shares up to 10% of the total number of issued shares of the Company by utilising the funds allocated which shall not exceed the retained earnings of the Company.

Further information on this resolution is set out in the Proposed Renewal of the Share Buy-Back Statement dated 30 April 2026 accompanying the Company's Annual Report for the financial year ended 31 December 2025.

STATEMENT ACCOMPANYING THE NOTICE OF 56TH ANNUAL GENERAL MEETING

(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD)

1. DETAILS OF INDIVIDUALS WHO ARE STANDING FOR ELECTION AS DIRECTORS

There are no individuals who are standing for election as directors (excluding directors standing for re-election) pursuant to Appendix 8A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The information required pursuant to Practice 5.7 of the Malaysian Code on Corporate Governance in relation to the Directors who are standing for re-election at the 56th AGM is provided in the Directors' Profile of the Annual Report 2025, and their latest interests in the shares and warrants of the Company are disclosed under the Analysis of Shareholdings and Analysis of Warrant Holdings sections of the Annual Report 2025

2. STATEMENT RELATING TO GENERAL MANDATE FOR ISSUE OF SECURITIES IN ACCORDANCE WITH PARAGRAPH 6.03(3) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

Details of the general mandate to issue securities in the Company pursuant to the Companies Act 2016 are set out in Explanatory Note 5 of the Notice of 56th AGM.

**HIL INDUSTRIES BERHAD**[Registration No.: 196901000472 98812-M]
(Incorporated in Malaysia)

CDS Account No.

No. of shares held

PROXY FORM*I/We _____ Tel: _____
[Full name in block letters, NRIC / Passport / Registration No.]

of _____ being member(s)

of **HIL INDUSTRIES BERHAD** (“the Company” or “HIL”), hereby appoint:

Full Name (in block letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			
Email Address:			

and/or

Full Name (in block letters)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address:			
Email Address:			

or failing him/her, the **CHAIRMAN OF THE MEETING** as my/our proxy to vote for me/us on my/our behalf at the 56th Annual General Meeting of the Company to be held at Bukit Kemuning Golf & Country Resort, Lot 6031, Batu 7, Bukit Kemuning, 42450 Shah Alam, Selangor Darul Ehsan on **Thursday, 4 June 2026 at 11.00 a.m.** or at any adjournment thereof, and to vote as indicated below:

AGENDA				
No.	Resolution		FOR	AGAINST
1.	To re-elect Dato' Milton Norman Ng Kwee Leong as a Director of the Company	Ordinary Resolution 1		
2.	To re-elect Steven Junior Ng Kwee Leng as a Director of the Company	Ordinary Resolution 2		
3.	To re-elect Malcolm Jeremy Ng Kwee Seng as a Director of the Company	Ordinary Resolution 3		
4.	To approve the payment of Directors' fees up to an amount of RM100,000 in total from the date of this Annual General Meeting until the conclusion of the next Annual General Meeting	Ordinary Resolution 4		
5.	To re-appoint HLB Ler Lum Chew PLT as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Board of Directors to fix their remuneration	Ordinary Resolution 5		
6.	Waiver of statutory pre-emptive rights of the shareholders under Section 85 of the Companies Act 2016	Ordinary Resolution 6		
7.	To authorise the Directors to allot and issue shares pursuant to the Companies Act 2016	Ordinary Resolution 7		
8.	To approve the Proposed Renewal of Authority for the Company to Purchase Its Own Shares	Ordinary Resolution 8		

Please indicate with an “X” in the appropriate space how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he/she thinks fit or at his/her discretion, abstain from voting.

Dated this _____ day of _____ 2026.

Signature / Common Seal of Shareholder(s)Manner of execution:

- (a) If you are an individual member, please sign where indicated.
- (b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
- (c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
- at least two (2) authorised officers, of whom one shall be a director; or
 - any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.



NOTES TO PROXY FORM

1. A member entitled to attend and vote at the 56th Annual General Meeting (“AGM”) is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. The instrument appointing a proxy (“**proxy form**”) shall be in writing under the hand of the member or his attorney duly authorised in writing or, if the member is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
3. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (“**SICDA**”), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“**omnibus account**”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of Section 25A(1) of the SICDA.
5. Where a member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
6. The proxy form must be deposited at the Company’s Share Registrar’s office, **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, Malaysia**, or the drop box located at **Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia**.
7. The proxy form may also be lodged electronically with the Company’s Share Registrar via **Vistra Share Registry and IPO (MY) portal (“the Portal”)** at <https://srmy.vistra.com>. Kindly refer to the Administrative Guide for the 56th AGM for further information on electronic lodgement of Proxy Form.
8. Only members whose names appear in the Record of Depositors as at **25 May 2026** will be entitled to attend the meeting or appoint proxies to attend and/or vote on his/her behalf.
9. Please ensure **ALL** the particulars as required in the proxy form are completed and that the proxy form is signed and dated accordingly.
10. The last date and time for lodging the proxy form is **Tuesday, 2 June 2026 at 11.00 a.m.**
11. For a corporate member who has appointed a representative instead of a proxy to participate in this 56th AGM, please deposit the **ORIGINAL** certificate of appointment executed in the manner as stated in the proxy form if this has not been lodged with the Company’s Share Registrar earlier.
12. It is important that you read the Notification to Shareholders for the conduct of this 56th AGM.
13. Pursuant to Section 320(2) of the Companies Act 2016, a copy of this Notice together with the proxy form is available at the Company’s website at <https://www.hil.com.my>.
14. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 56th AGM will be put to vote by poll.

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AFFIX
STAMP

The Share Registrar

Tricor Investor & Issuing House Services Sdn. Bhd.

(Registration No.: 197101000970 [11324-H])

Unit 32-01, Level 32, Tower A

Vertical Business Suite

Avenue 3, Bangsar South

No. 8, Jalan Kerinchi

59200 Kuala Lumpur

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Fold This Flap For Sealing



HIL INDUSTRIES BERHAD

Registration No: 196901000472 (8812-M)

Lot 3, Jalan Lada Sulah 16/11, Section 16, 40000 Shah Alam,
Selangor Darul Ehsan, Malaysia.

Tel: +603 5510 0501 | **Fax:** +603 5510 0493

www.hil.com.my