REPORTS AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

DIRECTORS' REPORT

The directors hereby submit 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 activity of the Company is investment holding. The principal activities of its subsidiaries include building construction of residential and non-residential buildings, provision of civil engineering services and infrastructure construction projects, provision of rental of construction machinery and engaging in agricultural activities of managing and harvesting of durians and other fruits.

There have been no significant changes in the nature of these principal activities during the financial year.

RESULTS

	Group RM	Company RM
Profit for the financial year, net of tax	11,544,049	1,711,825
Attributable to:		
Owners of the Company	11,544,049	1,711,825

DIVIDENDS

The amount of dividends declared and paid by the Company since the end of the previous financial year were as follows:

	RM
Second interim single-tier dividend of RM0.0033 per ordinary share in respect of the financial year ended 31 December 2024, paid on 16 May 2025	1,395,918
First interim single-tier dividend of RM0.0035 per ordinary share in respect of the financial year ended 31 December 2025, paid on 17 October 2025	1,480,519
	2,876,437

RESERVES OR PROVISIONS

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

DIRECTORS' REPORT CONT'D

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that there were no known bad debts and no allowance for doubtful debts were necessary.

At the date of this report, the directors are not aware of any circumstances which would render it necessary to write off any bad debts or to make any allowance for doubtful debts in respect of the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their 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.

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

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

(i) 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; and

(ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

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

DIRECTORS' REPORT CONT'D

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

(i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) 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 and of the Company for the financial year in which this report is made.

AUDITORS' REMUNERATION AND INDEMNITY

The auditors' remuneration of the Group and the Company during the financial year were RM151,100 and RM60,000 respectively.

The Company has agreed to indemnify the auditors of the Company as permitted under Section 289 of the Companies Act 2016 in Malaysia.

ISSUE OF SHARES AND DEBENTURES

During the financial year, no new issue of shares or debentures were made by the Company.

WARRANTS

On 19 September 2024, the Company executed a deed poll pertaining to the creation and issuance of 196,152,700 of free warrants ("Warrants A").

The Company issued 196,152,700 Warrants A to the shareholders of the Company on the basis of one (1) warrant for every two (2) existing ordinary shares held in the Company.

The details and salient terms of Warrants A are as follows:

(i) Each warrant shall entitle the registered holder of the warrants to subscribe for one (1) new share at any time during the exercise period at the exercise price of RM0.26, subject to adjustments in accordance with the provisions of the Deed Poll;

(ii) The close of business on the warrants is three (3) years from and including the date of issue of the warrants, provided that if such day falls on a day which is not a market day, then on the preceding market day;

(iii) The warrants may be exercised at any time during the tenure of the warrants of three (3) years commencing on and including the date of issuance of the warrants until 5.00 p.m. on the expiry date. Warrants not exercised during the exercise period will thereafter lapse and cease to be valid;

(iv) The new shares to be issued arising from the exercise of the warrants will, upon allotment and issuance, rank pari passu in all respects with the existing shares, save and except that the new shares to be issued arising from the exercise of the warrants will not be entitled to any dividends, rights, allotments and/or any other forms of distribution that may be declared for which the entitlement date for the said distribution precedes the date of allotment and issuance of the new shares arising from the exercise of the warrants;

DIRECTORS' REPORT CONT'D

WARRANTS CONT'D

The details and salient terms of Warrants A are as follows: CONT'D

(v) The holders of the warrants are not entitled to any voting right or to participate in any dividends, rights, allotments and/or other forms of distribution and/or offer of further securities in the Company other than on winding up, compromise or arrangement of the Company as set out in the Deed Poll governing the warrants until and unless such holders of the warrants exercise their warrants into new shares; and

(vi) The Exercise Price and/or number of warrants may from time to time be adjusted by the Board in consultation with an adviser appointed by the Company or the auditors of the Company in the event of any alteration in the share capital of the Company at any time during the tenure of the warrants, whether by way of capitalisation issue, rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the terms and conditions of the Deed Poll.

The Warrants A are quoted on the Ace Market of Bursa Malaysia Securities Berhad on 11 October 2024. The movements in the Warrants A of the Company during the financial year are as follows:

	Number of Warrants A			
	At 1.1.2025 Unit	Issued Unit	Exercised Unit	At 31.12.2025 Unit
Number of unexercised Warrants A	165,452,700	-	-	165,452,700

OPTIONS GRANTED OVER UNISSUED SHARES

Other than as disclosed elsewhere in this report, no options were granted to any person to take up the unissued shares of the Company during the financial year.

DIRECTORS

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

See Tin Hai*
Yoong Woei Yeh**
Tan Sui Huat
Mohd Jaffar Bin Awang (Ismail)
See Swee Ling***
Ong Kheng Swee
Poh Boon Huwi
See Cul Wei

* Director of the Company and its subsidiaries, Haily Construction Sdn. Bhd., Haily Machinery Sdn. Bhd., Haily Capital Sdn. Bhd., Haily Development Sdn. Bhd. and Haily Engineering Sdn. Bhd.

** Director of the Company and its subsidiaries, Haily Construction Sdn. Bhd., Haily Capital Sdn. Bhd., Haily Development Sdn. Bhd and Haily Engineering Sdn. Bhd.

*** Director of the Company and its subsidiary, Haily Construction Sdn. Bhd.

DIRECTORS' REPORT CONT'D

DIRECTORS CONT'D

Other than as stated above, the name of the director of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of this report is:

Kik Siew Lee

DIRECTORS' INTERESTS

Interests in the Company

According to the Register of Directors' Shareholdings required to be kept by the Company under Section 59 of the Companies Act 2016 in Malaysia, the interests of directors in office at the end of the financial year in shares in the Company and its related corporation during the financial year were as follows:

	Number of ordinary shares			
	At 1 January 2025	**Bought**	**Sold**	**At 31 December 2025**
Direct interests:				
Yoong Woei Yeh	1,000,000	-	-	1,000,000
See Swee Ling	1,000,000	-	-	1,000,000
Mohd Jaffar Bin Awang (Ismail)	200,000	-	-	200,000
Ong Kheng Swee	200,000	-	-	200,000
Tan Sui Huat	200,000	-	-	200,000
Holding company				
Haily Holdings Sdn. Bhd.				
See Tin Hai	1,200,001	-	-	1,200,001
Deemed interests:				
See Tin Hai	271,381,400	-	-	271,381,400

DIRECTORS' REPORT CONT'D

DIRECTORS' INTERESTS CONT'D

Interests in the Company CONT'D

	Number of Warrants A issued pursuant to the Deed Poll dated 19 September 2024 exercisable at any time from 8 October 2024 to 7 October 2027				
	At 1 January 2025	Issued	Exercised	Sold	At 31 December 2025
Direct interests:					
Yoong Woei Yeh	500,000	-	-	-	500,000
See Swee Ling	500,000	-	-	-	500,000
Mohd Jaffar Bin Awang (Ismail)	100,000	-	-	-	100,000
Ong Kheng Swee	100,000	-	-	-	100,000
Tan Sui Huat	100,000	-	-	-	100,000
Deemed interests:					
See Tin Hai	79,740,700	-	-	-	79,740,700

By virtue of his interests in Haily Holdings Sdn. Bhd., the holding company, and pursuant to Section 8 of the Companies Act 2016 in Malaysia, See Tin Hai is also deemed to have interest in the ordinary shares in the Company and its related corporations to the extent the holding company has interest.

Other than as stated above, none of the other directors in office at the end of the financial year had any interest in ordinary shares and Warrants A of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments 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.

The directors' benefits of the Company were as follows:

	Group RM	Company RM
Directors of the Company		
Executive directors		
- Directors' remuneration	2,207,000	-
- Directors' defined contribution plan	264,840	-
- Directors' other emoluments	5,071	-
- Benefits in kind	63,701	-
	2,540,612	-

DIRECTORS' REPORT CONT'D

DIRECTORS' BENEFITS CONT'D

The directors' benefits of the Company were as follows: CONT'D

	Group RM	Company RM
Directors of the Company CONT'D		
Non-executive director		
- Directors' fees	252,660	252,660
Directors of the subsidiaries		
Executive directors		
- Directors' remuneration	234,000	-
- Directors' defined contribution plan	28,080	-
- Directors' other emoluments	893	-
- Benefits in kind	7,214	-
	270,187	-
Total director remuneration		
- Directors' fees	252,660	252,660
- Directors' remuneration	2,441,000	-
- Directors' defined contribution plan	292,920	-
- Directors' other emoluments	5,964	-
- Benefits in kind	70,915	-
	3,063,459	252,660

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

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, the total amount of indemnity insurance coverage for the directors and officers of the Company was RM10,000,000. The insurance premium paid by the Company was RM15,675.

DIRECTORS' REPORT CONT'D

SUBSIDIARIES

The details of the Company's subsidiaries are as follows:-

Name of company	Principal place of business/ country of incorporation	Ownership interest 2025 %	Ownership interest 2024 %	Principal activities
Haily Construction Sdn. Bhd.	Malaysia	100	100	Building construction of residential and non-residential buildings
Haily Development Sdn. Bhd.	Malaysia	100	100	Dormant
Haily Capital Sdn. Bhd.	Malaysia	100	100	Engaged in argricultural activities of managing and harvesting of durians and other fruits
Haily Engineering Sdn. Bhd.	Malaysia	100	-	Provision of civil engineering services and infrastructure construction projects
Subsidiary of Haily Construction Sdn. Bhd.				
Haily Machinery Sdn. Bhd.	Malaysia	100	100	Provision of rental of construction machinery

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

INTERESTS IN HOLDING COMPANY AND OTHER RELATED CORPORATION

Other than as disclosed elsewhere in this report, the Company does not have any interest in shares in the holding company and its other related corporations during the financial year.

HOLDING COMPANY

The directors regard Haily Holdings Sdn. Bhd., a company incorporated in Malaysia, as the holding company of the Company.

DIRECTORS' REPORT CONT'D

AUDITORS

The auditors, Messrs Baker Tilly Monteiro Heng PLT, have expressed their willingness to continue in office.

This report was approved and signed on behalf of the Board of Directors in accordance with a resolution of the directors:

…………………………………………..
SEE TIN HAI
Director

…………………………………………..
YOONG WOEI YEH
Director

Date: 31 March 2026

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	10,151,641	9,527,060	-	-
Investment in subsidiaries	6	-	-	77,380,580	70,590,785
Other investments	7	4,591,076	3,995,632	-	-
Total non-current assets		**14,742,717**	**13,522,692**	**77,380,580**	**70,590,785**
Current assets					
Current tax assets		8,160	2,534	8,160	2,534
Trade and other receivables	9	139,631,498	109,608,387	44,107	20,688
Contract assets	10	54,720,205	79,091,764	-	-
Cash and short-term deposits	11	51,884,319	30,197,803	686,784	8,666,429
Total current assets		**246,244,182**	**218,900,488**	**739,051**	**8,689,651**
TOTAL ASSETS		**260,986,899**	**232,423,180**	**78,119,631**	**79,280,436**
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	12	77,457,540	77,457,540	77,457,540	77,457,540
Reorganisation reserve	14	(40,029,768)	(40,029,768)	-	-
Retained earnings		79,588,395	70,920,783	559,848	1,724,460
TOTAL EQUITY		**117,016,167**	**108,348,555**	**78,017,388**	**79,182,000**
Non-current liabilities					
Borrowings	15	4,246,795	3,508,730	-	-
Deferred tax liabilities	8	165,094	166,760	-	-
Total non-current liabilities		**4,411,889**	**3,675,490**	**-**	**-**
Current liabilities					
Borrowings	15	1,969,106	10,343,032	-	-
Tax liabilities		1,891,624	1,094,677	-	17,867
Trade and other payables	16	135,180,712	108,736,745	102,243	80,569
Contract liabilities	10	517,401	224,681	-	-
Total current liabilities		**139,558,843**	**120,399,135**	**102,243**	**98,436**
TOTAL LIABILITIES		**143,970,732**	**124,074,625**	**102,243**	**98,436**
TOTAL EQUITY AND LIABILITIES		**260,986,899**	**232,423,180**	**78,119,631**	**79,280,436**

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

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		Group		Company	
		2025	2024	2025	2024
	Note	RM	RM	RM	RM
Revenue	17	431,225,760	320,845,078	3,498,350	3,096,320
Cost of sales		(392,423,217)	(289,959,335)	-	-
Gross profit		**38,802,543**	**30,885,743**	**3,498,350**	**3,096,320**
Other income	18	788,843	688,259	-	-
Administrative expenses		(22,835,481)	(18,864,867)	(606,401)	(1,008,752)
Other expenses		-	-	(1,226,183)	-
Operating profit		**16,755,905**	**12,709,135**	**1,665,766**	**2,087,568**
Finance income	20	498,037	207,117	58,555	216,080
Finance costs	19	(583,696)	(645,986)	-	-
Profit before tax	20	**16,670,246**	**12,270,266**	**1,724,321**	**2,303,648**
Income tax expense	22	(5,126,197)	(3,611,720)	(12,496)	(45,484)
Profit for the financial year, representing total comprehensive income for the financial year		**11,544,049**	**8,658,546**	**1,711,825**	**2,258,164**
Profit attributable to:					
Owners of the Company		**11,544,049**	**8,658,546**	**1,711,825**	**2,258,164**
Total comprehensive income attributable to:					
Owners of the Company		**11,544,049**	**8,658,546**	**1,711,825**	**2,258,164**
Earnings per share attributable to owners of the Company (sen)					
- Basic and diluted	23	2.73	2.29		

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

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		← Attributable to owners of the Company →			
	Note	Share capital RM	Reorganisation reserve RM	Retained earnings RM	Total equity RM
Group					
At 1 January 2025		**77,457,540**	**(40,029,768)**	**70,920,783**	**108,348,555**
Total comprehensive income for the financial year					
Profit for the financial year, representing total comprehensive income for the financial year		-	-	11,544,049	11,544,049
Transaction with owners					
Dividends paid on shares	**24**	-	-	(2,876,437)	(2,876,437)
At 31 December 2025		**77,457,540**	**(40,029,768)**	**79,588,395**	**117,016,167**
At 1 January 2024		**61,254,988**	**(40,029,768)**	**64,690,964**	**85,916,184**
Total comprehensive income for the financial year					
Profit for the financial year, representing total comprehensive income for the financial year		-	-	8,658,546	8,658,546
Transactions with owners					
Issuance of shares pursuant to:					
- private placement	**12**	8,220,552	-	-	8,220,552
- exercise of warrants	**12**	7,982,000	-	-	7,982,000
Dividends paid on shares	**24**	-	-	(2,428,727)	(2,428,727)
Total transactions with owners		16,202,552	-	(2,428,727)	13,773,825
At 31 December 2024		**77,457,540**	**(40,029,768)**	**70,920,783**	**108,348,555**

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 CONT'D

		← Attributable to owners of the Company →		
	Note	Share capital RM	Retained earnings RM	Total equity RM
Company				
At 1 January 2024		**61,254,988**	**1,895,023**	**63,150,011**
Total comprehensive income for the financial year				
Profit for the financial year, representing total comprehensive income for the financial year		-	2,258,164	2,258,164
Transactions with owners				
Issuance of shares pursuant to:				
- private placement	**12**	8,220,552	-	8,220,552
- exercise of warrants	**12**	7,982,000	-	7,982,000
Dividends paid on shares	**24**	-	(2,428,727)	(2,428,727)
Total transactions with owners		16,202,552	(2,428,727)	13,773,825
At 31 December 2024		**77,457,540**	**1,724,460**	**79,182,000**
Total comprehensive income for the financial year				
Profit for the financial year, representing total comprehensive income for the financial year		-	1,711,825	1,711,825
Transaction with owners				
Dividends paid on shares	**24**	-	(2,876,437)	(2,876,437)
At 31 December 2025		**77,457,540**	**559,848**	**78,017,388**

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

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

		Group		Company	
		2025	2024	2025	2024
	Note	RM	RM	RM	RM
Cash flows from operating activities					
Profit before tax		16,670,246	12,270,266	1,724,321	2,303,648
Adjustments for:					
Depreciation of property, plant and equipment	5	3,411,967	3,059,686	-	-
Gain on disposal of property, plant and equipment	18	(181,658)	(107,000)	-	-
Fair value gain of other investments	18	-	(99,592)	-	-
Fair value loss of other investments	20	131,820	-	-	-
Loss on termination of lease	20	257,105	-	-	-
Impairment loss on investment in a subsidiary	20	-	-	1,226,183	-
Interest income	20	(498,037)	(207,117)	(58,555)	(216,080)
Finance costs	19	583,696	645,986	-	-
Operating profit before changes in working capital		**20,375,139**	**15,562,229**	**2,891,949**	**2,087,568**
Changes in working capital:					
Trade and other receivables		(30,023,111)	(15,548,727)	(15,521)	15,235
Contract assets		24,371,559	(13,427,008)	-	-
Trade and other payables		26,443,967	18,035,621	21,674	(12,382)
Contract liabilities		292,720	210,235	-	-
Net cash from operations		**41,460,274**	**4,832,350**	**2,898,102**	**2,090,421**
Income tax paid		(4,364,329)	(3,607,261)	(38,523)	(250,973)
Income tax refund		27,787	-	2,534	-
Interest paid		(153,446)	(315,054)	-	-
Net cash from operating activities		**36,970,286**	**910,035**	**2,862,113**	**1,839,448**
Cash flows from investing activities					
Purchase of property, plant and equipment	(a)	(3,464,334)	(2,270,516)	-	-
Proceeds from disposal of property, plant and equipment		704,100	109,500	-	-
Acquisition of a subsidiary, net of cash acquired		-	-	(2)	-
Net changes in amount owing by subsidiaries		-	-	(8,023,874)	(8,301,615)
Change in other investments		(727,264)	98,835	-	-
Change in pledge deposits		1,315,667	(2,262,691)	-	-
Interest received		498,037	207,117	58,555	216,080
Net cash used in investing activities		**(1,673,794)**	**(4,117,755)**	**(7,965,321)**	**(8,085,535)**

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 CONT'D

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Cash flows from financing activities					
Proceeds from issurance of shares pursuant to:					
- private placement		-	8,220,552	-	8,220,552
- exercise of warrants		-	7,982,000	-	7,982,000
Payments of lease liabilities	(b)	(433,115)	(395,151)	-	-
Repayments of hire purchases	(b)	(797,605)	(512,640)	-	-
Drawdown of term loans	(b)	988,445	-	-	-
Repayments of tem loans	(b)	(396,879)	(258,156)	-	-
Repayment of revolving credit	(b)	(1,000,000)	-	-	-
Interest paid		(430,250)	(330,932)	-	-
Dividends paid		(2,876,437)	(2,428,727)	(2,876,437)	(2,428,727)
Net cash (used in)/from financing activities		**(4,945,841)**	**12,276,946**	**(2,876,437)**	**13,773,825**
Net increase/(decrease) in cash and cash equivalents		**30,350,651**	**9,069,226**	**(7,979,645)**	**7,527,738**
Cash and cash equivalents at the beginning of the financial year		18,077,730	9,008,504	8,666,429	1,138,691
Cash and cash equivalents at the end of the financial year	(d)	**48,428,381**	**18,077,730**	**686,784**	**8,666,429**

(a) During the financial year, the Group made the following cash payments to purchase property, plant and equipment:

	Note	Group 2025 RM	Group 2024 RM
Additions of property, plant and equipment	5	5,566,095	5,767,147
Financed by way of leases arrangements		(411,761)	(2,727,631)
Financed by way of hire purchase arrangements		(1,690,000)	(769,000)
Cash payments on purchase of property, plant and equipment		3,464,334	2,270,516

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 CONT'D

(b) Reconciliation of changes in liabilities arising from financing activities are as follows:

	1.1.2025 RM	Drawdown RM	Repayments RM	Non-Cash Additions RM	Non-Cash Termination RM	31.12.2025 RM
Group						
Lease liabilities	3,300,732	-	(433,115)	411,761	(750,000)	2,529,378
Hire purchase	1,086,763	-	(797,605)	1,690,000	-	1,979,158
Term loans	1,115,799	988,445	(396,879)	-	-	1,707,365
Revolving credit	1,000,000	-	(1,000,000)	-	-	-
	6,503,294	988,445	(2,627,599)	2,101,761	(750,000)	6,215,901

	1.1.2024 RM	Repayments RM	Non-Cash Additions RM	31.12.2024 RM
Group				
Lease liabilities	968,252	(395,151)	2,727,631	3,300,732
Hire purchase	830,403	(512,640)	769,000	1,086,763
Term loans	1,373,955	(258,156)	-	1,115,799
Revolving credit	1,000,000	-	-	1,000,000
	4,172,610	(1,165,947)	3,496,631	6,503,294

(c) During the financial year, the Group had total cash outflows for leases of RM707,120 (2024: RM534,379).

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

	Note	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Short-term deposits	11	3,455,938	4,771,605	-	-
Less: Pledged deposits		(3,455,938)	(4,771,605)	-	-
		-	-	-	-
Cash and bank balances	11	48,428,381	25,426,198	686,784	8,666,429
Bank overdrafts	15	-	(7,348,468)	-	-
		48,428,381	18,077,730	686,784	8,666,429

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

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Haily Group Berhad ("the Company") is a public limited company, incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Suite 5.11 & 5.12, 5th floor, Menara TJB, No. 9, Jalan Syed Mohd Mufti, 80888 IIBD, Johor. The principal place of business of the Company is located at No. 3339, Jalan Pekeliling Tanjung 27, Kawasan Perindustrian Indahpura, 81000 Kulai, Johor Darul Takzim.

The holding company of the Company is Haily Holdings Sdn. Bhd., a company incorporated in Malaysia.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries include building construction of residential and non-residential buildings, provision of civil engineering services and infrastructure construction projects, provision of rental of construction machinery and engaging in agricultural activities of managing and harvesting of durians and other fruits.

There have been no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 31 March 2026.

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 the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of Companies Act 2016 in Malaysia.

2.2 Adoption of amendments to MFRS

The Group and the Company have adopted the following applicable amendments to MFRS for the current financial year:

<u>Amendments to MFRS</u>
MFRS 121 The Effects of Changes in Foreign Exchange Rates

The adoption of the above amendments to MFRS did not have any significant effect on the financial statements of the Group and of the Company and did not result in significant changes to the Group's and the Company's existing accounting policies.

2. BASIS OF PREPARATION CONT'D

2.3 New MFRS and amendments to MFRSs that have been issued, but yet to be effective

(a) The Group and the Company have not adopted the following new MFRS and amendments to MFRSs that have been issued, but yet to be effective:

		Effective for financial periods beginning on or after
New MFRS		
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to MFRSs		
MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards	1 January 2026
MFRS 7	Financial Instruments: Disclosures	1 January 2026
MFRS 9	Financial Instruments	1 January 2026
MFRS 10	Consolidated Financial Statements	1 January 2026/ Deferred
MFRS 107	Statement of Cash Flows	1 January 2026
MFRS 121	The Effects of Changes in Foreign Exchange Rates	1 January 2027
MFRS 128	Investments in Associates and Joint Ventures	Deferred

(b) The Group and the Company plan to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group and the Company are summarised below:

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 Presentation of Financial Statements. It retains many requirements from MFRS 101 without modification.

MFRS 18 introduces two subtotals which are to be presented in the statement of profit or loss – including "operating profit", which has been specifically defined. Income and expenses shall be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

MFRS 18 requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to as management-defined performance measures ("MPMs"). The entity is required to reconcile MPMs to a total or subtotal required by MFRS 18 or another MFRS Accounting Standards. MFRS 18 also requires other disclosures, including how each MPM is calculated, what the MPM communication about the entity's financial performance, and any changes made to the MPMs in the year.

MFRS 18 adds new principles for aggregation and disaggregation of information. It requires the entity to classify the expenses in the "operating" category in the profit or loss by nature or function, or both. The entity that classifies operating expenses by functions are required to disclose in the notes to the financial statements, the amount of depreciation, amortisation, employee benefits, impairment losses and write-downs of inventories included in each line in the operating category. Subject to materiality, MFRS 18 requires items presented or disclosed as "other" to be labelled and/or described in as faithfully representative and precise a way as possible.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

2. BASIS OF PREPARATION CONT'D

2.3 New MFRS and amendments to MFRSs that have been issued, but yet to be effective CONT'D

(b) The Group and the Company plan to adopt the above applicable new MFRS and amendments to MFRSs when they become effective. A brief discussion on the above significant new MFRS and amendments to MFRSs that may be applicable to the Group and the Company are summarised below: CONT'D

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures

These narrow scope amendments to MFRS 9 clarify the requirements, including:

- clarify the classification of financial assets, particularly those with environmental, social and corporate governance and similar features. The Amendments clarify how the contractual cash flows on such financial assets should be assessed, specifically the assessment of interest focuses on what an entity is being compensated for, rather than how much compensation it receives. Nonetheless, the amount of compensation the entity receives may indicate that it is being compensated for something other than basic lending risks and costs.
- clarify the date on which a financial asset or a financial liability settled via electronic payment systems is derecognised. The Amendments permit an entity to derecognise a financial liability before it delivers cash on the settlement date if specified criteria are met.

Amendments to MFRS 7 introduces new disclosure requirements relating to:

- investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features that do not relate directly to basic lending risks and costs.

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates

Amendments to MFRS 121 clarifies how entities should translate financial statements from a non-hyperinflationary currency into a hyperinflationary presentation currency.

- When an entity's functional currency is the currency of a non-hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the results and financial position of the entity shall be translated into the presentation currency by translating all amounts (ie assets, liabilities, equity items, income and expenses, including comparatives) at the closing rate at the date of the most recent statement of financial position.
- When an entity's functional currency and presentation currency are the currency of a hyperinflationary economy (or are the currencies of different hyperinflationary economies) and the entity translates the results and financial position of a foreign operation whose functional currency is that of a non- hyperinflationary economy, the entity shall restate the comparative amounts of that foreign operation included in the entity's previously issued financial statements by applying the general price index it applies to corresponding figures for the previous reporting period in accordance with paragraph 34 of MFRS 129 Financial Reporting in Hyperinflationary Economies.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

2. BASIS OF PREPARATION CONT'D

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which they operate ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared on the historical cost basis, except as otherwise disclosed.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following material accounting policies information have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

(a) Subsidiaries and business combination

The Group applies the acquisition method to account for business combinations from the acquisition date when the acquired set of activities meets the definition of a business and control is transferred to the Group. Acquisition of entities under a reorganisation scheme does not result in any change in economic substance. Accordingly, the consolidated financial statements of the Company are a continuation of the acquired entity and is accounted for as follows:

- the assets and liabilities of the acquired entity are recognised and measured in the consolidated financial statements at the pre-combination carrying amounts, without restatement to fair value;
- the retained earnings and other equity balances of acquired entity immediately before the business combination are those of the Group; and
- the equity structure, however, reflects the equity structure of the Company and the differences arising from the change in equity structure of the Group will be accounted for in other reserves.

3.2 Separate financial statements

In the Company's statement of financial position, investment in subsidiaries is measured at cost less any accumulated impairment losses.

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

3.3 Financial instruments

Financial assets – subsequent measurement and gains and losses

<u>Financial assets at fair value through profit or loss</u>

The Group and the Company subsequently measure these assets at fair value. Net gains and losses, including any interest and dividend income, are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

3. MATERIAL ACCOUNTING POLICY INFORMATION CONT'D

3.3 Financial instruments CONT'D

Financial assets – subsequent measurement and gains and losses CONT'D

Debt instruments at amortised cost

The Group and the Company subsequently measure these assets at amortised cost under the effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognition in profit or loss.

Financial liabilities – subsequent measurement and gains and losses

The Group and the Company classify the financial liabilities at amortised cost.

The Group and the Company subsequently measure other financial liabilities at amortised cost under the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

3.4 Property, plant and equipment

Property, plant and equipment other than right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

All property, plant and equipment (other than right-of-use assets as disclosed in Note 3.5) are depreciated on straight-line basis by allocating their depreciable amounts over their remaining useful lives.

	Useful lives (years)
Motor vehicles	5
Plant and machinery	5 - 10
Furniture and fittings	10
Office equipment	5 - 10
Computers	5 - 10

3.5 Leases

(a) Lessee accounting

The Group and the Company present right-of-use assets as property, plant and equipment in Note 5 and lease liabilities as loans and borrowings in Note 15.

Short-term leases and leases of low value assets

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Accordingly, the Group and the Company recognise the lease payments as an operating expense on a straight-line basis over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

3. MATERIAL ACCOUNTING POLICY INFORMATION CONT'D

3.5 Leases CONT'D

(a) Lessee accounting CONT'D

Right-of-use assets

The right-of-use assets are measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use assets are 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.

Lease liabilities

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

The Group and the Company have elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

3.6 Revenue and other income

Financing components

The Group and the Company have applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components as the Group and the Company expect that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

(a) Construction contracts

The Group is a general construction contractor. It constructs properties under long-term and short-term contracts with customers. Construction service contracts comprise multiple deliverables that require significant integration service and therefore accounted as a single performance obligation.

Under the terms of the contracts, control of the works performed is transferred over time as the Group creates or enhances an asset that the customer controls as the asset is created or enhanced. The progress towards complete satisfaction of a performance obligation is determined by the proportion of construction costs incurred for work performed to date bear to the estimated total construction costs (an input method).

Billings are made with a credit term of 30 days to 90 days, which is consistent with market practice, therefore, no element of financing is deemed present. The Group becomes entitled to invoice customers for construction works performed based on achieving a series of performance-related milestones.

The Group recognises a contract asset for any excess of revenue recognised to date over the billings-to-date. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point when invoice is issued or timing for billing is due to passage of time. If the milestone billing exceeds the revenue recognised to date and any deposit or advances received from customers then the Group recognises a contract liability for the difference.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

3. MATERIAL ACCOUNTING POLICY INFORMATION CONT'D

3.6 Revenue and other income CONT'D

(a) Construction contracts CONT'D

Defects Liability Period is usually 12 months to 30 months from the date of Certificate of Practical Completion as provided in the contracts with customers.

The Group recognises the revenue from Ad-Hoc project with small value at the point of time where the Group transfers the promised goods or services to the customers.

(b) Rendering of services

Revenue from hiring services is recognised over time as the services are rendered because the customer receives and uses the benefits simultaneously. This is determined based on the time elapsed (output method).

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Sales of fruits

Revenue from sale of fruits is recognised at a point in time when control of the fruits has been transferred to the customer, generally on the delivery of goods.

Sales are made with a credit term of 30 days, which is consistent with market practice, therefore, no element of financing is deemed present.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting year. 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 that have the most significant effect on the Group's and the Company's financial statements, or areas where assumptions and estimates that have a significant risk of resulting in a material adjustment to the Group's and the Company's financial statements within the next financial year are disclosed as follows:

(a) Impairment of trade receivables and contract assets

The impairment provisions for financial assets and contract assets are based on assumptions about risk of default and expected loss rate. The Group uses judgement in making these assumptions and selecting inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimate at the end of each reporting period.

The assessment of the correlation between historical observed default rates, forward-looking estimates and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and forecast economic conditions over the expected lives of the financial assets and contract assets. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS CONT'D

(a) Impairment of trade receivables and contract assets CONT'D

The information about the impairment losses on the Group's financial assets and contracts assets are disclosed in Note 25(b)(i).

(b) Construction revenue

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

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

The carrying amounts of the Group's contract assets and contract liabilities are disclosed in Note 10.

5. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles RM	Plant and machinery RM	Furniture and fittings RM	Office equipment RM	Computers RM	Right-of-use assets RM	Total RM
Group							
Cost							
At 1 January 2024	9,640,497	1,096,876	663,385	3,624,009	748,272	4,050,957	19,823,996
Additions	1,802,769	47,000	30,490	1,068,689	90,568	2,727,631	5,767,147
Disposals	(481,066)	-	-	-	-	-	(481,066)
Write-off	(218,845)	-	-	-	-	-	(218,845)
Derecognition due to end of lease term	-	-	-	-	-	(1,940,858)	(1,940,858)
At 31 December 2024	10,743,355	1,143,876	693,875	4,692,698	838,840	4,837,730	22,950,374
Additions	2,313,796	155,125	32,290	2,328,870	114,253	621,761	5,566,095
Disposals	(1,423,309)	(18,500)	-	(129,573)	-	-	(1,571,382)
Derecognition due to end of lease term	-	-	-	-	-	(37,523)	(37,523)
Termination of lease	-	-	-	-	-	(2,035,875)	(2,035,875)
At 31 December 2025	11,633,842	1,280,501	726,165	6,891,995	953,093	3,386,093	24,871,689

NOTES TO THE FINANCIAL STATEMENTS CONT'D

5. PROPERTY, PLANT AND EQUIPMENT CONT'D

	Note	Motor vehicles RM	Plant and machinery RM	Furniture and fittings RM	Office equipment RM	Computers RM	Right-of-use assets RM	Total RM
Group								
Accumulated depreciation								
At 1 January 2024		7,715,357	877,867	350,799	1,590,899	310,831	2,156,144	13,001,897
Depreciation charge for the financial year	20	1,198,712	87,800	68,991	695,072	135,846	873,265	3,059,686
Disposals		(478,566)	-	-	-	-	-	(478,566)
Write-off		(218,845)	-	-	-	-	-	(218,845)
Derecognition due to end of lease term		-	-	-	-	-	(1,940,858)	(1,940,858)
At 31 December 2024		8,216,658	965,667	419,790	2,285,971	446,677	1,088,551	13,423,314
Depreciation charge for the financial year	20	1,320,601	89,712	72,220	927,931	143,107	858,396	3,411,967
Disposals		(995,681)	(18,500)	-	(34,759)	-	-	(1,048,940)
Derecognition due to end of lease term		-	-	-	-	-	(37,522)	(37,522)
Termination of lease		-	-	-	-	-	(1,028,771)	(1,028,771)
At 31 December 2025		8,541,578	1,036,879	492,010	3,179,143	589,784	880,654	14,720,048
Carrying amount								
At 31 December 2024		2,526,697	178,209	274,085	2,406,727	392,163	3,749,179	9,527,060
At 31 December 2025		3,092,264	243,622	234,155	3,712,852	363,309	2,505,439	10,151,641

NOTES TO THE FINANCIAL STATEMENTS CONT'D

5. PROPERTY, PLANT AND EQUIPMENT CONT'D

(a) Assets under hire purchase

Net carrying amount of property, plant and equipment of the Group held under hire purchase agreement is as follows:

	2025 RM	2024 RM
Group		
Motor vehicles	2,481,912	1,618,612

(b) Right-of-use-assets

Information about leases for which the Group is lessee is presented below:

	Office buildings RM	Office equipment RM	Shop building RM	Warehouse RM	Contract farming rights RM	Land RM	Total RM
Cost							
At 1 January 2024	1,940,858	51,727	22,497	-	2,035,875	-	4,050,957
Additions	2,369,568	-	-	358,063	-	-	2,727,631
Derecognition due to end of lease term	(1,940,858)	-	-	-	-	-	(1,940,858)
At 31 December 2024	2,369,568	51,727	22,497	358,063	2,035,875	-	4,837,730
Additions	-	32,441	-	-	-	589,320	621,761
Derecognition due to end of lease term	-	(15,026)	(22,497)	-	-	-	(37,523)
Termination of lease	-	-	-	-	(2,035,875)	-	(2,035,875)
At 31 December 2025	2,369,568	69,142	-	358,063	-	589,320	3,386,093
Accumulated depreciation							
At 1 January 2024	1,722,860	18,610	7,499	-	407,175	-	2,156,144
Depreciation	415,465	10,345	11,248	29,032	407,175	-	873,265
Derecognition due to end of lease term	(1,940,858)	-	-	-	-	-	(1,940,858)
At 31 December 2024	197,467	28,955	18,747	29,032	814,350	-	1,088,551
Depreciation	394,928	14,579	3,749	116,129	214,421	114,590	858,396
Derecognition due to end of lease term	-	(15,026)	(22,496)	-	-	-	(37,522)
Termination of lease	-	-	-	-	(1,028,771)	-	(1,028,771)
At 31 December 2025	592,395	28,508	-	145,161	-	114,590	880,654
Carrying amount							
At 31 December 2024	2,172,101	22,772	3,750	329,031	1,221,525	-	3,749,179
At 31 December 2025	1,777,173	40,634	-	212,902	-	474,730	2,505,439

NOTES TO THE FINANCIAL STATEMENTS CONT'D

5. PROPERTY, PLANT AND EQUIPMENT CONT'D

(b) Right-of-use-assets CONT'D

Land, buildings and equipment

The Group leases land, buildings and equipments for its office space and operation. The leases are mainly for an initial lease terms of two (2) to five (5) years (2024: two (2) to five (5) years).

Contract farming rights

On 1 January 2023, the Group had entered into two Contract Farming Lease Agreements ("CFLAs") with the lessors, for the lease of 2 parcels of agriculture lands for a lease period of 5 years commencing from 1 January 2023.

The Group recognises the contract farming rights as right-of-use assets as the lessor granted the lessee the right to control the use of the assets and granted an exclusive right to harvest, operate, and manage the trees planted thereon during the lease period.

The right-of-use asset is measured at cost less accumulated depreciation and any accumulated impairment losses, and adjust for any remeasurement of the lease liabilities. The right-of-use asset is 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 assets or the end of the lease term.

During the financial year, the Group terminated the right-of-use assets prior to their contractual expiry dates and were derecognised accordingly. The resulting loss on termination of lease amounting to RM257,105 was recognised in profit or loss for the financial year.

6. INVESTMENT IN SUBSIDIARIES

		Company	
	Note	2025 RM	2024 RM
At cost			
Unquoted shares			
At beginning of the financial year		70,590,785	41,529,772
Additions	(a)	8,015,978	29,061,013
		78,606,763	70,590,785
Less: Impairment loss	(b)	(1,226,183)	-
At end of the financial year		77,380,580	70,590,785

NOTES TO THE FINANCIAL STATEMENTS CONT'D

6. INVESTMENT IN SUBSIDIARIES CONT'D

Details of the subsidiaries are as follows:

Name of company	Principal place of business/country of incorporation	Ownership interest 2025 %	Ownership interest 2024 %	Principal activities
Haily Construction Sdn. Bhd.	Malaysia	100	100	Building construction of residential and non-residential buildings
Haily Development Sdn. Bhd.	Malaysia	100	100	Dormant
Haily Capital Sdn. Bhd.	Malaysia	100	100	Engaged in agricultural activities of managing and harvesting of durians and other fruits
Haily Engineering Sdn. Bhd.	Malaysia	100	-	Provision of civil engineering services and infrastructure construction projects
Subsidiary of Haily Construction Sdn. Bhd.				
Haily Machinery Sdn.Bhd.	Malaysia	100	100	Provision of rental of construction machinery

(a) Additions

(i) **During the financial year**

Subscription for additional interests in a subsidiary

On 26 February 2025, the Company had subscribed for an additional 178,212 ordinary shares at the price of RM44.98 each in the share capital of a subsidiary, Haily Construction Sdn. Bhd. by way of capitalising the amount owing by Haily Construction Sdn. Bhd. of RM8,015,975.76.

Incorporation of Haily Engineering Sdn. Bhd.

On 06 February 2025, Haily Engineering Sdn. Bhd. was incorporated with an issued share capital of RM2. Haily Engineering Sdn. Bhd. is a wholly-owned subsidiary of the Company.

(ii) **In the previous financial year**

Subscription for additional interests in subsidiaries

On 29 March 2024, the Company had subscribed for an additional 465,209 ordinary shares at the price of RM41.25 each in the share capital of a subsidiary, Haily Construction Sdn. Bhd. by way of capitalising the amount owing by Haily Construction Sdn. Bhd. of RM19,189,871.25.

On 29 March 2024, the Company had subscribed for an additional 1,756,002 ordinary shares at the price of RM1 each in the share capital of a subsidiary, Haily Capital Sdn. Bhd. by way of capitalising the amount owing by Haily Capital Sdn. Bhd. of RM1,756,002.

On 28 June 2024, the Company had subscribed for an additional 188,812 ordinary shares at the price of RM42.98 each in the share capital of a subsidiary, Haily Construction Sdn. Bhd. by way of capitalising the amount owing by Haily Construction Sdn. Bhd. of RM8,115,139.76.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

6. INVESTMENT IN SUBSIDIARIES CONT'D

(b) During the financial year, an impairment loss of RM1,226,183 (2024: Nil) is provided for in profit or loss under other expenses, for the cost of investment in subsidiaries as the carrying amount of the cost of investment in the subsidiaries are higher than their recoverable amount.

7. OTHER INVESTMENTS

	Group	
	2025	**2024**
	RM	**RM**
Financial asset designated at FVPL		
At fair value:		
Other investments	4,591,076	3,995,632

The other investments relate to keyman insurance contracts.

8. DEFERRED TAX ASSETS/(LIABILITIES)

	As at 1 January 2025 RM	**Recognised in profit or loss RM (Note 22)**	**As at 31 December 2025 RM**
Group			
Deferred tax liabilities:			
Property, plant and equipment	(166,760)	1,666	(165,094)

	As at 1 January 2024 RM	**Recognised in profit or loss RM (Note 22)**	**As at 31 December 2024 RM**
Group			
Deferred tax assets:			
Capital allowance	10,055	(10,055)	-
Tax losses	70,502	(70,502)	-
	80,557	(80,557)	-
Deferred tax liabilities:			
Property, plant and equipment	(146,427)	(20,333)	(166,760)
Presented after appropriate offsetting as follows:			
Deferred tax assets	80,557	(80,557)	-
Deferred tax liabilities	(146,427)	(20,333)	(166,760)
	(65,870)	(100,890)	(166,760)

NOTES TO THE FINANCIAL STATEMENTS CONT'D

8. DEFERRED TAX ASSETS/(LIABILITIES) CONT'D

Unrecognised deferred tax assets

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

	Group	
	2025 RM	2024 RM
Unused tax losses	1,070,073	152,562
Deductible temporary difference	12,855	21,462
	1,082,928	174,024

The availability of unused tax losses for offsetting against future taxable profits of the Group is subject to requirements under the Income Tax Act, 1967 and guidelines issued by the tax authority.

The unused tax losses are available for offset against future taxable profits of the Group up to the following financial years:

	Group	
	2025 RM	2024 RM
2034	152,562	152,562
2035	917,511	-
	1,070,073	152,562

9. TRADE AND OTHER RECEIVABLES

		Group		Company	
	Note	2025 RM	2024 RM	2025 RM	2024 RM
Trade					
Trade receivables		71,559,967	63,942,802	-	-
Retention sums		65,927,997	42,732,698	-	-
	(a)	137,487,964	106,675,500	-	-
Non-trade					
Other receivables		170,694	117,502	-	-
Deposits		1,005,600	1,070,615	1,000	1,000
Prepayments		967,240	1,744,770	15,521	-
Amounts owing by a subsidiary	(b)	-	-	27,586	19,688
		2,143,534	2,932,887	44,107	20,688
Total trade and other receivables		139,631,498	109,608,387	44,107	20,688

NOTES TO THE FINANCIAL STATEMENTS CONT'D

9. TRADE AND OTHER RECEIVABLES CONT'D

(a) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Group range from 30 days to 90 days (2024: 30 days to 90 days) from the date of invoices. Other credit terms are assessed and approved on a case by case basis.

The retention sum which is receivable upon the expiry of defect liability period as provided in the contracts with customers.

(b) Amounts owing by a subsidiary

Amounts owing by a subsidiary is unsecured, non-interest bearing, repayable on demand and is expected to be settled in cash.

The information about the credit exposures are disclosed in Note 25(b)(i).

10. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2025 RM	2024 RM
Contract assets relating to construction service contracts	54,720,205	79,091,764
Contract liabilities relating to construction service contracts	(517,401)	(224,681)

(a) Contract assets

The contract assets represent the Group's rights to consideration for the work performed for the construction contracts but yet to be billed. Contract assets are transferred to receivables when the Group issues progress billings to the customers. Typically, the amount will be billed within 90 days and payments is expected within 90 days.

(b) Contract liabilities

The contract liabilities represent progress billings and deposits received for construction contracts for which performance obligations have not been satisfied. The contract liabilities are expected to be recognised as revenue over a period of 60 days.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

10. CONTRACT ASSETS/(LIABILITIES) CONT'D

(c) Significant changes in contract balances

	2025		2024	
	Contract assets Increase/ (decrease)	Contract liabilities (Increase)/ decrease	Contract assets Increase/ (decrease)	Contract liabilities (Increase)/ decrease
	RM	RM	RM	RM
Group				
Revenue recognised that was included in contract liabilities at the beginning of the financial year	-	224,681	-	14,446
Increases due to consideration received/ receivable from customers, but revenue not recognised	-	(517,401)	-	(224,681)
Increases due to revenue recognised for unbilled goods or services transferred to customers	54,720,205	-	79,091,764	-
Transfers from contract assets recognised at the beginning of the financial year to receivables	(79,091,764)	-	(65,664,756)	-

(d) Revenue recognised in relation to contract balances

	Group	
	2025	2024
	RM	RM
Revenue recognised that was included in contract liabilities at the beginning of the financial year	224,681	14,446

Revenue recognised that was included in the contract liabilities balances at the beginning of the financial year represented primarily revenue from construction contracts when percentage of completion increases.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

11. CASH AND SHORT-TERM DEPOSITS

	Group 2025 RM	Group 2024 RM	Company 2025 RM	Company 2024 RM
Cash and bank balances	48,428,381	25,426,198	686,784	8,666,429
Short-term deposits	3,455,938	4,771,605	-	-
	51,884,319	30,197,803	686,784	8,666,429

The interest rates of the short-term deposits placed with licensed banks as at reporting date range from 1.75% to 2.45% (2024: 2.25% to 2.50%) per annum. The short-term deposits have a maturity period ranging from 1 month to 12 months (2024: 1 month to 12 months).

Included in the short-term deposits placed with licensed banks of the Group, RM3,455,938 (2024: RM4,771,605) is pledged for banking facilities granted to the Group as disclosed in Note 15.

12. SHARE CAPITAL

	Note	Group 2025 Unit	Group 2024 Unit	Company 2025 RM	Company 2024 RM
Issued and fully paid-up (no par value):					
At beginning of the financial year		423,005,400	178,320,700	77,457,540	61,254,988
Issuance of shares pursuant to:					
- private placement	**(a)**	-	17,832,000	-	8,220,552
- bonus issue	**(b)**	-	196,152,700	-	-
- exercise of warrants	**(c)**	-	30,700,000	-	7,982,000
At the end of the financial year		423,005,400	423,005,400	77,457,540	77,457,540

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

In the previous financial year, the Company:

(a) issued 17,832,000 new ordinary shares pursuant to the private placement at an issue price of RM0.4610 per ordinary share for working capital purposes;

(b) issued 196,152,700 new ordinary shares pursuant to the bonus issue undertaken by the Company on the basis of 1 bonus share for every 1 existing ordinary share held by the shareholders of the Company; and

(c) issued 30,700,000 new ordinary shares arising from the exercise of 30,700,000 Warrants A at the exercise price of RM0.26 per warrant in accordance with the Deed Poll dated 19 September 2024.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

13. WARRANTS

On 19 September 2024, the Company executed a deed poll pertaining to the creation and issuance of 196,152,700 of free warrants ("Warrants A").

The Company issued 196,152,700 Warrants A to the shareholders of the Company on the basis of one (1) warrant for every two (2) existing ordinary shares held in the Company.

The Warrants A are quoted on the Ace Market of Bursa Malaysia Securities Berhad on 11 October 2024.

The movement in the Group's and the Company's number of Warrants A during the financial year are as follows:

	Number of Warrants A	
	2025	**2024**
	Unit	**Unit**
Number of unexercised Warrants A		
At beginning of the financial year	165,452,700	-
Issued during the financial year	-	196,152,700
Exercised during the financial year	-	(30,700,000)
At end of the financial year	165,452,700	165,452,700

The details and salient terms of Warrants A are as follows:

(i) Each warrant shall entitle the registered holder of the warrants to subscribe for one (1) new share at any time during the exercise period at the exercise price of RM0.26, subject to adjustments in accordance with the provisions of the Deed Poll;

(ii) The close of business on the warrants is three (3) years from and including the date of issue of the warrants, provided that if such day falls on a day which is not a market day, then on the preceding market day;

(iii) The warrants may be exercised at any time during the tenure of the warrants of three (3) years commencing on and including the date of issuance of the warrants until 5.00 p.m. on the expiry date. Warrants not exercised during the exercise period will thereafter lapse and cease to be valid;

(iv) The new shares to be issued arising from the exercise of the warrants will, upon allotment and issuance, rank pari passu in all respects with the existing shares, save and except that the new shares to be issued arising from the exercise of the warrants will not be entitled to any dividends, rights, allotments and/ or any other forms of distribution that may be declared for which the entitlement date for the said distribution precedes the date of allotment and issuance of the new shares arising from the exercise of the warrants;

(v) The holders of the warrants are not entitled to any voting right or to participate in any dividends, rights, allotments and/ or other forms of distribution and/or offer of further securities in the Company other than on winding up, compromise or arrangement of the Company as set out in the Deed Poll governing the warrants until and unless such holders of the warrants exercise their warrants into new shares; and

(vi) The Exercise Price and/or number of warrants may from time to time be adjusted by the Board in consultation with an adviser appointed by the Company or the auditors of the Company in the event of any alteration in the share capital of the Company at any time during the tenure of the warrants, whether by way of capitalisation issue, rights issue, bonus issue, consolidation of shares, subdivision of shares or reduction of capital, in accordance with the terms and conditions of the Deed Poll.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

14. REORGANISATION RESERVE

The reorganisation reserve arose from the differences between the carrying value of the investment and the nominal value of the shares of the subsidiary upon consolidation under the merger accounting principles.

15. BORROWINGS

	Note	Group 2025 RM	Group 2024 RM
Non-current:			
Lease liabilities	(a)	1,836,524	2,104,312
Hire purchase payables	(b)	1,203,104	565,287
Term loans	(c)	1,207,167	839,131
		4,246,795	3,508,730
Current:			
Lease liabilities	(a)	692,854	1,196,420
Hire purchase payables	(b)	776,054	521,476
Term loans	(c)	500,198	276,668
Revolving credit	(d)	-	1,000,000
Bank overdrafts	(e)	-	7,348,468
		1,969,106	10,343,032
Total borrowings:			
Lease liabilities	(a)	2,529,378	3,300,732
Hire purchase payables	(b)	1,979,158	1,086,763
Term loans	(c)	1,707,365	1,115,799
Revolving credit	(d)	-	1,000,000
Bank overdrafts	(e)	-	7,348,468
		6,215,901	13,851,762

(a) Lease liabilities

Future minimum lease payments together with the present value of net minimum lease payments are as follows:

	Group 2025 RM	Group 2024 RM
Minimum lease payments:		
- Not later than one year	839,280	1,375,450
- Later than one year and not later than five years	2,029,060	2,413,780
	2,868,340	3,789,230
Less: Future finance charges	(338,962)	(488,498)
Present value of minimum lease payments	2,529,378	3,300,732

NOTES TO THE FINANCIAL STATEMENTS CONT'D

15. BORROWINGS CONT'D

(a) Lease liabilities CONT'D

Future minimum lease payments together with the present value of net minimum lease payments are as follows: CONT'D

	Group	
	2025	**2024**
	RM	**RM**
Present value of minimum lease payments:		
- Not later than one year	692,854	1,196,420
- Later than one year and not later than five years	1,836,524	2,104,312
	2,529,378	3,300,732
Less: Amount due within twelve months	(692,854)	(1,196,420)
Amount due after twelve months	1,836,524	2,104,312

(b) Hire purchase payables

Hire purchase payables of the Group of RM1,979,158 (2024: RM1,086,763) bears interest ranging from 1.98% to 3.68% (2024: 1.98% to 3.68%) per annum and are secured by the Group's motor vehicles under hire purchase agreements as disclosed in Note 5 (a).

(c) Term loans

Term loan 1 of the Group of RM837,978 (2024: RM1,115,799) bears interest rate at 6.85% (2024: 6.85%) per annum and is repayable by monthly installments of RM28,709 over 5 years commencing from the day of first drawdown and is secured and supported by corporate guarantee of the Company.

Term loan 2 of the Group of RM424,792 (2024: RM Nil) bears interest rate ranging from 6.60% to 6.85% (2024: Nil) per annum and is repayable by monthly installments of RM9,865 over 5 years commencing from the day of first drawdown and is secured and supported by corporate guarantee of the Company.

Term loan 3 of the Group of RM444,595 (2024: RM Nil) bears interest rate ranging from 6.64% to 6.89% (2024: Nil) per annum and is repayable by monthly installments of RM11,555 commencing from the day of first drawdown and is secured and supported by corporate guarantee of the Company.

(d) Revolving credit

The revolving credit of the Group are secured by way of:
(i) Corporate guarantee by the Company
(ii) Guarantee by the other investments as disclosed in Note 7

(e) Bank overdrafts

In the previous financial year, bank overdrafts bear interest rate ranging from 0.25% to 1% per annum over the Islamic Financing Rate and is secured and supported as follows:
(i) Corporate guarantee by the Company
(ii) Guarantee by the other investments as disclosed in Note 7

NOTES TO THE FINANCIAL STATEMENTS CONT'D

16. TRADE AND OTHER PAYABLES

		Group		Company	
		2025	2024	2025	2024
	Note	RM	RM	RM	RM
Trade					
Trade payables	(a)	96,655,258	80,085,443	-	-
Retention sums	(a)	28,867,411	23,551,652	-	-
Trade accruals		2,293,404	1,495,562	-	-
		127,816,073	105,132,657	-	-
Non-trade					
Other payables		4,844,291	1,003,149	11,484	140
Accruals		2,520,348	2,600,939	90,759	80,429
		7,364,639	3,604,088	102,243	80,569
Total trade and other payables		135,180,712	108,736,745	102,243	80,569

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranging from 30 days to 90 days (2024: 30 days to 90 days) terms. The retention sum which is payable upon expiry of defect liability period or issuance of certificate making defects is expected to be settled.

For explanations on the Group's and the Company's liquidity risk management processes, refer to Note 25(b)(ii).

17. REVENUE

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Revenue from contract customers:				
Over time:				
Construction contracts	430,971,660	319,147,686	-	-
At a point in time:				
Sales of fruits	122,642	1,415,655	-	-
Revenue from other source:				
At a point in time:				
Construction contracts	131,458	281,737	-	-
Dividend income	-	-	3,498,350	3,096,320
	431,225,760	320,845,078	3,498,350	3,096,320

NOTES TO THE FINANCIAL STATEMENTS CONT'D

17. REVENUE CONT'D

(a) Transaction price allocated to the remaining performance obligations

As of 31 December 2025, the aggregate amount of the transaction price allocated to the remaining performance obligations for construction contracts is RM605,788,539 and the entity will recognise this revenue as the construction work is completed, which is expected to occur over the next 12 to 48 months.

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 and do not disclose information about remaining performance obligations that have original expected durations of one year or less.

18. OTHER INCOME

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Gain on disposal of property, plant and equipment	181,658	107,000	-	-
Fair value gain of other investments	-	99,592	-	-
Miscellaneous	607,185	481,667	-	-
	788,843	688,259	-	-

19. FINANCE COSTS

	Group	
	2025 RM	2024 RM
Interest expense on:		
- Lease liabilities	196,655	136,228
- Hire purchase	80,823	43,854
- Term loans	104,585	86,352
- Revolving credit	48,187	64,498
- Bank overdrafts	108,457	268,368
- Short-term loans	44,989	46,686
	583,696	645,986

NOTES TO THE FINANCIAL STATEMENTS CONT'D

20. PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charge/(credited) in arriving at profit before tax:

		Group		Company	
		2025	2024	2025	2024
	Note	RM	RM	RM	RM
Auditors' remuneration					
- Baker Tilly Monteiro Heng PLT		151,100	142,600	60,000	56,500
Other services					
- Baker Tilly Monteiro Heng PLT		3,000	3,000	3,000	3,000
- Member firms of Baker Tilly International		29,800	26,900	2,000	2,000
Depreciation of property, plant and equipment	5	3,411,967	3,059,686	-	-
Finance income		(498,037)	(207,117)	(58,555)	(216,080)
Fair value loss of other investments		131,820	-	-	-
Loss on termination of lease		257,105	-	-	-
Impairment loss on investment in a subsidiary		-	-	1,226,183	-
Employee benefits expense	21	26,054,128	20,646,497	252,660	269,010
Expenses relating to short-term and low value lease:					
- Site copier		4,200	3,000	-	-
- Site hostel		20,000	-	-	-
- Office		3,150	-	-	-
- Contract farming rights		50,000	-	-	-

21. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Salaries, allowances and bonuses	24,056,563	18,803,637	252,660	240,660
Defined contribution plan	1,583,695	1,417,007	-	-
Other staff related expenses	413,870	425,853	-	28,350
	26,054,128	20,646,497	252,660	269,010

NOTES TO THE FINANCIAL STATEMENTS CONT'D

21. EMPLOYEE BENEFITS EXPENSE CONT'D

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Included in employee benefits are:				
- Directors' fees	252,660	240,660	252,660	240,660
- Directors' remuneration	2,441,000	2,441,000	-	-
- Directors' defined contribution plan	292,920	292,920	-	-
- Directors' other emoluments and benefits in kind	76,879	67,699	-	-
	3,063,459	3,042,279	252,660	240,660

22. INCOME TAX EXPENSE

The major components of income tax expense for the financial years ended 31 December 2025 and 31 December 2024 are as follows:

	Group		Company	
	2025	2024	2025	2024
	RM	RM	RM	RM
Statements of comprehensive income				
Current income tax:				
- Current income tax charge	5,030,863	3,527,331	12,640	46,267
- Adjustment in respect of prior years	97,000	(16,501)	(144)	(783)
	5,127,863	3,510,830	12,496	45,484
Deferred tax: (Note 8)				
- (Reversal)/Origination of temporary differences	(5,739)	89,527	-	-
- Adjustment in respect of prior years	4,073	11,363	-	-
	(1,666)	100,890	-	-
Income tax expense recognised in profit or loss	5,126,197	3,611,720	12,496	45,484

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

NOTES TO THE FINANCIAL STATEMENTS CONT'D

22. INCOME TAX EXPENSE CONT'D

The reconciliations from the tax amount at the statutory income tax rate to the Group's and the Company's tax expense are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Profit before tax	16,670,246	12,270,266	1,724,321	2,303,648
Tax at Malaysian statutory income tax rate of 24% (2024: 24%)	4,000,859	2,944,864	413,837	552,876
Adjustments:				
- Income not subject to tax	(8,404)	(28,942)	(839,604)	(743,117)
- Non-deductible expenses	814,532	676,317	438,407	236,508
- Deferred tax not recognised on tax losses and temporary differences	218,137	24,619	-	-
- Adjustment in respect of income tax of prior year	97,000	(16,501)	(144)	(783)
- Adjustment in respect of deferred tax of prior year	4,073	11,363	-	-
Income tax expense	5,126,197	3,611,720	12,496	45,484

23. EARNINGS PER SHARE

Basic earnings per ordinary share and diluted earnings per ordinary share

Basic earnings per ordinary share are based on the profit for the financial year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per ordinary share are based on the profit for the financial year attributable to ordinary equity holders of the Company and the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

23. EARNINGS PER SHARE CONT'D

The basic and diluted earnings per ordinary shares are computed as follow:

	2025	2024
Profit attributable to ordinary equity holders of the Company (RM)	11,544,049	8,658,546
Weighted average number of ordinary shares for basic and diluted earnings per share (unit)	423,005,400	378,754,821
Basic and diluted earnings per share attributable to ordinary equity holders of the Company (sen)	2.73	2.29

Diluted earnings per share are not presented as the warrants are anti-dilutive where the average market price during the financial year does not exceed the exercise price of the warrants.

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the authorisation of these financial statements.

24. DIVIDENDS

	Company	
	2025 RM	2024 RM
Recognised during the financial year:		
Dividends on ordinary shares:		
- Second interim single-tier dividend for the financial year ended 31 December 2024: RM0.0033 per ordinary share, paid on 16 May 2025	1,395,918	-
- First interim single-tier dividend for the financial year ended 31 December 2025: RM0.0035 per ordinary share, paid on 17 October 2025	1,480,519	-
- Second interim single-tier dividend for the financial year ended 31 December 2023: RM0.0068 per ordinary share, paid on 21 May 2024	-	1,212,581
- First interim single-tier dividend for the financial year ended 31 December 2024: RM0.0031 per ordinary share, paid on 11 October 2024	-	1,216,146
	2,876,437	2,428,727

NOTES TO THE FINANCIAL STATEMENTS CONT'D

25. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned:
(i) Amortised cost
(ii) Fair value through profit or loss ("FVPL")

	Carrying amount RM	Amortised cost RM	FVPL RM
At 31 December 2025			
Financial assets			
Group			
Other investments	4,591,076	-	4,591,076
Trade and other receivables, less prepayments	138,664,258	138,664,258	-
Cash and short-term deposits	51,884,319	51,884,319	-
	195,139,653	190,548,577	4,591,076
Company			
Trade and other receivables, less prepayments	28,586	28,586	-
Cash and short-term deposits	686,784	686,784	-
	715,370	715,370	-
Financial liabilities			
Group			
Borrowings excluded lease liabilities	(3,686,523)	(3,686,523)	-
Trade and other payables	(135,180,712)	(135,180,712)	-
	(138,867,235)	(138,867,235)	-
Company			
Trade and other payables	(102,243)	(102,243)	-

NOTES TO THE FINANCIAL STATEMENTS CONT'D

25. FINANCIAL INSTRUMENTS CONT'D

(a) Categories of financial instruments CONT'D

The following table analyses the financial instruments in the statements of financial position by the classes of financial instruments to which they are assigned: CONT'D

	Carrying amount RM	Amortised cost RM	FVPL RM
At 31 December 2024			
Financial assets			
Group			
Other investments	3,995,632	-	3,995,632
Trade and other receivables, less prepayments	107,863,617	107,863,617	-
Cash and short-term deposits	30,197,803	30,197,803	-
	142,057,052	138,061,420	3,995,632
Company			
Trade and other receivables, less prepayments	20,688	20,688	-
Cash and short-term deposits	8,666,429	8,666,429	-
	8,687,117	8,687,117	-
Financial liabilities			
Group			
Borrowings excluded lease liabilities	(10,551,030)	(10,551,030)	-
Trade and other payables	(108,736,745)	(108,736,745)	-
	(119,287,775)	(119,287,775)	-
Company			
Trade and other payables	(80,569)	(80,569)	-

NOTES TO THE FINANCIAL STATEMENTS CONT'D

25. FINANCIAL INSTRUMENTS CONT'D

(b) Financial risk management

The Group's and the Company's activities are exposed to a variety of financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk and interest rate risk. The Group's and the Company's overall financial risk management objective is to optimise value for their shareholders. The Group and the Company do not trade in financial instruments.

The Board of Directors reviews and agrees to policies and procedures for the management of these risks, which are executed by the Company's senior management. The audit committee provides independent oversight to the effectiveness of the risk management process.

(i) Credit risk

Credit risk is the risk of financial loss to the Group and the Company that may arise on outstanding financial instruments should a counterparty default on their obligations. The Group and the Company are exposed to credit risk from their operating activities (primarily trade receivables) and from their financing activities, including deposits with banks and financial institutions and other financial instruments. The Group and the Company have a credit policy in place and the exposure to credit risk is managed through the application of credit approvals, credit limits and monitoring procedures. Credit worthiness of a customer is assessed based on a set of evaluation criteria and individual credit limits are defined in accordance with this assessment.

The Group and the Company consider a financial asset to be in default when:

- the counterparty is unable to pay its credit obligations to the Group and the Company in full, without taking into account any credit enhancements held by the Group and the Company; or
- the contractual payment of the financial asset is more than 90 days past due unless the Group and the Company have reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

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

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

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or source of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedure for recovery of amounts due.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

25. FINANCIAL INSTRUMENTS CONT'D

(b) Financial risk management CONT'D

(i) Credit risk CONT'D

Trade receivables and contract assets

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets is represented by the carrying amounts in the statements of financial position.

The carrying amounts of trade receivables and contract assets are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group and the Company have adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile
At the end of the reporting period, the Group has a significant concentration of credit risk in the form of seven (7) (2024: ten (10)) trade receivables, representing approximately 96.9% (2024: 98.5%) of the Group's total trade receivables.

The Group and the Company apply the simplified approach to providing for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables and contract assets. The Group and the Company use a provision matrix to measure expected credit losses for trade receivables. To measure the impairment losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The impairment losses also incorporate forward looking information. Forward-looking information considered includes consideration of various external sources of actual and forecast economic information that relate to the Group's and the Company's core operations. The Group and the Company believe that changes in economic conditions over these periods would not materially impact the impairment calculation of the receivables.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

25. FINANCIAL INSTRUMENTS CONT'D

(b) Financial risk management CONT'D

(i) Credit risk CONT'D

Trade receivables and contract assets CONT'D

The information about the credit risk exposure on the Group's trade receivables and contract assets using provision matrix are as follows:

			Trade receivables						
	Contract assets RM	Retention sums RM	Current RM	1 to 30 days past due RM	31 to 60 days past due RM	61 to 90 days past due RM	91 to 120 days past due RM	> 120 days past due RM	Total RM
Group									
At 31 December 2025									
Gross carrying amount	54,720,205	65,927,997	49,848,742	20,373,797	-	1,238	-	1,336,190	71,559,967
Impairment losses	-	-	-	-	-	-	-	-	-
Net balance	54,720,205	65,927,997	49,848,742	20,373,797	-	1,238	-	1,336,190	71,559,967
At 31 December 2024									
Gross carrying amount	79,091,764	42,732,698	43,844,825	13,109,121	2,758,423	6,359	2,824,218	1,399,856	63,942,802
Impairment losses	-	-	-	-	-	-	-	-	-
Net balance	79,091,764	42,732,698	43,844,825	13,109,121	2,758,423	6,359	2,824,218	1,399,856	63,942,802

NOTES TO THE FINANCIAL STATEMENTS CONT'D

25. FINANCIAL INSTRUMENTS CONT'D

(b) Financial risk management CONT'D

(i) Credit risk CONT'D

Other receivables and other financial assets

For other receivables and other financial assets (including cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial asset is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making a contractual payment.

Intercompany loans between entities within the Group comprise loans or advances which are repayable on demand. The Company regularly monitors the financial performance and position of these entities on an individual basis. When these entities' financial performance and position deteriorates significantly, the Company assumes that there is a significant increase in credit risk, and thereby a lifetime expected credit loss assessment is necessary. As the Company is able to determine the timing of repayment of the loans or advances, the Company will consider the loans or advances to be in default when these entities are unable to pay based on the expected manner of recovery and recovery period. The Company determines the probability of default for these loans or advances using internally available information. The Company considers the loans or advances to be credit-impaired when the entities are unlikely to repay their debts.

As at the end of reporting date, the Group and the Company consider the other receivables and other financial assets as low credit risk and any loss allowance would be negligible.

Financial guarantees contract

The Company is exposed to credit risk in relation to financial guarantees given to banks in respect of loans granted to a subsidiary. The Company monitors the results of the subsidiary and its repayment on an on-going basis. The maximum exposure to credit risks amounts to RM1,707,365 (2024: RM9,464,267) representing the maximum amount the Company could pay if the guarantee is called on as disclosed in Note 25(b)(ii). As at the reporting date, there was no loss allowance for impairment as determined by the Company for the financial guarantee.

The financial guarantees have not been recognised since the fair value on initial recognition was not material as the guarantee is provided as credit enhancement to a subsidiary secured borrowings.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

25. FINANCIAL INSTRUMENTS CONT'D

(b) Financial risk management CONT'D

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arises principally from trade and other payables and borrowings.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investments and minimise cost on borrowed funds. The Group's and the Company's finance department also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

25. FINANCIAL INSTRUMENTS CONT'D

(b) Financial risk management CONT'D

(ii) Liquidity risk CONT'D

Maturity analysis

The maturity analysis of the Group's and the Company's financial liabilities by their relevant maturities at the reporting date based on contractual undiscounted repayment obligations are as follows:

		Contractual cash flows		
	Carrying amount RM	On demand or within 1 year RM	Between 1 and 5 years RM	Total RM
Group				
At 31 December 2025				
Trade and other payables	135,180,712	135,180,712	-	135,180,712
Lease liabilities	2,529,378	839,280	2,029,060	2,868,340
Hire purchase payables	1,979,158	849,906	1,269,475	2,119,381
Term loans	1,707,365	598,068	1,314,577	1,912,645
	141,396,613	**137,467,966**	**4,613,112**	**142,081,078**
At 31 December 2024				
Trade and other payables	108,736,745	108,736,745	-	108,736,745
Lease liabilities	3,300,732	1,375,450	2,413,780	3,789,230
Hire purchase payables	1,086,763	562,118	586,521	1,148,639
Term loan	1,115,799	344,508	918,696	1,263,204
Revolving credit	1,000,000	1,000,000	-	1,000,000
Bank overdraft	7,348,468	7,348,468	-	7,348,468
	122,588,507	**119,367,289**	**3,918,997**	**123,286,286**
Company				
At 31 December 2025				
Trade and other payables	102,243	102,243	-	102,243
Financial guarantee	-	1,707,365	-	1,707,365
At 31 December 2024				
Trade and other payables	80,569	80,569	-	80,569
Financial guarantee	-	9,464,267	-	9,464,267

25. FINANCIAL INSTRUMENTS CONT'D

(b) Financial risk management CONT'D

(iii) Interest rate risk

Interest rate risk is the risk of fluctuation in fair value or future cash flows of the Group's and the Company's financial instruments as a result of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their long-term loans and borrowings with floating interest rates.

Sensitivity analysis of interest rate risk
The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant on the Group's total equity and profit for the financial year.

	Carrying amount	Change in basis points	Effect on equity and profit for the financial year
	RM		RM
Group			
31 December 2025			
Term Loans	1,707,365	+50	(6,488)
		-50	6,488
31 December 2024			
Term Loan	1,115,799	+50	(4,240)
		-50	4,240

(c) Fair value measurement

The carrying amounts of cash and cash equivalents, short-term receivables and payables and short-term borrowings are reasonably approximate to their fair value due to relatively short-term nature of these financial instruments.

There have been no transfers between Level 1, Level 2 and Level 3 during the financial year (2024: no transfer in either directions).

The following table provides the fair value measurement hierarchy of the Group's financial instruments:

		Fair value of financial instruments carried at fair value			
		← Fair value →			
	Carrying amount	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM	RM
Group					
31 December 2025					
Financial asset					
Non-current					
Other investments	4,591,076	4,591,076	-	-	4,591,076

NOTES TO THE FINANCIAL STATEMENTS CONT'D

25. FINANCIAL INSTRUMENTS CONT'D

(c) Fair value measurement CONT'D

The following table provides the fair value measurement hierarchy of the Group's financial instruments: CONT'D

	Carrying amount RM	Fair value of financial instruments carried at fair value — Fair value Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group					
31 December 2024					
Financial asset					
Non-current					
Other investments	3,995,632	3,995,632	-	-	3,995,632

	Carrying amount RM	Fair value of financial instruments not carried at fair value — Fair value Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group					
31 December 2025					
Financial liability					
Hire purchase payables	1,979,158	-	-	1,971,255	1,971,255
31 December 2024					
Financial liability					
Hire purchase payables	1,086,763	-	-	1,089,027	1,089,027

Level 3 fair value

The fair value of hire purchase payables are determined using the discounted cash flows method based on discount rates that reflects the issuer's borrowing rate as at the end of the reporting period.

26. RELATED PARTIES

(a) Identity of related parties

Parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operational decisions, or vice versa, or where the Group and the Company and the party are subject to common control. Related parties may be individuals or other entities.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

26. RELATED PARTIES CONT'D

(a) Identity of related parties CONT'D

Related parties of the Group and the Company include:

(i) Company's holding company;

(ii) Subsidiaries; and

(iii) Key management personnel of the Group and the Company, comprise persons (including directors) having the authority and responsibility for planning, directing and controlling the activities or indirectly.

(b) Significant related parties transactions

Significant related parties transactions other than disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Rental paid				
- Company's holding company	480,000	480,000	-	-
Dividend income				
- Subsidiary	-	-	3,498,350	3,096,320
Interest income				
- Subsidiary	-	-	33,990	178,729

Significant outstanding balances with related parties at the end of the reporting period are as disclosed in Note 9.

The Company provides secured corporate guarantees to banks in respect of banking facilities granted to the subsidiaries as disclosed in Note 25(b)(i).

(c) Compensation of key management personnel

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries, allowances and bonuses	3,262,160	3,209,160	252,660	240,660
Defined contribution plans	361,189	356,220	-	-
Other staff related expenses	9,076	7,646	-	-
Benefits in kind	76,611	67,787	-	-
	3,709,036	3,640,813	252,660	240,660

NOTES TO THE FINANCIAL STATEMENTS CONT'D

27. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 *Operating Segments* based on the internal reports of the Group's strategic business units which are regularly reviewed by directors for the purpose of making decisions about resource allocation and performance assessment.

The two reportable operating segments are as follows:

Segments	**Product and services**
Building construction	Building construction of residential and non-residential buildings
Others	Civil engineering construction works, rental of construction machinery and equipment, agricultural activities of managing and harvesting of durian and other fruits and civil engineering services and infrastructure construction projects.

Inter-segment pricing is determined on negotiated basis.

Segment profit
Segment performance is used to measure performance as Group's CEO believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Performance is evaluated based on operating profit or loss which is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets
The total of segment asset is measured based on all assets of a segment, as included in the internal reports that are reviewed by the Group's CEO.

Segment liabilities
Segment liabilities are not included in the internal reports that are reviewed by the Group's CEO, hence no disclosures are made on segment liabilities.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

27. SEGMENT INFORMATION CONT'D

	Building construction RM	Others RM	Adjustment and eliminations RM	Total RM
2025				
Revenue:				
Revenue from external customers	430,284,112	941,648	-	431,225,760
Inter-segment revenue	-	11,737,280	(11,737,280)	-
	430,284,112	12,678,928	(11,737,280)	431,225,760
Results:				
Included in the measure of segment profit are:				
Gain on disposal of property, plant and equipment	186,266	48,515	(53,123)	181,658
Interest income	443,448	54,589	-	498,037
Fair value loss of other investment	(131,820)	-	-	(131,820)
Depreciation of property, plant and equipment	(3,046,157)	(395,960)	30,150	(3,411,967)
Employee benefits expense	(24,276,542)	(1,777,586)	-	(26,054,128)
Interest expenses	(591,244)	(26,442)	33,990	(583,696)
Expenses relating to short-term and low value leases	(77,350)	-	-	(77,350)
Loss on termination of lease	257,105	-	-	257,105
Segment profit	17,540,781	1,453,664	(2,324,199)	16,670,246
Income tax expenses	(4,958,175)	(168,022)	-	(5,126,197)
Profit for the financial year	12,582,606	1,285,642	(2,324,199)	11,544,049
Assets:				
Additions to non-current assets	5,605,214	112,881	(152,000)	5,566,095
Segment assets	258,778,908	82,900,578	(80,692,587)	260,986,899

NOTES TO THE FINANCIAL STATEMENTS CONT'D

27. SEGMENT INFORMATION CONT'D

	Building construction RM	Others RM	Adjustment and eliminations RM	Total RM
2024				
Revenue:				
Revenue from external customers	315,983,562	4,861,516	-	320,845,078
Inter-segment revenue	-	6,336,392	(6,336,392)	-
	315,983,562	11,197,908	(6,336,392)	320,845,078
Results:				
Included in the measure of segment profit are:				
Gain on disposal of property, plant and equipment	97,750	-	9,250	107,000
Interest income	160,292	46,825	-	207,117
Fair value gain of other investments	99,592	-	-	99,592
Depreciation of property, plant and equipment	(2,466,216)	(599,020)	5,550	(3,059,686)
Employee benefits expense	(18,913,565)	(1,732,932)	-	(20,646,497)
Interest expenses	(770,044)	(69,134)	193,192	(645,986)
Expenses relating to short-term and low value leases	(3,000)	-	-	(3,000)
Segment profit	14,108,777	3,043,009	(4,881,520)	12,270,266
Income tax expenses	(3,313,291)	(298,429)	-	(3,611,720)
Profit for the financial year	10,795,486	2,744,580	(4,881,520)	8,658,546
Assets:				
Additions to non-current assets	5,761,947	5,200	-	5,767,147
Segment assets	221,331,256	84,078,902	(72,986,978)	232,423,180

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities are as follows:

(a) Inter-segment revenues are eliminated on consolidation;
(b) Inter-segment income and expenses are eliminated on consolidation; and
(c) Inter-segment balances are eliminated on consolidation

NOTES TO THE FINANCIAL STATEMENTS CONT'D

27. SEGMENT INFORMATION CONT'D

Geographical information

The Group operates predominantly in Malaysia and hence, no geographical segment is presented.

Information about major customers

For construction segment, the revenue from the major customers was as follows:

	Group	
	2025	2024
	RM	RM
Customer I	95,850,888	82,208,103
Customer II	70,822,875	74,748,638
Customer III	70,396,925	38,194,702
Customer IV	56,899,327	33,429,419
Customer V	45,469,417	22,171,609
	339,439,432	250,752,471

28. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratio in order to support their business and maximise shareholder value. The Group and the Company manage their capital structure and make adjustments to it, in 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 and processes during the financial years ended 31 December 2025 and 31 December 2024.

The Group and the Company monitor capital using gearing ratio. The gearing ratio is calculated as total debts divided by total equity.

The gearing ratio as at 31 December 2025 and 31 December 2024 are as follows:

		Group	
		2025	2024
	Note	RM	RM
Borrowings/Total debts	15	6,215,901	13,851,762
Total equity		117,016,167	108,348,555
Gearing ratio (times)		0.05	0.13

There were no changes in the Group's and the Company's approach to capital management during the financial year under review.

The Group is required to comply with externally imposed capital requirements on leverage ratio in respect of its bank borrowings. The Group has complied with those capital requirements.

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

HAILY GROUP BERHAD
(Incorporated in Malaysia)

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

We, **SEE TIN HAI** and **YOONG WOEI YEH,** being two of the directors of Haily Group Berhad, do hereby state that in the opinion of the directors, the accompanying financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

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

……………………………………………

SEE TIN HAI
Director

……………………………………………

YOONG WOEI YEH
Director

Date: 31 March 2026

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

HAILY GROUP BERHAD
(Incorporated in Malaysia)

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

I, **YAP YOONG FAH**, being the officer primarily responsible for the financial management of Haily Group 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.

....
YAP YOONG FAH
(MIA Membership No: 13052)

Subscribed and solemnly declared by the abovenamed at Johor Bahru in the state of Johor on 31 March 2026.

Before me,

....
Commissioner for Oaths

LAU LAY SUNG
No. J246
Johor Bahru

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HAILY GROUP BERHAD (INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Haily Group Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 106 to 154.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and 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 the 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 matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HAILY GROUP BERHAD (INCORPORATED IN MALAYSIA) CONT'D

Key Audit Matters CONT'D

Group

Trade receivables and contract assets (Notes 4(a), 9 and 10 to the financial statements)

The Group has significant trade receivables and contract assets as at 31 December 2025. We focus on this area because the Group made significant judgements over assumptions about risk of default and expected loss rate. In making the assumptions, the Group selected inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of the reporting period.

Our response:

Our audit procedures included, among others:
- understanding the design and implementation of controls associated with monitoring of outstanding receivables and contract assets and impairment calculation;
- understanding of significant credit exposures through analysis of ageing reports prepared by management;
- obtaining confirmation of balances from selected receivables;
- checking subsequent receipts, customer correspondence, and considering level of activity with the customer and management explanation on recoverability with past due balances; and
- testing the reasonableness of expected credit losses provided as at the end of the reporting period.

Revenue recognition for construction activities (Notes 4(b) and 17 to the financial statements)

The amount of revenue of the Group's construction activities is recognised over the period of contract by reference to the progress towards complete satisfaction of that performance obligation. The progress towards complete satisfaction of performance obligation is determined by reference to proportion of construction cost incurred for works performed to date bear to the estimated total costs for each project (input method).

We focus on this area because significant Group's judgement is required, in particular with regards to determining the progress towards complete satisfaction of a performance obligation, the extent of the construction costs incurred, the estimated total construction contracts revenue and costs, as well as recoverability of the construction contracts projects. The estimated total revenue and costs are affected by a variety of uncertainties that depend on the outcome of future events.

Our response:

Our audit procedures on a sample of major projects included, among others:
- reading the terms and conditions of agreements with customers;
- understanding the Group's process in preparing project budget and the calculation of the progress towards anticipated satisfaction of performance obligation;
- comparing Group's major assumptions to contractual terms, our understanding gathered from the analysis of changes in the assumptions from previous financial year and discussing with management; and
- checking the mathematical computation of recognised revenue for the projects during the financial year.

Company

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HAILY GROUP BERHAD (INCORPORATED IN MALAYSIA)
CONT'D

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF HAILY GROUP BERHAD (INCORPORATED IN MALAYSIA)
CONT'D

Auditors' Responsibilities for the Audit of the Financial Statements CONT'D

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the 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 financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

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

Baker Tilly Monteiro Heng PLT
201906000600 (LLP0019411-LCA) & AF 0117
Chartered Accountants

Ng Boon Hiang
No. 02916/03/2028 J
Chartered Accountant

Kuala Lumpur

Date: 31 March 2026

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE EXERCISE

There were no proceeds raised from any corporate exercise during the financial year.

2. AUDIT AND NON-AUDIT FEES

The fees payable to BTMH in relation to the audit and non-audit services rendered to the Company and the Group for the FYE 2025 were as follows:

	Company RM	Group RM
Audit fees	60,000	151,100
Non-audit fees	5,000	32,800
Total	**65,000**	**183,900**

3. MATERIAL CONTRACTS INVOLVING THE INTEREST OF THE DIRECTORS, CHIEF EXECUTIVE AND MAJOR SHAREHOLDERS

Save as disclosed in the audited financial statements for the FYE 2025, there were no material contracts (not being contracts entered into in the ordinary course of business) either subsisting as at the financial year end or entered into since the end of the previous financial year by the Company and its subsidiaries involving the interest of the directors, chief executive and major shareholders.

4. EMPLOYEE SHARE SCHEME

The Company did not have any Employees Share Scheme during the FYE 2025.

5. RECURRENT RELATED PARTY TRANSACTIONS ("RRPT")

The RRPT entered into by the Group during the financial year under review is disclosed in Note 26 to the financial statements included in this Annual Report.

During the FYE 2025, the RRPT value transacted during the financial year under review did not exceed the threshold limit and therefore, no announcement or shareholders mandate was required for the RRPT.

The RRPT entered into was at arm's length basis, on terms not more favourable to the related party than those generally available to the public and was not to the detriment of the minority shareholders of the Company.

6. PROPERTIES OWNED BY THE GROUP

There were no real properties owned by the Group during the FYE 2025.

ADDITIONAL COMPLIANCE INFORMATION CONT'D

7. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

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

(a) Group Total Income and Total Assets

		Group	
Total Income	**Remarks**	**2025 (RM)**	**2024 (RM)**
Revenue		431,225,760	320,845,078
Other income		788,843	688,259
Finance Income		498,037	207,117
Total		432,512,640	321,740,454
Total Assets		260,986,899	232,432,180

(b) Business Activities

		Group	
Shariah Non-compliant Activities	**Remarks**	**2025 (RM)**	**2024 (RM)**
Not Application		-	-
Total		-	-

(c) Component of Financial Position

(i) Cash Component

		Group	
Islamic Account / Instruments	**Remarks**	**2025 (RM)**	**2024 (RM)**
Cash at Bank		14,662,465	15,216,486
Short-term deposits		3,217,380	4,538,181
Total Cash		17,879,845	19,754,667

		Group	
Conventional Account / Instruments	**Remarks**	**2025 (RM)**	**2024 (RM)**
Cash at Bank		33,689,914	10,129,710
Short-term deposits		238,558	233,424
Other cash equivalents (please specify in the remark column)	Petty cash	76,002	80,002
Total Cash		34,004,474	10,443,136

ADDITIONAL COMPLIANCE INFORMATION CONT'D

7. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING CONT'D

(c) Component of Financial Position CONT'D

(ii) Debt Component

Islamic Financing	Remarks	Group 2025 (RM)	Group 2024 (RM)
Current			
Bank overdrafts		-	3,372,883
Revolving credit		-	1,000,000
Term loans		202,073	-
Non-Current			
Term loans		667,315	-
Total Financing		869,388	4,372,883

Conventional Borrowings	Remarks	Group 2025 (RM)	Group 2024 (RM)
Current			
Bank overdrafts		-	3,975,585
Hire purchase payables		776,054	521,476
Term loans		298,125	276,668
Other interest bearing debt (please specify in the remark column)	Lease Liabilities	692,854	1,196,420
Non-Current			
Hire purchase payables		1,203,104	565,287
Term loans		539,852	839,131
Other interest bearing debt (please specify in the remark column)	Lease Liabilities	1,836,524	2,104,312
Total Debts		5,346,513	9,478,879

ANALYSIS OF SHAREHOLDINGS
AS AT 24 MARCH 2026

SHARE CAPITAL

The total number of issued shares of the Company stands at 423,005,400 ordinary shares, with voting right of one vote per ordinary share.

DISTRIBUTION OF SHAREHOLDERS

No. of shareholders	Size of shareholdings	No. of shares held	%
8	Less than 100 shares	260	0.00
163	100 to 1,000 shares	70,240	0.02
614	1,001 to 10,000 shares	3,688,700	0.87
758	10,001 to 100,000 shares	27,247,800	6.44
201	100,001 to less than 5% of issued shares	120,857,000	28.57
2	5% and above of issued shares	271,141,400	64.10
1,746	**TOTAL**	**423,005,400**	**100.00**

LIST OF 30 LARGEST SHAREHOLDERS

No.	Name of shareholders	No. of shares held	%
1	HAILY HOLDINGS SDN BHD	200,641,400	47.43
2	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR HAILY HOLDINGS SDN BHD	70,500,000	16.67
3	WONG CHEE SEAN @ WONG SEAN	10,550,000	2.49
4	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GOH SOO WEE	6,506,000	1.54
5	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR J AND T RESOURCES SDN BHD	5,000,000	1.18
6	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHO PING	4,657,000	1.10
7	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR J AND T RESOURCES SDN BHD	4,000,000	0.95
8	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHO PING	3,500,000	0.83
9	NG KIM LENG	2,700,000	0.64
10	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH SING HUAT	2,380,000	0.56
11	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH YONG HUAT	2,200,000	0.52
12	KHO YIK	2,116,000	0.50
13	BONG PEI SIONG	2,000,000	0.47
14	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CECILIA SIM SHEN SHEN	2,000,000	0.47
15	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG YORK MING (7006972)	1,900,000	0.45
16	WONG SIEW POH	1,832,900	0.43
17	MAYBANK NOMINEES (TEMPATAN) SDN BHD KHO PING	1,673,000	0.40

ANALYSIS OF SHAREHOLDINGS CONT'D

AS AT 24 MARCH 2026

LIST OF 30 LARGEST SHAREHOLDERS CONT'D

No.	Name of shareholders	No. of shares held	%
18	YON MARKETING SDN BHD	1,639,900	0.39
19	YONG FONG KIEN	1,638,600	0.39
20	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO TIEN DING	1,632,600	0.39
21	MAYBANK NOMINEES (TEMPATAN) SDN BHD KHO MUI LEE @ KHO MEI LEE	1,630,000	0.39
22	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YIP WAI MUN (E-PPG)	1,589,000	0.38
23	KHO PING	1,435,000	0.34
24	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DOH JEE MING	1,359,200	0.32
25	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOH CHUN SEAN	1,351,900	0.32
26	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH SEH BEE (E-KPG)	1,305,100	0.31
27	LIM TECK LOONG	1,203,300	0.28
28	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG CHEE HAO (E-JBU)	1,171,000	0.28
29	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG YAW CHOONG	1,100,000	0.26
30	LIOW JING HONG	1,055,000	0.25

SUBSTANTIAL SHAREHOLDERS

(As per Register of Substantial Shareholders)

No.	Name of Shareholders	No. of shares held			
		Direct Interest	%	Deemed Interest	%
1	HAILY HOLDINGS SDN BHD	271,141,400	64.10	-	-
2	SEE TIN HAI	-	-	271,381,400 [(a)(b)]	64.16
3	KIK SIEW LEE	-	-	271,141,400 [(a)]	64.10

DIRECTORS' SHAREHOLDINGS

(As per Register of Directors' Shareholdings)

No.	Name of Directors	No. of shares held			
		Direct Interest	%	Deemed Interest	%
1	HAJI MOHD JAFFAR BIN AWANG (ISMAIL)	200,000	0.05	-	-
2	SEE TIN HAI	-	-	271,381,400 [(a)(b)]	64.16
3	YOONG WOEI YEH	1,000,000	0.24	-	-
4	SEE SWEE LING	1,000,000	0.24	-	-
5	SEE CUL WEI	-	-	-	-
6	ONG KHENG SWEE	200,000	0.05	-	-
7	TAN SUI HUAT	200,000	0.05	-	-
8	POH BOON HUWI	-	-	-	-

Notes:

(a) Deemed interest by virtue of his/her interest in Haily Holdings Sdn. Bhd. pursuant to Section 8(4) of the Act.

(b) Deemed interest by virtue of his daughters, See Yee Wei's and See Yee Han's interests in Haily pursuant to Section 59(11)(c) of the Act.

ANALYSIS OF WARRANT HOLDINGS
AS AT 24 MARCH 2026

No. of Warrant A (2024/2027)	:	196,152,700
Exercise Price	:	RM0.26
No. of Warrants exercised	:	30,700,000
No. of Warrants unexercised	:	165,452,700
Expiry Date	:	7 October 2027

DISTRIBUTION OF WARRANT HOLDERS

No. of warrant holders	Size of warrant holdings	No. of warrants held	%
44	Less than 100 warrants	1,977	0.00
198	100 to 1,000 warrants	112,923	0.07
498	1,001 to 10,000 warrants	2,695,050	1.63
299	10,001 to 100,000 warrants	10,860,000	6.56
90	100,001 to less than 5% of issued warrants	44,033,450	26.61
3	5% and above of issued warrants	107,749,300	65.13
1,132	**TOTAL**	**165,452,700**	**100.00**

LIST OF 30 LARGEST WARRANT HOLDERS

No.	Name of warrant holders	No. of warrants held	%
1	HAILY HOLDINGS SDN BHD	79,620,700	48.12
2	WONG CHEE SEAN @ WONG SEAN	14,677,800	8.87
3	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FOO YONG BOON	13,450,800	8.13
4	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHO PING	6,326,300	3.82
5	MAYBANK NOMINEES (TEMPATAN) SDN BHD KHO PING	2,516,400	1.52
6	KHO YIK	2,302,000	1.39
7	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO TIEN DING	1,485,700	0.90
8	NG KIM LENG	1,350,000	0.82
9	BONG PEI SIONG	1,336,900	0.81
10	MAYBANK NOMINEES (TEMPATAN) SDN BHD KHO MUI LEE @ KHO MEI LEE	1,285,000	0.78
11	CHIAM KIENG SUENG	1,200,600	0.73
12	MOOMOO NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LEOW JING RUI	1,105,000	0.67
13	TEO MENG HOW	1,002,700	0.61
14	YONG FONG KIEN	969,300	0.59
15	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEH SING HUAT	901,700	0.54
16	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHO PING	840,000	0.51

ANALYSIS OF WARRANT HOLDINGS CONT'D

AS AT 24 MARCH 2026

LIST OF 30 LARGEST WARRANT HOLDERS CONT'D

No.	Name of warrant holders	No. of warrants held	%
17	MAYBANK NOMINEES (TEMPATAN) SDN BHD TEO TIEN DING	830,000	0.50
18	KHO PING	700,000	0.42
19	AFFIN HWANG NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DOH JEE MING	679,600	0.41
20	CHONG SIAT CHOON	668,000	0.40
21	LIM TECK LOONG	601,650	0.36
22	LIM GEK SHAN	600,000	0.36
23	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM GEK SHAN	600,000	0.36
24	MAYBANK NOMINEES (TEMPATAN) SDN BHD MELANIE KHO KYAI-ER	595,800	0.36
25	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR WONG CHEE HAO (E-JBU)	585,500	0.35
26	AZIZAN BIN CHE AHMAD	550,000	0.33
27	SEE SWEE LING	500,000	0.30
28	YOONG WOEI YEH	500,000	0.30
29	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TANG KIING	418,400	0.25
30	EDMUND CH'NG CHENG YOON	400,000	0.24

DIRECTORS' WARRANT HOLDINGS

(As per Register of Directors' Warrant holdings)

No.	Name of Directors	No. of warrants held			
		Direct Interest	%	Deemed Interest	%
1	HAJI MOHD JAFFAR BIN AWANG (ISMAIL)	100,000	0.06	-	-
2	SEE TIN HAI	-	-	79,740,700[(a)(b)]	48.20
3	YOONG WOEI YEH	500,000	0.30	-	-
4	SEE SWEE LING	500,000	0.30	-	-
5	SEE CUL WEI	-	-	-	-
6	ONG KHENG SWEE	100,000	0.06	-	-
7	TAN SUI HUAT	100,000	0.06	-	-
8	POH BOON HUWI	-	-	-	-

Notes:

(a) Deemed interest by virtue of his interest in Haily Holdings Sdn. Bhd. pursuant to Section 8(4) of the Act.

(b) Deemed interest by virtue of his daughters, See Yee Wei's and See Yee Han's interests in Haily pursuant to Section 59(11)(c) of the Act.

NOTICE OF SIXTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Sixth Annual General Meeting ("**6th AGM**") of **HAILY GROUP BERHAD** ("**Haily**" or "**Company**") will be held at No. 3339, Jalan Pekeliling Tanjung 27, Kawasan Perindustrian Indahpura, 81000 Kulai, Johor on Thursday, 28 May 2026 at 9.30 a.m. for the following purposes: -

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon. **(Please refer to Explanatory Note 1)**

2. To re-elect Mr See Tin Hai, a Director retiring by rotation pursuant to Clause 133 of the Company's Constitution. **ORDINARY RESOLUTION 1**

3. To re-elect Mr Tan Sui Huat, a Director retiring by rotation pursuant to Clause 133 of the Company's Constitution. **ORDINARY RESOLUTION 2**

4. To re-elect Ms Poh Boon Huwi, a Director retiring by rotation pursuant to Clause 133 of the Company's Constitution. **ORDINARY RESOLUTION 3**

5. To approve the payment of Directors' Fees of RM252,660 for the financial year ending 31 December 2026, payable quarterly in arrears. **ORDINARY RESOLUTION 4** (Please refer to Explanatory Note 2)

6. To re-appoint Baker Tilly Monteiro Heng PLT, as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration. **ORDINARY RESOLUTION 5**

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass the following resolution: -

7. **AUTHORITY TO ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **ORDINARY RESOLUTION 6** (Please refer to Explanatory Note 3)

   "THAT subject always to the Companies Act 2016, the ACE Market Listing Requirements ("**ACE LR**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"), the Constitution of the Company and the approvals of the relevant government and/or regulatory authorities, the Directors be and are hereby empowered pursuant to Sections 75 and 76 of the Companies Act 2016 to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval from Bursa Securities for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next annual general meeting ("**AGM**") of the Company ("**General Mandate**")."

NOTICE OF SIXTH ANNUAL GENERAL MEETING CONT'D

AS SPECIAL BUSINESS: CONT'D

8. To transact any other business for which due notice shall have been given in accordance with the Company's Constitution and/or the Companies Act 2016.

BY ORDER OF THE BOARD

IRENE JUAY YEE LUAN (MAICSA 7057249)
SSM Practicing Certificate No. 202008001193

HEW JING SIAN (MAICSA 7065968)
SSM Practicing Certificate No. 202008001325
Company Secretaries

Date: 28 April 2026

NOTES:

1. A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.

2. A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the member's shareholding to be represented by each proxy, failing which, the appointments shall be invalid.

3. A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.

4. Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.

5. 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 shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.

6. The instrument appointing a proxy may be made via hardcopy form or by electronic means in the following manners and must be deposited or submitted not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the appointment of proxy shall not be treated as valid:-

   (a) In hardcopy form
   In case of an appointment made in writing via hardcopy form and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. ("**TIIH**") at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   (b) By electronic means
   The instrument appointing the proxy may be lodged electronically by way of submitting the instrument with the Share Registrar, TIIH via Vistra Share Registry and IPO (MY) portal ("**The Portal**") at https://srmy.vistra.com.

NOTICE OF SIXTH ANNUAL GENERAL MEETING CONT'D

NOTES: CONT'D

7. The hardcopy instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.

8. For the purpose of determining a member who shall be entitled to attend the 6th AGM, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at **20 May 2026**. Only members whose names appear in the General Meeting Record of Depositors as at **20 May 2026**, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

EXPLANATORY NOTES:

Ordinary Business: -

1. **Item 1 of the Agenda**
Audited Financial Statements for the financial year ended 31 December 2025

This Agenda item is meant for discussion only and does not require a formal approval of the shareholders and hence, is not put forward for voting.

2. **Ordinary Resolution 4**
Directors' Fees for the financial year ending 31 December 2026

The proposed Ordinary Resolution 4, if passed, will facilitate the payment of Directors' fees for the financial year ending 31 December 2026 payable quarterly in arrears to the Independent Non-Executive Directors as members of the Board and Board Committees.

Special Business: -

3. **Ordinary Resolution 6**
Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 6 is a renewal of the General Mandate pursuant to Sections 75 and 76 of the Companies Act 2016 obtained from the shareholders of the Company at the Fifth Annual General Meeting ("**5th AGM**") held on 28 May 2025 and if passed, will empower the Directors of the Company to issue and allot new shares in the Company at any time at such price, upon such terms and conditions, for such purposes and to such person(s) whomsoever as the Directors may in their absolute discretion deem fit and expedient in the interest of the Company, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company for the time being.

The General Mandate, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

The General Mandate, if passed will enable the Directors to take swift action in case of a need to issue and allot new shares and provide flexibility to the Company to raise additional funds expeditiously and efficiently to meet its funding requirements including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, operational expenditures, investment project(s), and/or acquisition(s) or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of this Notice, no new shares of the Company have been issued pursuant to the General Mandate obtained at the 5th AGM of the Company held on 28 May 2025, which will lapse at the conclusion of the 6th AGM.

NOTICE OF SIXTH ANNUAL GENERAL MEETING CONT'D

EXPLANATORY NOTES: CONT'D

Voting by Poll

Pursuant to Rule 8.31A of the ACE LR of Bursa Securities, all resolutions set out in this Notice are to be voted by poll.

Haily Group
HAILY GROUP BERHAD
202001006412 (1362732-T)
(Incorporated in Malaysia)

FORM OF PROXY

No. of Shares held	
CDS Account No. (For Nominees Account Only)	

I/We,____________________________________,(NRIC / Company Registration No.____________________)

of (full address)____,

(email address)____________________________ and (contact no.)__________________ a member/members of

HAILY GROUP BERHAD hereby appoint:

Name of Proxy *(Full Name)*	**NRIC No./Passport No.**	**% of Shareholding to be Represented** *(Refer to Note 2)*
Address	**Email Address**	**Contact No.**

* and/or failing him/her

Name of Proxy *(Full Name)*	**NRIC No./Passport No.**	**% of Shareholding to be Represented** *(Refer to Note 2)*
Address	**Email Address**	**Contact No.**

*or failing him/her, the Chairman of the Meeting as *my/our proxy to vote for *me/us and on *my/our behalf at the 6th Annual General Meeting of the Company to be held at No. 3339, Jalan Pekeliling Tanjung 27, Kawasan Perindustrian Indahpura, 81000 Kulai, Johor on Thursday, 28 May 2026 at 9.30 a.m. and at every adjournment thereof to vote as indicated below in respect of the following Resolutions: -

** Delete where applicable.*

ORDINARY BUSINESS		**For**	**Against**
Ordinary Resolution 1	Re-election of Mr See Tin Hai		
Ordinary Resolution 2	Re-election of Mr Tan Sui Huat		
Ordinary Resolution 3	Re-election of Ms Poh Boon Huwi		
Ordinary Resolution 4	Approval of Directors' Fees		
Ordinary Resolution 5	Re-appointment of Auditors		
SPECIAL BUSINESS			
Ordinary Resolution 6	Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion)

Dated this day of 2026

……………………………………………
Signature / Common Seal of Member(s)

NOTES:

1. A member of the Company entitled to attend and vote is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead.
2. A member of the Company may appoint not more than two (2) proxies to attend the meeting, provided that the member specifies the proportion of the member's shareholding to be represented by each proxy, failing which, the appointments shall be invalid.
3. A proxy may but need not be a member and there shall be no restriction as to the qualification of the proxy.
4. Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.
5. 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 shall be no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy may be made via hardcopy form or by electronic means in the following manners and must be deposited or submitted not less than forty-eight (48) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than twenty-four (24) hours before the time appointed for the taking of the poll, and in default the appointment of proxy shall not be treated as valid:-
   (a) <u>In hardcopy form</u>
   In case of an appointment made in writing via hardcopy form and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. ("**TIIH**") at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, at the drop-in box provided at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
   (b) <u>By electronic means</u>
   The instrument appointing the proxy may be lodged electronically by way of submitting the instrument with the Share Registrar, TIIH via Vistra Share Registry and IPO (MY) portal ("**The Portal**") at https://srmy.vistra.com.
7. The hardcopy instrument appointing a proxy shall in the case of an individual, be signed by the appointor or by his attorney duly authorised in writing and in the case of a corporation, be either under its common seal or signed by its attorney or in accordance with the provision of its constitution or by an officer duly authorised on behalf of the corporation.
8. For the purpose of determining a member who shall be entitled to attend the 6th AGM, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at **20 May 2026**. Only members whose names appear in the General Meeting Record of Depositors as at **20 May 2026**, shall be eligible to attend the meeting or appoint proxy(ies) to attend and/or vote on his behalf.

Voting by Poll

Pursuant to Rule 8.31A of the ACE LR of Bursa Securities, all resolutions set out in this Notice are to be voted by poll.

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STAMP

Share Registrar
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
Malaysia

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