HEXTAR CAPITAL BERHAD
(Registration No. 199401036979 (322661-W)
No.11, Jalan Utas 15/7, 40200 Shah Alam, Selangor Darul Ehsan, Malaysia
Tel : +603 5523 2267

www.hextarcapital.com

HEXTAR CAPITAL BERHAD Registration No. 199401036979 (322661-W)

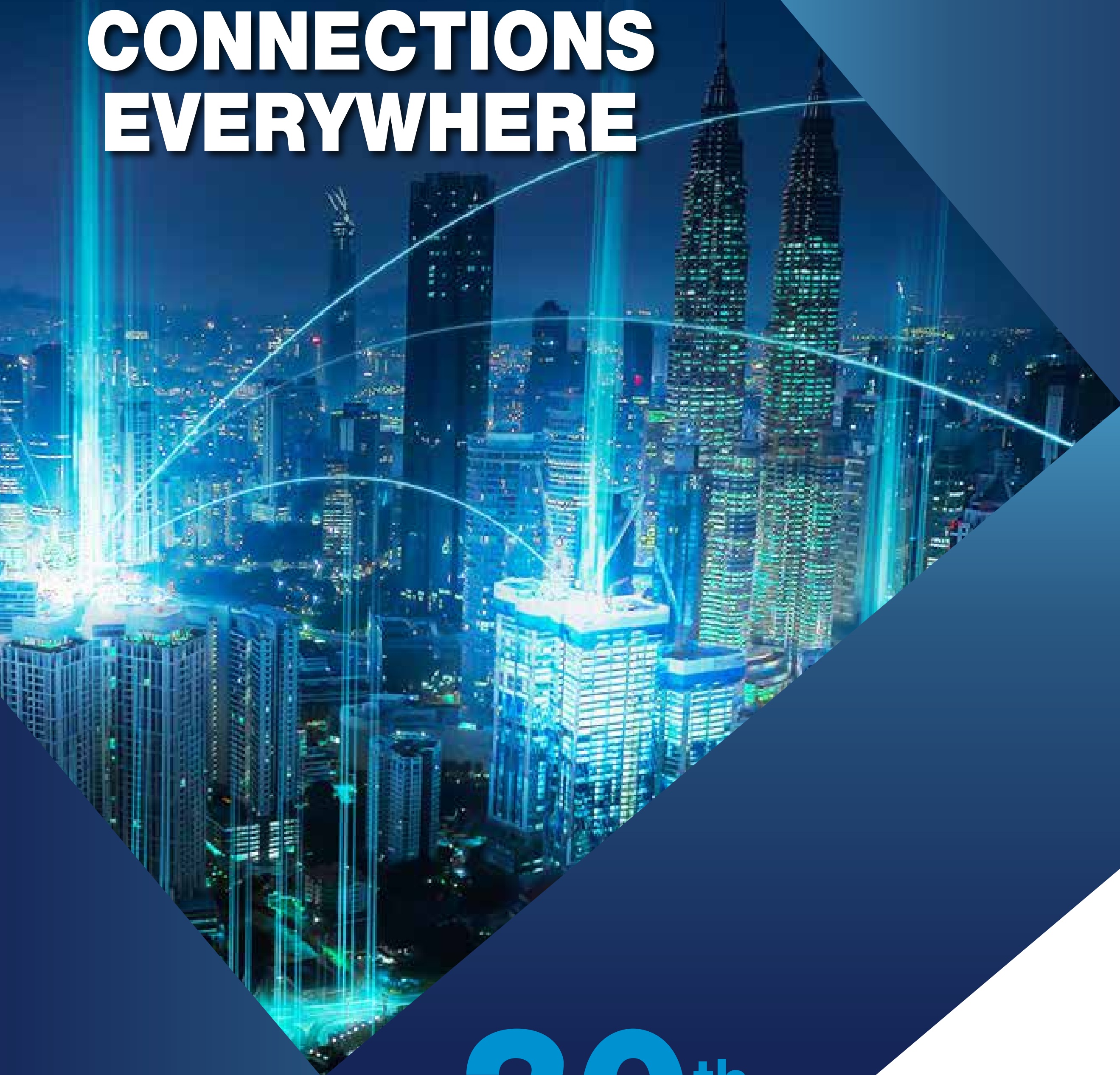
ANNUAL REPORT 2025

HEXTAR CAPITAL BERHAD
Registration No. 199401036979 (322661-W)

EMPOWERING CONNECTIONS, EVERYWHERE

ANNUAL REPORT 2025

EMPOWERING CONNECTIONS EVERYWHERE



30th

ANNUAL GENERAL MEETING
of Hextar Capital Berhad ("HCB")
will be held at

Hextar Hall, Level 17, Hextar Centre,
Hextar Tower, No. 8, Jalan Damansara,
Empire City, PJU 8, Damansara Perdana,
47820 Petaling Jaya, Selangor Darul Ehsan
on Friday,
19 June 2026
at 10:00 a.m.

WHAT'S INSIDE

GLOSSARY

ACRONYM / SHORT FORM	FULL FORM
ABC	Anti-Bribery and Corruption
AC	Audit Committee
AGM	Annual General Meeting
AMLR	ACE Market Listing Requirements
Board	Board of Directors
Bursa Securities	Bursa Malaysia Securities Berhad
CA 2016	Companies Act 2016
CG Report	Corporate Governance Report
DFPP	Directors' Fit and Proper Policy
ESOS	Employees' Share Option Scheme
FYE 2024	Financial year ended 30 September 2024
FPE 2025	Financial period ended 31 December 2025
HCB or the Company	Hextar Capital Berhad
HCB Group or the Group	Hextar Capital Berhad and its subsidiaries
KPI	Key Performance Indices
MCCG	Malaysian Code on Corporate Governance
NRC	Nominating and Remuneration Committee
PDPA	Personal Data Protection Act 2010
RPT	Related Party Transaction
RRPT	Recurrent Related Party Transaction of a Revenue or Trading Nature
TC	Tender Committee
TOR	Terms of Reference

VISION

To be the preferred business partner and employer of choice where **We Enrich lives with Our Products & Solutions**

MISSION

We build shareholder value by carving a niche in the global arena, earn the respect of the market for outstanding products and services, endorse human capital development and enhance business synergy in diversity with **sustainability principles underpinning our corporate thinking and actions**

CORE VALUES

Humility

Fostering an environment of mutual respect which encourages appreciation and cooperation amongst each other with self-awareness and open mindedness to learn and grow

Excellence

Pushing boundaries to achieve the highest possible standards of performance and qwuality

X - factor

Ability to think outside the box to develop unique solutions to complex challenges and to push past traditions with innovative and progressive ideas

Trustworthy

Being honest and showing a consistent and uncompromising adherence to strong moral and ethical principles and values

Adaptability

Ability to change and adjust to shifting demands and requirements by being proactive and resourceful

Responsibility

Demonstrating reliability by staying true to the task, accepting accountability for your duties and carrying out

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' MAZLIN BIN MD JUNID
Independent Non-Executive Chairman

CHANG KIAN SEONG
Managing Director

GWI FEI YI
Executive Director

ER KIAN HONG
Independent Non-Executive Director

DATO' HAJI MOHD YAZID BIN HAJI MUSTAFA
Independent Non-Executive Director

AUDIT COMMITTEE

Chairperson
Er Kian Hong

Members
Dato' Mazlin Bin MD Junid
Dato' Haji Mohd Yazid Bin Haji Mustafa

NOMINATING AND REMUNERATION COMMITTEE

Chairman
Dato' Haji Mohd Yazid Bin Haji Mustafa

Members
Dato' Mazlin Bin MD Junid
Er Kian Hong

TENDER COMMITTEE

Chairman
Dato' Haji Mohd Yazid Bin Haji Mustafa

Members
Er Kian Hong
Gwi Fei Yi

COMPANY SECRETARIES

Wong Mee Kiat MAICSA 7058813
SSM Practicing Certificate No. 202008001958

Lim Li Heong MAICSA 7054716
SSM Practicing Certificate No. 202008001981

REGISTERED OFFICE

Level 7, Mercu 3
No. 3, Jalan Bangsar
KL Eco City
59200 Kuala Lumpur
Federal Territory of Kuala Lumpur, Malaysia
Tel : (03) 2280 6388
Fax : (03) 2280 6399
Email: listcomalaysia@acclime.com

SHARE REGISTRAR

Boardroom Share Registrars Sdn. Bhd.
Registration No. 199601006647 (378993-D)
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan, Malaysia
Tel : (03) 7890 4700
Fax : (03) 7890 4670
Email: bsr.helpdesk@boardroomlimited.com

HEAD OFFICE / PRINCIPAL PLACE OF BUSINESS

No. 11, Jalan Utas 15/7
40200 Shah Alam
Selangor Darul Ehsan, Malaysia
Tel : (03) 5523 2267
Email: info@hextarcapital.com
Website: www.hextarcapital.com

AUDITORS

Ecovis Malaysia PLT
Registration No. 201404001750
(LLP0003185-LCA & AF 001825)
Chartered Accountants
D-10-03, Level 10, EXSIM Tower
Millerz Square @ Old Klang Road
Megan Legasi, No. 357, Jalan Klang Lama
58000 Kuala Lumpur
Federal Territory of Kuala Lumpur, Malaysia
Tel : (03) 7986 0066

PRINCIPAL BANKERS

OCBC Bank (Malaysia) Berhad
Al Rajhi Banking & Investment Corporation (Malaysia) Berhad
RHB Bank Berhad

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia Securities Berhad
Stock Name: HEXCAP
Stock Code: 0035

CORPORATE STRUCTURE

HEXTAR CAPITAL BERHAD
Registration No. 199401036979 (322661-W)

70%
OPCOM CABLES SDN. BHD.
Registration No. 199401037005 (322687-T)

90%
OPCOM ENGINEERING SERVICES SDN. BHD.
Registration No. 201701015735 (1229899-M)

100%
OPCOM SHARED SERVICES SDN. BHD.
Registration No. 200401027054 (665562-M)

100%
OPCOM TRADING SDN. BHD.
Registration No. 201501029894 (1155217-D)

100%
OPCOM VISION SDN. BHD.
Registration No. 202101033401 (1433701-P)

60%
LEGACY CORE SDN. BHD.
(Formerly Known As Civispace Sdn. Bhd.)
Registration No. 201401013082 (1089166-U)

100%
T & J ENGINEERING SDN. BHD.
Registration No. 201301044551 (1074374-K)

49%
TRANSGRID VENTURES SDN. BHD.
Registration No. 199901016332 (491232-A)

100%
HEXLUBE SDN. BHD.
Registration No. 199701027440 (442938-M)

100%
OPCOM VC SDN. BHD.
Registration No. 202201021405 (1467102-V)

23.39%
BINASAT COMMUNICATIONS BERHAD
Registration No. 201701008491 (1222656-D)

FINANCIAL HIGHLIGHTS

Operating Results (RM Million)	FYE 2021 (12 months)	FYE 2022 (12 months)	FPE 2023 (18 months)	FYE 2024 (12 months)	FPE 2025 (15 months)
Revenue	66.99	87.17	217.53	117.65	84.78
Profit/ (Loss) before tax ("PBT"/ "LBT")	3.39	7.56	10.98	(3.50)	5.66
Profit/ (Loss) after tax ("PAT"/"LAT") attributable to Owners of the Company	2.59	3.95	2.53	(3.62)	3.53
Key Financial Position Data (RM Million)					
Property, plant and equipment	24.40	23.29	20.31	23.18	21.43
Total assets	118.19	181.66	307.78	387.96	390.70
Share capital	32.25	100.41	170.63	207.45	236.53
Shareholders' funds	83.93	158.05	192.06	206.66	265.21
Share Information (Sen Per Share)					
Basic earnings/(loss) [(2)]	1.60	1.79	0.79	(0.84)	0.72
Net assets ("NA") attributable to Owners of the Company [(3)]	52.05	56.63	50.01	46.24	45.64
Financial Ratios (%)					
Return on total assets	2.72	3.81	2.55	(1.58)	1.20
Return on shareholders' equity	3.08	2.50	1.32	(1.75)	1.33

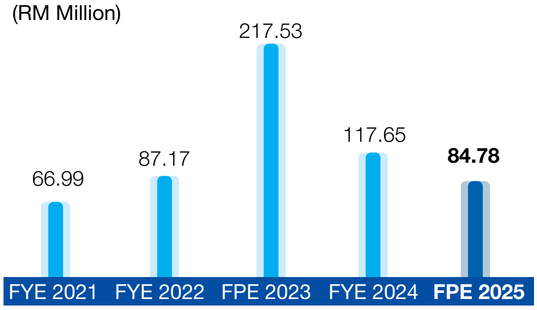
Note:-

[(1)] *FPE 2025 covers a 15-month financial period from 1 October 2024 to 31 December 2025 following the change in the Company's financial year end from 30 September to 31 December. Income statement figures for FPE 2025 are therefore not directly comparable with prior 12-month financial year figures.*

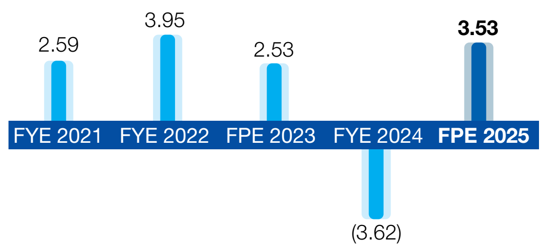
[(2)] *Basic earnings/(loss) per share is computed based on PAT/(LAT) attributable to Owners of the Company over the weighted average number of ordinary shares for the respective financial year/period.*

[(3)] *NA per share attributable to Owners of the Company is computed based on NA attributable to Owners of the Company over the total number of ordinary shares as at the end of the respective financial year/period.*

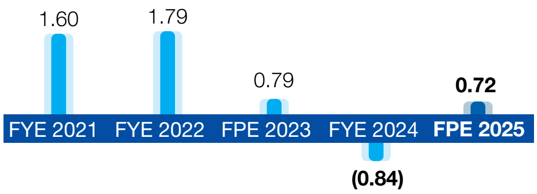
Revenue
(RM Million)



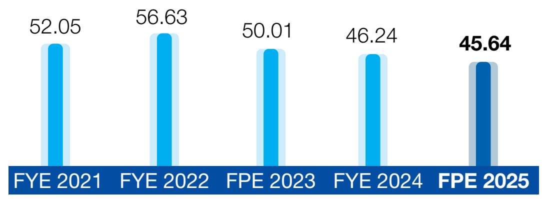
PAT/(LAT) Attributable to Owners of the Company
(RM Million)



Basic Earnings/(Loss) Per Share
(Sen)



NA Attributable to Owners of the Company Per Share
(Sen)



CHAIRMAN'S STATEMENT

Dear Esteemed Shareholders,

On behalf of the Board of Directors ("the Board"), I am honoured to present the Annual Report and Audited Financial Statements of Hextar Capital Berhad ("HCB" or the "Company") for the financial period ended 31 December 2025 ("FPE 2025"), covering a 15-month financial period from 1 October 2024 to 31 December 2025.

FPE 2025 was a transitional but constructive period for HCB and its subsidiaries ("HCB Group" or the "Group"). Following the realignment of our financial year end, our Group continued to make meaningful progress across our diversified business segments. Despite operating in a dynamic business environment, we remained focused on resilience, disciplined execution and capturing emerging opportunities that support our long-term growth strategy and value creation for our shareholders.

ECONOMIC ENVIRONMENT AND OPERATIONAL HIGHLIGHTS

According to Bank Negara Malaysia ("BNM"), Malaysia's economy grew by 5.20% in 2025, driven by strong domestic demand and favourable exports, exceeding the forecast range of 4.00% to 4.80%. Inflationary pressures remained well-contained, with headline and core inflation averaging 1.40% and 2.00% respectively. Total investment approvals by the Malaysian Investment Development Authority reached RM285.00 billion for the period of January to September 2025, an increase from RM252.00 billion over the same period in 2024, mainly driven by foreign investments in high-complexity subsectors such as Information and Communication Technology ("ICT"), Electrical and Electronics ("E&E") and data centre infrastructure.

Chairman's **Statements**
Cont'd

The Budget 2026, tabled in October 2025, reaffirmed the Malaysian Government's commitment to building an Artificial Intelligence ("AI") Nation by 2030. Key allocations supporting our industry include RM780.00 million to extend broadband coverage through JENDELA Phase 2 project to 2,700 new locations, and RM2.00 billion to develop the MADANI Subsea Cable Link, a 3,190km subsea fibre-optic cable connecting Peninsular Malaysia to Sabah and Sarawak, aimed at narrowing the digital divide between the two (2) regions. The Government is also expanding the adoption of the MyDigital ID across key sectors including finance, telecommunications, e-commerce and healthcare, targeting 15 million users by end of 2026.

In addition, the Malaysian Communications and Multimedia Commission ("MCMC") has introduced the Strategic Communications and Multimedia Technology Roadmap 2025-2030 ("MyTMAP2030") to guide Malaysia's communications and multimedia industry over the next five (5) years by outlining the strategic directions in adopting emerging technologies and advancing innovation for the nation's digital growth. One of its key strategic thrusts focuses on building a robust and resilient communications infrastructure with emphasis on 5G and 6G networks, broadband, satellite as well as smart city technologies.

Collectively, these initiatives reflect the Government's commitment to digital infrastructure and connectivity development, areas that are supportive of the growth of our Group's telecommunications network infrastructure and manufacturing segments, positioning our Group to participate in Malaysia's continuing digital transformation.

One of our key highlights in FPE 2025 was the completion of JENDELA Phase 1 project by our subsidiary, T & J Engineering Sdn. Bhd. ("TJE"), which marked the conclusion of a significant national broadband deployment and further reinforced TJE's track record in executing large-scale telecommunications infrastructure works. Switching from our telecommunication network infrastructure segment to the construction & project management segment, TJE is now focusing on the execution of the RM97.04 million Universiti Malaysia Kelantan ("UMK") student hostel project. This project is progressing in line with our expectations and reinforces our position as a trusted contractor for large-scale infrastructure works. Building on our current exposure in the construction & project management segment, we acquired 100.00% equity interest in Legacy Core Sdn. Bhd. ("LCSB") (formerly known as Civispace Sdn. Bhd.) on 3 October 2025, which has yet to commence operations as at 31 December 2025 but is expected to be principally engaged in construction & project management activities moving forward.

In our power generation and transmission activities, our strategic investment in our associate, Transgrid Ventures Sdn. Bhd. ("Transgrid"), continued to generate compelling returns during the financial period. Transgrid further strengthened its position in the power transmission and distribution substation sector through several significant contract wins from Tenaga Nasional Berhad ("TNB"), including the establishment of Malaysia's first 500/275kV Gas Insulated Substations ("GIS") at Gurun East, Kedah and Bukit Batu, Johor, a 275kV Switching Stations project at Iskandar Puteri West, Johor, as well as a consumer landing station works at Mukim Pulai, Johor, totalling RM833.10 million.

To deepen our footprint in the telecommunications sector, we increased our equity interest in Binasat Communications Berhad ("Binacom") from 23.39% as at 30 September 2024 to 29.82% as at 31 December 2025. This strategic investment further strengthens our presence in the sector and enhances our ability to pursue future contract opportunities. By leveraging our manufacturing and engineering capabilities, we are well-positioned to unlock synergies, broaden our service offerings and create greater value for both existing and prospective customers.

Our financial solutions segment continued to scale steadily during the financial period, with cumulative credit facilities extended reaching RM64.00 million and an outstanding loan book of RM56.50 million as at 31 December 2025. This represents a meaningful build-up from the inaugural RM24.00 million facility extended in the previous financial year. This segment is progressively establishing itself as a recurring earnings contributor within our diversified portfolio.

Chairman's **Statements**

Cont'd

FINANCIAL HIGHLIGHTS

Following the Board's decision to change our Group's financial year end from 30 September to 31 December for better alignment of our Group's financial reporting cycle with our associate companies, FPE 2025 covers a 15-month financial period from 1 October 2024 to 31 December 2025. Thus, there is no direct comparative figure for the preceding year.

For FPE 2025, our Group recorded revenue of RM84.78 million, with the construction & project management segment and manufacturing segment emerging as the major contributors at 33.84% and 31.61% of our Group's revenue respectively. As we close the financial period, we recorded a PAT of RM3.40 million, a turnaround from the LAT of RM3.86 million in financial year ended 30 September 2024 ("FYE 2024"). This improvement was mainly attributable to the higher share of associates' profits amounting to RM18.43 million, coupled with the absence of amortisation of intangible assets of RM26.24 million and impairment of goodwill of RM2.17 million, both arising from the acquisition of TJE and fully recognised in FYE 2024.

We closed the financial period on a strengthened financial footing, with NA growing from RM216.32 million as at 30 September 2024 to RM271.73 million as at 31 December 2025, while NA attributable to Owners of the Company per share stood at 45.64 sen as at 31 December 2025. Our current ratio improved from 1.37 times as at 30 September 2024 to 2.28 times as at 31 December 2025. Our gearing ratio also improved from 0.37 times to 0.29 times over the same period.

For further details on our Group's financial and operational performance, please refer to the Management Discussion and Analysis section of this Annual Report.

CORPORATE GOVERNANCE

At HCB, we believe that sound corporate governance is the foundation upon which sustainable business growth is built. As our Group continues to expand and diversify across multiple business segments, maintaining robust governance standards becomes increasingly important in ensuring that our operations are conducted with the highest levels of integrity, accountability and transparency.

The Board remains committed to upholding best practices in corporate governance, safeguarding the interests of our shareholders and ensuring that adequate oversight mechanisms are in place across all levels of the organisation. We will continue to review and strengthen our governance practices in tandem with our Group's business growth and the evolving regulatory landscape.

For further details on our corporate governance efforts, please refer to the Corporate Governance Overview Statement in this Annual Report and our Company's Corporate Governance Report.

Chairman's **Statements**

Cont'd

EMBEDDING SUSTAINABILITY

Our commitment to sustainability remains a core pillar of how we conduct our business at HCB Group. We recognise that responsible business practices are not only essential to our Group's long-term success, but also for the well-being of the communities we operate in and the environment we share.

On the environmental front, we continue to promote and practise sustainable waste management through our 3R (Reduce, Reuse and Recycle) initiatives across our operations. Our commitment to environmental stewardship is further underpinned by the ISO 14001:2015 Environmental Management System certification maintained for our manufacturing operations. We will also continue to monitor and progressively reduce our environmental footprint, with ongoing focus on responsible energy and water usage, waste management, and the tracking of our sustainability performance.

At HCB, the safety and well-being of our employees remain a top priority. Our Occupational Health and Safety ("OSH") Committee continues to monitor our OSH affairs and compliance, as well as to conduct training and awareness programmes to ensure a safe and healthy working environment for all employees. We also continue to organise various training programmes and company activities during FPE 2025 to promote a positive and inclusive workplace culture.

In fulfilling our social responsibilities, we remain committed to contributing positively to society through providing internship opportunities and community engagement initiatives. We believe that a sustainable future is a shared responsibility, and we will continue to work closely with our employees, business partners and the wider community to advance this common agenda.

For more insights on our sustainability strategies and initiatives, please refer to the Sustainability Statement in this Annual Report.

FUTURE OUTLOOK

Looking ahead, the Board is cautiously optimistic about our Group's prospects. In March 2026, the MCMC commenced the rollout of JENDELA Phase 2 project by issuing requests for proposals for the improvement of broadband and internet connectivity nationwide. The first batch of 1,000 sites, out of a planned 2,700 sites, has been assigned, with 68.9% located in East Malaysia, underscoring the Government's focus on narrowing the digital divide in Sabah and Sarawak. Works are expected to commence as early as the third quarter of 2026, subject to MCMC's evaluation and governance processes. Given TJE's established track record and operational presence in East Malaysia from its involvement in JENDELA Phase 1 project, we are well-positioned to participate in this initiative, which is expected to present revenue opportunities for our telecommunications network infrastructure segment.

For our construction & project management segment, LCSB was awarded a contract worth RM75.90 million in Sabah in March 2026 for the geotechnical and earth works, pavement, infrastructure works and related construction works. This contract marks a significant step in expanding our Group's construction presence in East Malaysia and is expected to contribute positively to our Group's earnings going forward. We also remain positive in securing future construction projects as we embark on growing TJE's work portfolio.

Our power generation and transmission business, undertaken through our 49%-owned associate Transgrid, remains well-positioned to benefit from Malaysia's ongoing investment in grid infrastructure and data centre development. Building on the significant contract wins during FPE 2025, we expect these projects to support Transgrid's earnings performance, which in turn, will further reinforce our Group's share of results from associates in the coming years.

During FPE 2025, our core manufacturing segment continued to navigate a subdued fibre optic market. In response, we remain focused on cost optimisation while expanding our engineering capabilities to deliver fibre optic solutions that support digital infrastructure developments with focus on fibre optic installations for data centres. The financial solutions segment further reinforces the resilience of our earnings base by providing a recurring income stream, underpinned by prudent credit assessment and disciplined risk management approaches.

Chairman's **Statements**
Cont'd

That said, our Group remains mindful of the evolving global macroeconomic landscape, particularly the geopolitical uncertainties that continue to impact global supply chains and input costs across our business operations. Disruptions to the procurement of materials, whether arising from trade policy shifts, regional conflicts or logistical constraints, may introduce cost pressures that require proactive management. In navigating these headwinds, we will continue to adopt a disciplined cost management approach and maintain an ongoing review of our pricing structures to safeguard our business and financial sustainability over the long term.

Moving forward, we believe that our diversified portfolio, strong earnings contributions from our associates and disciplined approach to capital allocation will drive sustainable growth and long-term value creation for our shareholders.

DIVIDEND

The Board does not recommend any dividend for the FPE 2025 as our Group intends to conserve cash for future business expansion. This decision was made after careful consideration of our Group's financial position and growth opportunities. We believe that this decision is in the best interest of our Company and our shareholders in the long run.

APPRECIATION

On behalf of the Board, I would like to express our heartfelt appreciation to all our employees, customers, suppliers, business associates and industry partners for their continued trust, dedication and support. The progress we have made in FPE 2025 is a testament to the collective commitment of every individual associated with our Group, and we are sincerely grateful for your contributions.

I would like to take this opportunity to welcome Dato' Haji Mohd Yazid bin Haji Mustafa as our new Independent Non-Executive Director, and Mr. Gwi Fei Yi as our new Executive Director. We look forward to their contributions as our Group continues to grow.

I would also like to extend our sincere gratitude to Mr. Chen Thien Yin for his dedicated service and valuable contributions to our Group during his tenure as Independent Non-Executive Director. We wish him well in his future endeavours. My sincere appreciation also goes to Mr. Teh Li King and Mr. Ong Soon Lim for their contributions to the Board upon their retirement. Their guidance and support during their respective tenures have been greatly valued by our Group.

Finally, to our shareholders, your continued confidence in HCB is deeply appreciated. We remain committed to delivering sustainable and rewarding returns to you as we grow our Group across our diversified business segments.

DATO' MAZLIN BIN MD JUNID
Independent Non-Executive Chairman

22 April 2026

MANAGEMENT DISCUSSION & ANALYSIS

OVERVIEW OF BUSINESS AND OPERATIONS

Over more than three (3) decades, HCB Group has grown from our origins in the manufacturing of fibre optic cables and cable-related products into a diversified group with operations spanning telecommunications network infrastructure solutions, construction and project management, engineering services and trading, and financial solutions services in Malaysia.

During FPE 2025, our Group undertook several strategic initiatives to strengthen our position across our business segments.

In the telecommunications space, our Group increased our equity stake in Binacom, a telecommunications infrastructure service provider listed on the ACE Market of Bursa Malaysia, from 23.39% to 29.82% through a series of share acquisitions during FPE 2025. The increased equity interest further strengthens our Group's telecommunications footprint and enables our Group to leverage Binacom's established platform and expanded client network to pursue future industry contracts and tenders. On the project execution front, our Group's wholly-owned subsidiary, TJE, successfully completed our obligations under JENDELA Phase 1, which involved the construction of communication towers at 138 sites across Sarawak. The successful completion of this national connectivity project positions our Group favourably for potential participation in the upcoming JENDELA Phase 2 initiative under Malaysia's national connectivity agenda.

In the construction & project management segment, our Group acquired LCSB on 3 October 2025. LCSB is expected to be principally engaged in the provision of construction and project management activities and has yet to commence operations as at 31 December 2025.

Our Group's 49%-owned associate, Transgrid, which is principally involved in power generation and transmission, secured sizable contracts from TNB for data centre substation projects totalling RM690.5 million, including Malaysia's first 500/275kV GIS at Gurun East, Kedah and Bukit Batu, Johor, as well as 275 kV Switching Stations GIS at Iskandar Puteri West, Johor. Transgrid also secured a contract of RM142.6 million for consumer landing station works at Mukim Pulai, Johor via a joint venture arrangement.

These developments reflect our Group's continued efforts to expand and diversify our operations across our business segments. Our Group remains committed to exploring opportunities that align with our long-term growth objectives and enhance value for our shareholders.

Management **Discussion & Analysis**
Cont'd

OVERVIEW OF BUSINESS AND OPERATIONS (CONT'D)

As at 31 December 2025, HCB Group is mainly engaged in the following six (6) business segments:

Manufacturing	Manufacturing of fibre optic cables, systems accessories and lubricant oil, and oil related products.
Engineering Services & Trading	Provision of engineering services for civil structure and fibre optic cabling system, and trading of industrial products.
Telecommunication Network Infrastructure Solutions	Setting up of new infrastructure including construction and installation of telecommunications towers; and its ancillaries for the purpose of providing public cellular services.
Construction & Project Management	Provision of construction and project management services including provision of structural, civil, mechanical, electrical, architectural and other engineering services; site inspection, demolition, site preparation, electrical, plumbing, general external works and other construction installation activities; and overseeing all aspects of construction project including scheduling, budgeting, monitoring, risk management and quality control.
Financial Solutions	Provision of tailored loan products including personal loans, business loans (collateralised and non-collateralised), and project financing solutions.
Other operations	Management services and investment holding

In addition, our Group holds 49.00% equity interest in Transgrid, an associate principally involved in the power generation and transmission business, including engineering, procurement, construction, and commissioning ("EPCC") of power transmission and distribution substation infrastructure, project management and engineering consultancy, supply and maintenance of equipment for power transmission and distribution substations.

Our Group also holds 29.82% equity interest in Binacom, an associate principally involved in the provision of support services for satellite, mobile and fibre optic telecommunications networks which complements our telecommunication network infrastructure solutions segment.

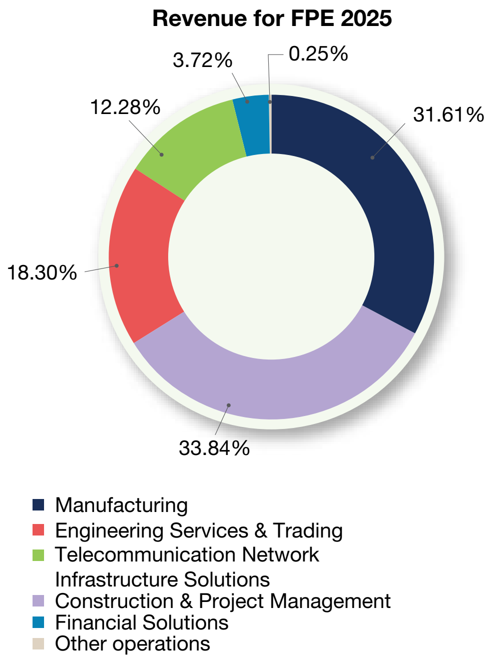
Management **Discussion & Analysis**
Cont'd

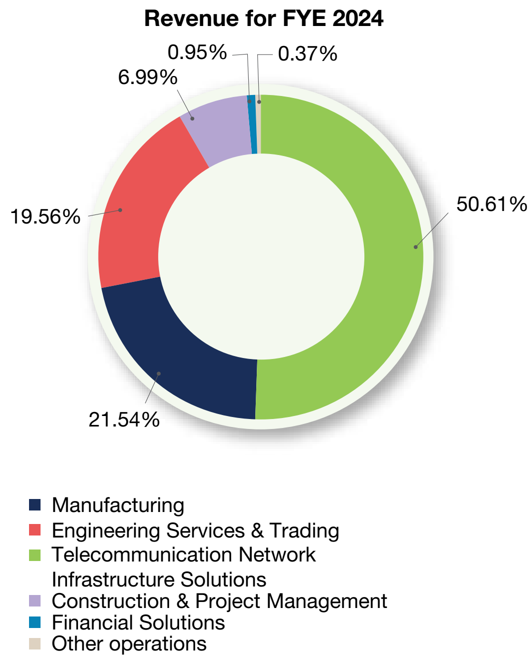
FINANCIAL PERFORMANCE REVIEW

	(15 Months) FPE 2025 RM'000	(12 Months) FYE 2024 RM'000
Revenue	84,782	117,653
Gross profit ("GP")	8,582	31,130
Earnings before interest, tax, depreciation and amortisation ("EBITDA")	14,041	28,114
PBT/(LBT)	5,658	(3,497)
PAT/(LAT)	3,395	(3,859)
GP margin (%)	10.12	26.46
PBT/(LBT) margin (%)	6.67	(2.97)
PAT/(LAT) margin (%)	4.00	(3.28)

HCB Group has changed our financial year end from 30 September 2025 to 31 December 2025, resulting in an extended 15-month financial period from 1 October 2024 to 31 December 2025 for FPE 2025, which is not directly comparable to the 12-month period for the financial year ended 30 September 2024 ("FYE 2024").

Our Group's revenue by business segment for FPE 2025 and FYE 2024 is shown as follows:





Our Group recorded total revenue of RM84.78 million for FPE 2025. The overall revenue mix for FPE 2025 was significantly shaped by a sharp decline in the revenue contribution from the telecommunication network infrastructure solutions segment, which recorded revenue of RM10.41 million in FPE 2025, compared to RM59.54 million in FYE 2024. The decline was primarily due to the completion of the JENDELA Phase 1 project during FPE 2025, with the majority of the project revenue having been recognised in prior periods. With the reduced contribution from the telecommunication segment, the construction & project management segment and manufacturing segment emerged as the two (2) largest revenue contributors, accounting for 33.84% and 31.61% of total revenue respectively.

The manufacturing segment recorded revenue of RM26.80 million in FPE 2025, notwithstanding the subdued market demand for fibre optic cables and cable-related products observed throughout the period.

Management **Discussion & Analysis**
Cont'd

FINANCIAL PERFORMANCE REVIEW (CONT'D)

The construction & project management segment recorded revenue of RM28.69 million, primarily contributed by the ongoing execution of the RM97.04 million student hostel project at UMK by TJE.

The engineering services & trading segment recorded revenue of RM15.52 million in FPE 2025, derived from the provision of engineering services for civil structure and fibre optic cabling systems, as well as the trading of industrial products.

Our Group recorded a GP of RM8.58 million in FPE 2025. The GP margin declined significantly to 10.12% from 26.46% in FYE 2024, primarily driven by the shift in revenue composition, as the higher-margin telecommunication network infrastructure solutions segment recorded substantially lower revenue following the completion of JENDELA Phase 1 project, while the manufacturing and construction segments, which operate at lower margins, constituted the majority of FPE 2025 revenue.

For FPE 2025, our Group recorded a PBT of RM5.66 million and a PAT of RM3.40 million, representing a PBT margin of 6.67% and a PAT margin of 4.00% respectively. Despite recording an operating loss of RM7.25 million, our Group achieved overall profitability through the share of results from our associates, amounting to RM18.43 million, which offset the operating loss and finance costs of RM5.52 million. The operating performance was weighed down by a one-off fair value loss on contingent consideration of RM7.03 million arising from the completion of the acquisition of TJE, impairment loss on trade receivables of RM2.57 million, and modification loss on financial assets of RM1.76 million.

FINANCIAL POSITION REVIEW

Statement of Financial Position

	As at 31 December 2025 RM'000	As at 30 September 2024 RM'000	Variance RM'000	Variance %
Assets				
Non-current assets	221,212	232,516	(11,304)	(5.11)
Current assets	169,484	155,448	14,036	8.28
Total assets	**390,696**	**387,964**	**2,732**	**0.70**
Liabilities				
Non-current liabilities	44,501	58,172	(13,671)	(30.72)
Current liabilities	74,463	113,470	(39,007)	(52.38)
Total liabilities	**118,964**	**171,642**	**52,768**	**(44.28)**
NA/Total equity	271,732	216,322	55,410	(20.39)
NA per share (sen)	46.77	48.40	1.63	(3.49)
Current ratio (times)	2.28	1.37	0.91	39.91
Gearing ratio (times)	0.29	0.37	(0.08)	(27.59)

FINANCIAL POSITION REVIEW (CONT'D)

Management **Discussion & Analysis**
Cont'd

Statement of Financial Position (Cont'd)

Our Group's total assets increased by RM2.74 million or 0.70% from RM387.96 million as at 30 September 2024 to RM390.70 million as at 31 December 2025. The increase was mainly driven by an increase in investment in associates by RM31.78 million, comprising our Group's share of results from our associates, of RM18.43 million and an additional equity investment in Binacom of RM17.63 million during FPE 2025, which were partially offset by our Group's share of associate's other comprehensive loss of RM4.28 million.

However, the overall increase in total assets was partially offset by the decrease in the following:

(i) deposits, cash and bank balance by RM11.34 million, mainly due to significant cash outflows for investing activities, including the settlement of deferred consideration and additional investment in associates, which were partially funded by financing inflows from the private placement;

(ii) other investments by RM6.28 million, primarily attributable to the redemption of a short-term investment placed with a peer-to-peer financing platform; and

(iii) inventories by RM2.77 million, mainly due to the utilisation of inventories for JENDELA Phase 1 project.

Our Group's total liabilities decreased by RM52.68 million or 30.69% from RM171.64 million as at 30 September 2024 to RM118.96 million as at 31 December 2025, mainly due to a decrease in other payables and accruals by RM51.96 million, largely attributable to the settlement of deferred consideration in relation to the acquisition of TJE and Transgrid during FPE 2025. This was partially offset by an increase in trade payables of RM0.67 million.

Overall, our Group maintained a healthy financial position as at 31 December 2025, with a current ratio of 2.28 times, a gearing ratio of 0.29 times and a NA per share of 46.77 sen.

Statement of Cash Flows

	(15 Months) FPE 2025 RM'000	(12 Months) FYE 2024 RM'000
Net cash from/(used in) in operating activities	14,381	(31,462)
Net cash used in investing activities	(42,510)	(62,264)
Net cash from financing activities	28,607	60,043
Net increase/(decrease) in cash and cash equivalents	**478**	**(33,683)**
Cash and cash equivalents at the beginning of the financial period/year	12,758	46,577
Effect of exchange rate changes on cash held	10	(136)
Cash and cash equivalents at the end of the financial period/year	**13,246**	**12,758**

During FPE 2025, our Group recorded a net cash generated from operating activities of RM14.38 million, a significant improvement from net cash used of RM31.46 million in FYE 2024, mainly attributable to favourable working capital movements arising from the higher trade payables and lower trade receivables and others receivables levels during the period.

The net cash used in investing activities of RM42.51 million in FPE 2025 was mainly due to the payment of deferred consideration of RM37.10 million in relation to the acquisition of TJE and Transgrid and the additional investment in associates of RM17.63 million. These cash outflows were partially offset by proceeds from the redemption of short-term investment of RM6.50 million and the decrease in placement of fixed deposit pledged with financial institution of RM5.37 million.

The net cash inflow from financing activities of RM28.61 million in FPE 2025 was mainly attributable to the issuance of ordinary shares of RM29.08 million through the private placement and net drawdown of bank borrowings of RM5.20 million, which were partially offset by finance costs of RM5.52 million.

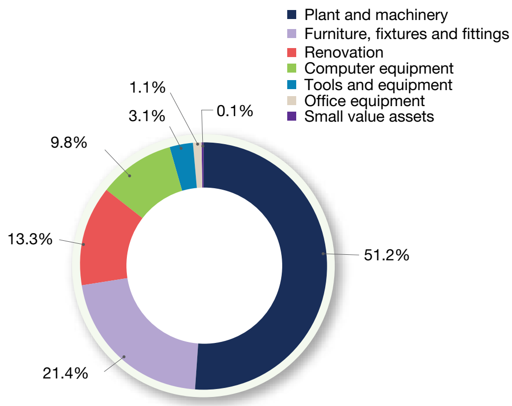
Management **Discussion & Analysis**
Cont'd

CAPITAL STRUCTURE, RESERVES, AND EXPENDITURE

As at 31 December 2025, our Company's share capital stood at RM236.53 million, comprising 581,053,222 ordinary shares with a NA per share of RM0.47. Our Group finances our operations with cash generated from operations, credit extended by trade creditors, bank borrowings and existing cash reserves.

During FPE 2025, our Group has allocated a total of RM0.65 million in capital expenditure, as follows:

Capital Expenditure	RM'000
Plant and machinery	331
Furniture, fixtures and fittings	138
Renovation	86
Computer equipment	**63**
Tools and equipment	20
Office equipment	7
Small value assets	**1**
Total	**646**



Our total capital expenditure was mainly allocated towards the purchase of plant and machinery mainly for our manufacturing as well as engineering services and trading segments. As at 31 December 2025, we do not have any capital commitment.

ANTICIPATED OR KNOWN RISK

Our Group is exposed to certain anticipated and known risks that may affect our operations and financial performance. These risks, together with the corresponding mitigation measures adopted by our Group, are outlined below:

(i) Foreign Exchange Risk

Our Group's financial results are exposed to foreign currency risk, primarily arising from transactions denominated in United States Dollar ("USD"), making our profitability vulnerable to currency fluctuations. By sourcing our raw materials from overseas, we create a natural hedge against the impact of USD-denominated revenue. In addition, our Group maintains cash and cash equivalents in foreign currencies to support our daily operations. Our finance department actively monitors prevailing exchange rates and enters into forward contracts where appropriate to secure favourable rates and minimise the impact of adverse currency fluctuations on our Group's financial performance.

(ii) Diversification Risk

As our Group continues to broaden our presence across various sectors, we will encounter new challenges such as global and regional economic downturns, sociopolitical instability, and changes in the legal and regulatory frameworks governing these sectors. To address these risks, our Group will leverage the expertise and experience of key management personnel to manage the uncertainties associated with operating across these sectors.

(iii) Credit Risk

Our financial solutions business inherently carries credit risk, whereby borrower defaults on loans extended by our Group could adversely affect our Group's financial performance. To address this, our Group performs comprehensive credit evaluations on all applicants prior to loan approval, applies defined eligibility criteria to govern the lending process, and calibrates the loan amount to each applicant's assessed creditworthiness. The adequacy and quality of collateral secured against each loan is also continuously reviewed to strengthen the overall integrity of our lending portfolio.

Management **Discussion & Analysis**

Cont'd

ANTICIPATED OR KNOWN RISK (CONT'D)

(iv) Construction and Project Risk

Our Group's construction and project management segment is subject to risks inherent to the construction industry, including project delays, cost overruns, supply chain disruptions, or changes in regulatory requirements. To mitigate these risks, our Group adopts rigorous project planning and scheduling, maintains close oversight of project budgets and timelines, and ensures compliance with all applicable construction regulations and standards. Our project teams also conduct regular progress reviews to identify and address potential issues at an early stage.

(v) Occupational Safety and Health Risk

Due to the nature of our business, our employees are inevitably exposed to various occupational safety and health risks at our construction sites and manufacturing facilities. Our Group is committed to providing a safe and healthy working environment through the implementation of appropriate safety measures and adherence to established standard operating procedures. Among the measures practised are:

- conducting onboarding briefings for new employees and refresher training sessions for existing employees to enhance safety awareness;
- performing regular inspections of electrical wiring and fire-fighting equipment and systems;
- avoiding overloading of circuits with office equipment;
- enforcing smoking restrictions to designated areas; and
- ensuring proper housekeeping and orderly storage of materials in the warehouse and production areas to minimise workplace hazards.

FUTURE PROSPECT AND OUTLOOK

The International Monetary Fund ("IMF") has raised its projection for Malaysia's economy to grow at 4.70% for 2026, while BNM estimates growth between 4.00% and 5.00% for the year, supported by resilient domestic demand and continued investment activity. Our Group is, however, mindful of external headwinds, including the escalation of geopolitical tensions in the Middle East in late February 2026, which has disrupted global energy markets and introduced uncertainty into the global trade outlook. Notwithstanding these risks, our Group remains cautiously optimistic that Malaysia's strong economic fundamentals will continue to provide a conducive operating environment for our Group's diversified business segments in the year ahead.

In the construction & project management segment, Malaysia's construction sector is projected to expand by 9.10% in 2026 according to BNM, driven by continued activity across civil engineering, non-residential and residential subsectors, including a steady pipeline of data centre projects. Against this favourable backdrop, TJE continues to make steady progress on the construction of student hostels at UMK, which remains on track and reinforces our Group's construction delivery capabilities. Subsequent to the financial period end, LCSB secured its maiden construction contract valued at approximately RM75.90 million in Sabah, marking an important step in expanding our Group's construction footprint in East Malaysia. Our Group will continue to actively pursue opportunities to broaden TJE's and LCSB's project portfolios.

In the telecommunication network infrastructure segment, Malaysia's continued investment in national connectivity creates meaningful opportunities for our Group. The MCMC has introduced the MyTMAP2030, with one of its key strategic thrusts focusing on building a robust and resilient communications infrastructure with emphasis on 5G and 6G networks, broadband, satellite and smart city technologies. Alongside this, the Government has allocated RM780.00 million under Budget 2026 for the expansion of broadband coverage through JENDELA Phase 2 to 2,700 new locations nationwide.

Management **Discussion & Analysis**
Cont'd

FUTURE PROSPECT AND OUTLOOK (CONT'D)

Subsequent to the financial period end, MCMC issued requests for proposals in March 2026 for JENDELA Phase 2, with the first batch targeting 1,000 sites nationwide and work expected to commence as early as the third quarter of 2026, subject to approvals. Notably, 68.9% of the first batch sites are located in East Malaysia, an area where TJE has an established operational presence from its completion of JENDELA Phase 1 during FPE 2025. This positions TJE favourably to secure meaningful participation in JENDELA Phase 2 and contribute to our Group's future revenue.

In the power generation and transmission business, carried out through our 49%-owned associate Transgrid, the outlook is supported by Malaysia's continued investment in grid infrastructure and data centre development. Transgrid has secured sizable contracts from TNB for the establishment of Malaysia's first 500/275kV GIS facilities at Gurun East, Kedah and Bukit Batu, Johor, as well as a 275kV Switching Stations GIS at Iskandar Puteri West, Johor, totalling RM690.50 million. Transgrid further secured a contract of RM142.60 million for consumer landing station works at Mukim Pulai, Johor, via a joint venture arrangement. These secured contracts are expected to contribute positively to Transgrid's earnings, and in turn, to our Group's share of associate results in the years ahead.

In the manufacturing segment, our Group expects market demand for fibre optic cables and cable-related products to remain subdued in 2026, consistent with the trend observed during FPE 2025. Our Group will continue to prioritise operational efficiency while monitoring demand recovery signals across the broader market.

In the engineering services and trading segment, our Group will continue to leverage our established capabilities in civil structure engineering and fibre optic cabling systems, alongside our trading activities in industrial products.

In the financial solutions segment, Malaysia's continued economic expansion is expected to sustain demand for flexible financing solutions across consumer and business segments. Our Group's wholly-owned financial solutions subsidiary, Opcom Trading Sdn. Bhd., will continue to offer personal loans, business loans (collateralised and non-collateralised) and project financing solutions to its customers.

Looking ahead, our Group is well-positioned to capitalise on opportunities across our diversified business segments, supported by Malaysia's resilient economic fundamentals and the favourable infrastructure development pipeline outlined above. While we remain mindful of prevailing external uncertainties, our Group will continue to leverage our project execution capabilities, expanding order book and disciplined business approach to deliver sustainable value for stakeholders in the year ahead.

DIVIDEND

At present, our Company does not have a formal dividend policy. Any recommendation or declaration of dividends is at the discretion of the Board and subject to various considerations, including financial performance, capital expenditure requirements, cash flow management and any other factors considered relevant by our Board.

In view of the ongoing uncertainties and the need to preserve a strong cash flow for operational purposes, our Board has not recommended any dividend payment for FPE 2025.

BOARD OF DIRECTORS

GWI FEI YI
Executive Director

DATO' HAJI MOHD YAZID BIN HAJI MUSTAFA
Independent Non-Executive Director

ER KIAN HONG
Independent Non-Executive Director

Board of Directors
Cont'd

CHANG KIAN SEONG
Managing Director

DATO' MAZLIN BIN MD JUNID
Chairman/Independent Non-Executive Director

Board of **Directors' Profile**

Cont'd

DATO' MAZLIN BIN MD JUNID
CHAIRMAN/ INDEPENDENT NON-EXECUTIVE DIRECTOR

Age	Gender	Nationality
64		

Date Appointed to the Board:
21 July 2021

Number of Board Meetings Attended in FPE 2025:
5/5

Qualifications:
- Masters in Business Administration from Cranfield University, England
- Bachelor of Science Degree in Mechanical Engineering from the University of Brighton (formerly known as Brighton Polytechnic), Sussex, England

Membership of Board Committee:
- Audit Committee
- Nominating and Remuneration Committee

Skills, Experience and Expertise:

Dato' Mazlin Bin Md Junid ("**Dato' Mazlin**") started his career 1984 with Hicom Yamaha Manufacturing (M) Sdn. Bhd. as Assistant Manager of Operations to head the Planning, Operations and Production Control.

In 1987, he joined PA Consulting Group based in the United Kingdom as Senior Consultant & Regional Manager for the manufacturing sector. During his 4 years stint with PA Consulting Group, he was seconded to work in 13 different organisations in the area of performance improvement and profit turnaround.

In 1992, he left PA Consulting Group and joined the Sime Darby Group as Managing Director of 5 companies. He ascended to the group level of the Sime Darby Group in 1995 as Group Manager.

From 1995-1997, he was a business partner of ASPAC Executive Search Sdn. Bhd. ("ASPAC"), a recruitment agency in Malaysia with operations in the United Kingdom, Australia and other Asian countries through affiliate offices.

After he divested his equity stake in ASPAC, he acquired a majority interest in SECA Dyme Sdn. Bhd. ("**SECA**"), a speciality chemical trading company, supplying to downstream petrochemical industries.

In 2007, he was appointed as the Executive Vice Chairman, President & Group Chief Executive Officer of Daya Materials Berhad ("**DMB**") after DMB acquired SECA. He resigned from the Board of DMB in August 2014. He was also formerly an Independent Non-Executive Director of Sapura Industrial Berhad, Sapura Technology Berhad and Metronic Global Berhad, an Independent Non-Executive Director and Chairman of the Audit Committee of MTD Infraperdana Berhad and an Executive Director-Corporate Affairs & Development in Reach Energy Berhad.

On 20 April 2015, Dato' Mazlin was appointed as a Non-Independent and Non-Executive Director of ENRA Group Berhad. He was redesignated as President & Group Chief Executive Officer, Non-Independent Executive Director of ENRA Group Berhad on 1 June 2015. He retired from ENRA Group Berhad in November 2021.

Board of **Directors' Profile**
Cont'd

CHANG KIAN SEONG
MANAGING DIRECTOR

Age	Gender	Nationality
56		

Date Appointed to the Board:
1 October 2022

Number of Board Meetings Attended in FPE 2025:
5/5

Qualifications:
- LLB (Honours) Bachelor of Laws from University of London
- Driving A Sales & Relationship Management Organisation from Duke University
- Corporate Education – Catalyst for Change from Duke University
- Developing Strategy for Value Creation from London Business School

Membership of Board Committee:
-

Skills, Experience and Expertise:

Chang Kian Seong ("**Johnson**") graduated with a Bachelor of Law from the University of London in 1993.

In 1994, he commenced his career with HSBC Banking Group, where he remained in employment for 20 years until his resignation in 2014. His first held position in HSBC Malaysia's main branch in 1994 was as an Officer-In-Charge for retail banking, covering consumer banking products and retail banking operation. In 1997, he was promoted to Credit Executive and transferred to HSBC Hong Kong and concurrently promoted to the position of Deputy Division Manager for the Global Trade and Receivables Finance division where he was responsible for managing trade finance solutions for Asian corporations and global multinational companies across Asia including China. In 1999, he was transferred to HSBC Bank International, Jersey, Chanel Islands and joined Group Sales, International Investments Sales division as Group Executive where he was responsible for managing the sales of the bank's offshore wealth management products across Asia and United Kingdom. In 2001, he was transferred to HSBC Bank Middle East, Dubai and was promoted to the position of Head of Corporate Banking, Dubai and Jebel Ali where he was responsible for managing the Dubai and Jebel Ali commercial portfolio covering multinational companies and large local conglomerates. In 2005, he was transferred back to HSBC Malaysia as the Head of Commercial Banking, Sales Management and was subsequently promoted to the position of Country Head of Sales for the Commercial Banking division in 2006. In 2008, he was transferred to HSBC Thailand where he was concurrently promoted to the position of Country Head for both Commercial Banking and Global Trade Finance divisions. In 2009, he was transferred to HSBC Indonesia where he acted as a Principal Consultant in setting up the Commercial Banking business for Bank Ekonomi following HSBC acquisition of the latter. In 2010, he was transferred to HSBC Bangladesh and was concurrently promoted to the position of Chief Risk Officer where he was responsible for country's risk management across all business divisions. In 2014, he was transferred back to HSBC Indonesia as the Chief Risk Officer, where he was responsible for the Wholesale, Consumer Credit and Risk functions. He resigned from HSBC Indonesia in 2014.

In 2014, he joined Hong Leong Banking Group as the Group Chief Credit Officer for Wholesale Banking, where he was responsible for managing Wholesale Credit Risk and Special Assets for the Business and Commercial Banking, Corporate Finance, Islamic Wholesale Banking, Global Markets, Financial Institution Group divisions as well as Hong Leong Banking Group's overseas operations across Malaysia, China, Singapore, Vietnam, Cambodia and Hong Kong.

In 2017, he left Hong Leong Banking Group and joined TS Law's group of companies, a private company involved in steel production and distribution, mining, property development and investments, as the Group Chief Executive Officer, where he was primarily responsible for planning the overall growth strategy and corporate direction for TS Law's group of companies as well as managing financial and banking matters. In addition to his role, together with the property team, he oversaw the development of Menara TSL which is a 48-story commercial and office tower block and Skyline Pudu Development which comprises 2000 units within 4 tower blocks.

In 2021, he left TS Law's group of companies and joined Smart Glove Holdings Berhad, an investment holding company, where its subsidiaries are primarily engaged in glove manufacturing activities as the group Chief Executive Officer, where he was responsible for developing business strategies and setting the corporate direction for the overall expansion of the company.

In 2022, he joined HCB as Managing Director, a position he continues to hold until today.

Johnson does not hold directorships in other public companies and listed issuers.

Board of **Directors' Profile**

Cont'd

GWI FEI YI
EXECUTIVE DIRECTOR

Age	Gender	Nationality
39		

Date Appointed to the Board:

26 February 2025

Number of Board Meetings Attended in FPE 2025:

3/3

Qualifications:

- Bachelor of Engineering (BEng) in Civil Engineering from University of Nottingham
- Chartered Financial Analyst ("CFA") from the CFA Institute
- Computer Science (CS50x) from Harvard University
- Machine Learning and Data Analytics from the National University of Singapore

Membership of Board Committee:

- Tender Committee

Skills, Experience and Expertise:

Gwi Fei Yi ("**Fei Yi**") has over 15 years of experience in the banking and insurance industry, he brings a strategic mindset and a deep expertise of financial markets, corporate governance, and risk management. As a seasoned Equity Fund Manager and a CFA, he is highly adept in business analysis, economics, financial modelling, strategic planning, and valuation.
During his tenure at Allianz Malaysia, he managed a portfolio exceeding RM3 billion, which was ranked number one among insurance peers for 2022, as well as for the cumulative period of 2021-2022. At Public Mutual, Mr Gwi led a team of analysts covering more than 80% of MSCI China index by market weight, a substantial and complex market. He was also a key member of Investment Committee meetings, Quarterly Management meetings and Chairman engagements. In addition, Mr Gwi played a vital role as a liaison across multiple departments, including Product, Marketing, Legal, and Finance.

In 2025, he joined HCB as the Non-Independent and Non-Executive Director and on 29 August 2025, re-designated to Executive Director of HCB and continues to hold until today.

Fei Yi does not hold directorships in other public companies and listed issuers.

Board of **Directors' Profile**
Cont'd

ER KIAN HONG
INDEPENDENT NON-EXECUTIVE DIRECTOR

Age	Gender	Nationality
49		

Date Appointed to the Board:
22 September 2022

Number of Board Meetings Attended in FPE 2025:
5/5

Qualifications:
- Bachelor Degree in Accounting and Finance from University of Technology, Sydney
- Certified Practising Accountant registered with CPA Australia

Membership of Board Committee:
- Audit Committee (*Chairperson*)
- Nominating and Remuneration Committee
- Tender Committee

Skills, Experience and Expertise:

Er Kian Hong ("**Elizabeth**") began her career in the Audit and Assurance division in Deloitte Malaysia, involved in statutory financial audits for public listed and private companies. Currently, she is the Associate Director in a boutique corporate advisory firm involved in provision of advisory services to clients who are undertaking corporate exercises.

She has vast experience in providing advisory services and assistance to companies undertaking corporate exercises such as initial public offerings ("IPO"), fund raising and restructuring.

Elizabeth served in the Corporate Finance department of M&A Securities Sdn. Bhd. from May 2014 to December 2021. Prior to that, she was in the Corporate Finance/Strategy department of KSK Group Berhad from February 2007 to March 2014 involved in the assessment and implementation of possible mergers and acquisition opportunities for KSK Group Berhad.

She also sits on the board of Aldrich Resources Berhad, Ajiya Berhad, K. Seng Seng Corporation Berhad and SSF Home Group Berhad.

Board of **Directors' Profile**

Cont'd

DATO' HAJI MOHD YAZID BIN HAJI MUSTAFA
INDEPENDENT NON-EXECUTIVE DIRECTOR

Age	Gender	Nationality
69		

Date Appointed to the Board:
15 January 2026

Number of Board Meetings Attended in FPE 2025:
N/A

Qualifications:
- LLB (Honours) Bachelor of Laws from University of Malaya

Membership of Board Committee:
- Nominating and Remuneration Committee (Chairman)
- Tender Committee (Chairman)
- Audit Committee

Skills, Experience and Expertise:

Dato' Haji Mohd Yazid Bin Haji Mustafa ("**Dato' Haji Mohd Yazid**"), a High Court Judge for more than 15 years, and retired from the Judiciary service in December 2022. Prior to his judgeship, Dato' Haji Mohd Yazid served in various capacities both in courts and the Attorney Generals Chambers such as Sessions Court Judge, Magistrate, Senior Assistant Registrar of High Court, Deputy Public Prosecutor, Senior Federal Counsel, Chairman of the Cooperative Tribunal and Registrar of High Court. Post-retirement, Dato' Haji Mohd Yazid continues to serve as a court of Appeal Judge of the Terengganu Syariah Courts. In Jan 2025, Dato' Haji Mohd Yazid was appointed as Ahli Dewan Pangkuan DiRaja Terengganu (the supporter of the State)/member of Royal Advisory Council to the Sultan of Terengganu. He offers broad range of legal services including counsel work, advisory and strategies.

He is also an Independent Non-Executive Chairman of Bioalpha Holdings Berhad.

Notes:

None of the Directors:-
(a) have any family relationship with each other and/or any major shareholders of the Company;
(b) has conflict of interest with the Company;
(c) have been convicted of any offences (other than traffic offences) within the past five (5) years; and
(d) were publicly sanctioned or imposed with penalty by the regulatory bodies for FPE 2025.

Senior **Management's Profile**
Cont'd

DATO' NGU SING HIENG
Chief Executive Officer,
T & J Engineering Sdn. Bhd.

Dato' Ngu Sing Hieng ("**Dato' Thomas**"), aged 63, Male Malaysian, joined HCB in 7 March 2023 and he possess more than 30 years of experience in the telecommunications industry. Dato' Thomas obtained his Bachelor of Engineering in Electrical Engineering from the University of New South Wales, Australia in 1987.

Upon graduation, he commenced his career in 1988 at Skypage Communications, Australia as a Programmer and Unix System Administrator where he was responsible for installation, configuration and maintenance of the company's UNIX servers and systems. In 1989, he left Skypage Communications to join Answer Services (NZ) Ltd, New Zealand as a System Engineer, where he was tasked with developing and maintaining the company's radio paging network. In 1995, he left Answer Services (NZ) Ltd and returned to Malaysia to join Hager Elektronik Sdn. Bhd. as General Manager, where he was responsible for overseeing the company's operations, finances and business expansion activities. In 2000, he left Hager Elektronik Sdn. Bhd. and was appointed as a director of Tennas Komunikasi Indah Sdn. Bhd. where he was responsible for overseeing the business operations of the company. He ceased to be a director in Tennas Komunikasi Indah Sdn. Bhd. in 2004. In 2001, he co-founded Instacom Engineering Sdn. Bhd. with Dato' Wong Say Khim and was concurrently appointed as director, where he oversaw construction projects of over 1,000 base stations for various telecommunications service providers.

Pursuant to a reverse takeover exercise by Instacom Engineering Sdn. Bhd. on an ACE Market listed company, I-Power Berhad (currently known as Vinvest Capital Holdings Berhad) in 2012, he was appointed as an Executive Director of I-Power Berhad. He resigned on 4 February 2015 and divested all his shares in I-Power Berhad in the same year.

In 2015, he co-founded T & J Engineering Sdn. Bhd. with Dato' Wong Say Khim and was concurrently appointed as a director, a position he continues to hold until to-date. He has been involved in planning, managing and overseeing the implementation of various telecommunications infrastructure projects in Johor and Sarawak.

YUSREE PUTRA BIN ALIAS
Chief Executive Officer,
Opcom Engineering Services Sdn. Bhd.
Chief Operating Officer,
Opcom Cables Sdn. Bhd.

Yusree Putra Bin Alias, aged 56, Male Malaysian, joined the Group in April 1997. He obtained his Diploma in Electrical Engineering (Electronics) from Universiti Teknologi MARA (UiTM) in 1993.

He started his career in Marconi (M) Sdn Bhd and joined the Group in April 1997 as a Project Manager. Since 2000, he has been responsible for the sales and marketing of the Group's fibre optic cable products. He was appointed as Vice President in 2010 and subsequently as Chief Operating Officer of Opcom Cables Sdn Bhd in 2014. In 2017, he was appointed as the Chief Executive Officer of Opcom Engineering Services Sdn Bhd, Acting Co-Chief Executive Officer of Opcom Holdings Berhad in the period of 2019 and 2020. Presently, he is the Chief Operating Officer cum Director of Opcom Cables Sdn Bhd, Chief Executive Officer cum Director of Opcom Engineering Services Sdn Bhd
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Senior **Management's Profile**

Cont'd

FONG WAI YI
Chief Financial Officer
of HCB Group

Fong Wai Yi, aged 46, a female Malaysian, was appointed as the Chief Financial Officer of the Group on 1 July 2025. She is a member of Malaysian Institute of Accountants (MIA) and a fellow member of Association of Chartered Certified Accountant (ACCA).

She has more than 20 years of experience in finance, accounting, treasury management, financial advisory, audit, tax as well as various types of corporate exercises in Malaysia and Singapore.

In 2002, she began her professional journey as an Audit Associate and later advanced to the role of Senior Audit Manager in Crowe Malaysia PLT (then known as Crowe Horwath). During her tenure, she was involved in audits of both public listed and private companies for a wide range of industries. She was also involved in engagements as the reporting accountants for corporate exercises undertaken by companies going for initial public offering.

In 2012, she was appointed as Financial Controller at a company listed in Singapore Exchange Securities, where she oversaw the group's financial management and reporting matters. Since then, she held several top finance positions in private, public and multinational companies, where she gained her experience in financial accounting, treasury management, tax planning, compliance, strategic planning and budgeting. She also played a key role in building teams, improving operational capabilities and implementing systems to align business goals while upholding governance and compliance standards. In 2025, she subsequently joined the Group as her current position.

Notes:

None of the Key Senior Management:-

(a) Holds directorships in public companies and listed issuers;
(b) have any family relationship with each other and/or any major shareholders of the Company;
(c) has conflict of interest with the Company;
(d) have been convicted of any offences (other than traffic offences) within the past five (5) years; and
(e) were publicly sanctioned or imposed with penalty by the regulatory bodies for FPE 2025.

SUSTAINABILITY STATEMENT

About This Statement

The Board is pleased to present Sustainability Statement ("Statement") of HCB and HCB Group for the FPE 2025. This Statement describes our strategic approach to sustainability in view of the Economic, Environmental, Social and Governance ("EESG") framework.

Reporting Framework

The Statement complies to AMLR of Bursa Securities and Bursa Securities Sustainability Reporting Guide (3rd Edition). We have also referred to the United Nations Sustainable Development Goals("**UNSDG**") in mapping our Group's material sustainability matters and developing the Group's sustainability strategies.

Scope and Boundary

This Statement outlines the Group's sustainability efforts and performance for the reporting period from 1 October 2024 to 31 December 2025.

We have adopted the control approach to define the scope of this Statement, covering only operations where the Group has direct control. This includes our operations in manufacturing, engineering services and trading, telecommunication network infrastructure solutions, construction, and financial solutions. All the Group's operations are operated locally, within Malaysia.

This Statement does not account for operations where we own an interest but do not exercise control. To clarify, this Statement excludes operations of associates, namely Binasat Communication Berhad and Transgrid Ventures Sdn. Bhd., as they fall outside the Group's operational control during this reporting period.

Sustainability **Statement**
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Sustainability Commitment

The Group is committed to achieve Net Zero Carbon Emissions by 2050 that aligned with the Malaysia's national aspirations. We strive to minimise the impact of our operations on the planet, and at the same time contribute to an equitable society.

At HCB Group, we recognize the importance of setting measurable performance targets to drive our sustainability efforts. While we are currently in the process of establishing specific targets across key areas, we have been continuously monitoring and collecting data since FYE 2024. This proactive approach provides a robust foundation for tracking progress and driving meaningful improvements as we work toward our long-term goals.

Sustainability Governance

The Company's Board serves as the custodian of sustainability governance at HCB, providing strategic oversight and high-level direction for sustainability initiatives. Our corporate governance framework integrates and embeds sustainability across all key aspects of our business operations, ensuring that it remains a core focus in decision-making and engagement.

Currently, operational oversight and day-to-day management of sustainability initiatives is managed by the key management team, which works collaboratively with various departments to ensure alignment with the corporate strategy and stakeholder expectations. These departments include operations, procurement, compliance and human resource.

Commitment to Stakeholder Engagement

Stakeholders play an important role in a company's business. Engagement with stakeholders serves a broad purpose focusing on inclusiveness, responsiveness and building continuous relationships. We strive to maintain strong relationships with our stakeholders and keep noticed of their concerns in relation to material matters.

In line with this, we actively engage with our key stakeholders on regular basis via various forms of communication to keep informed of their views and perspectives of our sustainable practices.

The following summary showcases our engagement efforts with key stakeholders during the year under review:-

Stakeholders	Stakeholders' Concerns/Material Matters	Engagement Methods
Shareholders/Investors	• Share price performance • Business growth • Business performance • Return on investment	• General meeting • Reporting and announcement • Corporate website
Government and regulators	• Compliance with laws and regulations • Permits and licenses • Tax compliance • Labour rights • Business ethics and governance	• On-site inspections • Correspondence • Meetings
Customers	• Product quality • Competitive pricing • On-time delivery • Pre and post sales services • Customer satisfaction	• Meetings • Company website • Phone call/email communications

Stakeholders	Stakeholders' Concerns/Material Matters	Engagement Methods
Suppliers	• Long term business relationships • Credit terms and credit limits • Supply chain management	• Meetings • Company website • Phone call/email communications
Employees	• Health and safety • Training and career development • Job security and stability • Competitive remuneration and benefits • Human rights and fair labour practice	• Performance appraisals • Training • In-house mobile application • Memo/newsletter • Company events
Bankers	• Financial performance • Repayment capabilities • Sustainability performance	• Reporting and announcement • Meetings / visits • Media release
Local communities	• Job creation • Environmental impact	• Support local employment • Strict adherence to environmental-related laws and standards
Media	• Business performance • Business strategic plan	• Reporting and announcement • Press release on ongoing initiatives

Materiality Assessment and Approach

Reference made to the Bursa Securities Sustainability Reporting Guide (3rd Edition), the Group has identified sustainability matters that are of the greatest priority to the Group and our stakeholders. HCB Group has considered areas of concern by both internal and external stakeholders when identifying and prioritising material matters.

We have assessed our identified sustainability matters through the materiality assessment approach as follows:-

Identification
- Identify sustainability matters from key stakeholders
- Derive a preliminary list of sustainability matters

Prioritisation
- Undertake stakeholder engagement in prioritisation
- Disclose prioritised material sustainability matters in a manner which illustates the relative importance of each material sustainability matter

Review & validation
- Outcome of materiality assessment subject to validation and approval
- Establish a review process and determine frequency of undertaking material assessment

Sustainability **Statement**

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The impacts of significant sustainability matters are viewed in the context of EESG. This framework guides our strategic decision making and operational practices, ensuring we are not only thriving economically but also contribute positively to our planet and society while upholding the highest standards of corporate governance.

EESG term could be explained as follows:-

ECONOMIC

- An organisation's economic impact on its stakeholders and hence having further impact on economic system at local, national and global level
- It is related to organisation's procurement practices, or community investment

ENVIRONMENTAL

- An organisation's impact on natural resources and ecosystem
- It is related to organisation's usage on water and energy, emissions and waste discharge

SOCIAL

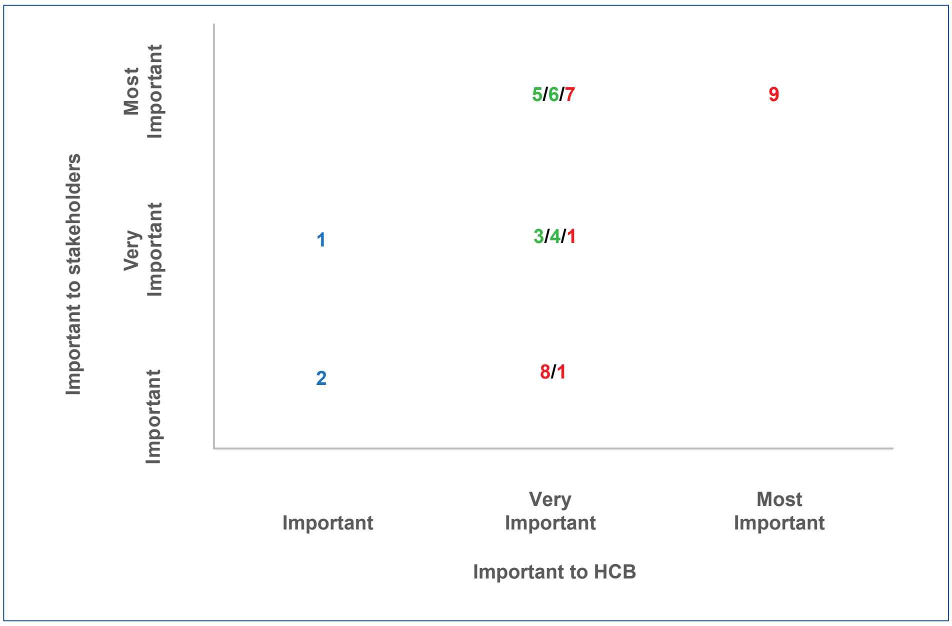
- The impacts of an organisation has on the social system in which it operates
- It is related to the organisations' relationship with communities, employees, consumer, etc

GOVERNANCE

- The procedures in place in the organisation to prevent corruption and promote accountability
- The organisation's adherence to legal and ethical standards across all operations
- Transparency in communication with stakeholders and the public, including financial reporting, corporate disclosure, and stakeholder engagement strategies

The materiality matrix reflects the importance or significance of the sustainability topics to the Group's business operations and to key stakeholders. It must be made clear that a topic deemed significant is not by default an indication that the topic is a high-risk topic for the Group. Neither does it indicate that the Group has an issue in managing the said topic. It is only expression of view that this topic, given the present operating landscape and business context, is likely to be important to sustain value creation, both to the Group and its stakeholders.

Our material sustainability matters have been reflected in materiality matrix as follows:-



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ECONOMIC	ENVIRONMENTAL	SOCIAL
1. Community Contribution 2. Supply Chain Management	3. Energy Management 4. Water Usage 5. Emission Management 6. Waste Management	7. Anti-corruption 8. Diversity 9. Health and Safety 10. Labour Practices and Standards 11. Data Privacy and Security

Risks and Opportunities

In today's world, businesses face a complex landscape where social responsibility and environmental impact are deeply connected to success. This report explores our approach to these interconnected issues, acknowledging potential risks while highlighting the strategic opportunities they create for sustainable growth and stakeholder value.

Materiality	Risk	Opportunity
Community Contribution	• Failing to do so could lead to a negative public perception of HCB, potentially impacting brand image and customer loyalty	• Regular engagements through community impact programs strengthens our relationship with local communities
Supply Chain Management	• Non-compliance with Anti-Bribery and Corruption Policy by suppliers and contractors may cause disruption on supply chain	• Ethical and structured procurement practice reduce costs and keep the Group competitive in the market
Energy & Emission Management	• Non-compliance with environmental/ climate-related regulations may lead to penalties and legal action • Inadequate energy management may cause financial losses • Consumers are increasingly concerned about environmental responsibility. Non-compliance could damage HCB's image as a sustainable and environmentally conscious company.	• Effective mitigation and adaptation strategy ensures business continuity. • Demonstrating a commitment to environmental compliance can strengthen the Group's brand image and attract environmentally conscious customers and investors.
Water Usage	• Poor water management cause wastage and potential scarcity of water resources	• Good water management cause reduction in operational costs and promotes water conservation behaviour
Waste Management	• Improper disposal of hazardous waste cause pollution and may compromise communities' health and safety • HCB's reputation may be damaged	• Reduce, Recycle and Reuse (3Rs) concept adopted can result in cost savings in operations

Sustainability **Statement**

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Materiality	Risk	Opportunity
Anti-Bribery and Corruption	• Corporate liability under Malaysian Anti-Corruption Commission Act • Corrupted environment ruins company's reputations • Challenges in attracting and retaining employees.	• Corruption free environment relates to cost effectiveness
Diversity	• Inequality damage HCB's reputation	• Inclusive and diverse work culture attracts talent and brings a range of viewpoints that enhances the quality of decision making
Occupational Health & Safety	• Accidents and injuries in workplace lead to productivity loss, legal repercussions such as penalties and reputational damage • Employees may feel insecure and loyalty may be deteriorated	• Practising health and safety rules in daily operations support employee retention rate • Zero work-related fatalities improve HCB's reputation amongst employees and attract talents
Labour Practices and Standards	• Non-compliance with labour legislation could result in fines, diminished employee morale, increased staff turnover, and labour disputes • Potentially disrupting operations and affecting organisational performance	• To develop fair labour practices and foster continuous dialogues with employees, creating a resilient workforce
Data Protection & Cyber Security	• Breach of Personal Data Protection Act ("PDPA") leads to penalties, legal action and loss of customers' trust • Loss of record can lead to non-compliance with regulations and more backlog work	• Build trust and confidence in customers, partners and investors by showing a strong commitment to data security

Sustainability **Statement**
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ECONOMIC

COMMUNITY INVESTMENT

At HCB Group, we believe that fostering and supporting mutually beneficial relationships within the communities where we operate promotes greater social inclusion and delivers meaningful, long-term positive outcomes. We are committed to being a responsible corporate citizen by giving back to society, with a particular focus on education and social welfare.

Empowering Youth Through Leadership and Cultural Engagement

4 QUALITY EDUCATION

Holistic youth development extends beyond the classroom, fostering leadership, resilience, and cross-cultural understanding among future generations. As part of our commitment to community development, HCB Group supported the 8th National Camporama organised by the National Royal Rangers of Malaysia, held from 2 to 5 April 2025 at Semenyih Eco Venture Resort.

The event brought together over 680 youths aged 9 to 18 from Malaysia and across the globe, providing a dynamic platform for personal growth and meaningful engagement. Under the theme "Stronger Together," participants took part in a range of structured activities including team challenges, skill-building sessions, and cultural exchanges designed to build confidence, teamwork, and global awareness.

A key highlight was the immersive "City Day," where participants experienced diverse cultures through interactive showcases representing countries such as Brazil, Indonesia, New Zealand, Spain, and South Africa. Through initiatives like this, we aim to nurture well-rounded individuals, equipping them with essential life skills and a broader worldview to thrive in an increasingly interconnected world.

Sustainability **Statement**
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Empowering Future Leaders Through Internship Opportunities

Recognizing the importance of investing in future generations, HCB Group is dedicated to contributing to society by focusing on educational welfare and nurturing future talents. We believe that our efforts will help develop a pool of exceptional individuals who can serve as future leaders not only within organisations but also as contributors to nation-building through education empowerment.

As part of this initiative, we offer internship programs to undergraduate students from various colleges and universities. These programs provide on-the-job training, solid work experience, and valuable opportunities to gain industry knowledge, develop technical skills, and enhance personal capabilities. Interns are also given the chance to explore their interests in relevant fields during their tenure.

In the financial year, we welcomed a total of two interns, providing them with a platform to grow professionally while contributing to our organisation. Through these efforts, we aim to inspire and equip the next generation of leaders with the skills and confidence to succeed.

By investing in education and offering opportunities for growth, HCB Group strives to make a lasting impact on society, building a brighter future for all.

SUPPLY CHAIN MANAGEMENT

Sourcing and procurement

To ensure and maintain the quality of our supplies, we conduct an annual assessment of all suppliers listed in our approved supplier registry. This assessment evaluates key factors such as product quality and delivery lead times. Based on the evaluation results, we make informed decisions about whether to continue or terminate business relationships with individual suppliers, ensuring that our supply chain remains reliable and efficient.

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Our procurement team is also proactive in sourcing new suppliers who can provide better credit terms, higher-quality products or services, and more competitive pricing. This approach not only enhances the value of our supply chain but also expands our pool of qualified suppliers to meet our operational needs effectively.

In addition, we are committed to supporting local economic development by prioritising the sourcing of raw materials locally whenever possible. In FY2025, 96% of our purchases were made locally, underscoring our dedication to fostering domestic economic growth while reducing the environmental impact associated with long-distance transportation.

ENVIRONMENTAL

ENERGY AND EMISSIONS MANAGEMENT

Energy Intensity

In Malaysia, electricity generation predominantly relies on fossil fuels, which emit significant amounts of carbon dioxide, sulfur dioxide, and nitrogen oxides. These are the key contributors to climate change. Therefore, it is crucial for organisations to manage their energy usage effectively to minimise their environmental impact and support a sustainable future. Implementing robust energy management practices not only enhances business sustainability by reducing operational costs through optimized energy use but also helps preserve the planet's finite resources.

Our electricity is mainly dedicated to operating our plant and machinery, which are essential for our production processes. This includes powering equipment and systems necessary for manufacturing and maintaining operational efficiency. Other than that, electricity is used for office operations, supporting daily business activities such as lighting, cooling and running office equipment.

HCB Group strive to manage our resources and energy usage efficiently to reduce the relevant environment impacts. Our approach to monitor energy consumption intensity involves comparing the total electrical usage in kilowatt (kWh) to our production output measured in metric tonnes (MT) for gel and lubricant production, and kilometres (KM) for cables production. The table below shows the electricity consumption and the relevant intensity based on the factories and office premises functions:-

Indicator/FYE		2024	2025
Factories			
1.	**Fiber Optic Cables**		
	Electricity Consumption (kWh)	1,466,140	1,971,753
	Production Output (KM)	1,201	2,200
	Intensity (kWh/KM)	1,221	888
2.	**Thixotropic Gel and Lubricant**		
	Electricity Consumption (kWh)	157,187	122,607
	Production Output (MT)	422	1,080
	Intensity (kWh/MT)	373	114
Office premises			
Electricity Consumption (kWh)		71,487	75,707

Tracking Our Carbon Footprint

Greenhouse gas (GHG) emissions are a critical driver of climate change, as they trap heat in the Earth's atmosphere and contribute to global warming. The Group's GHG emissions primarily consist of carbon dioxide (CO_2), generated from electricity usage, company-owned vehicles, personal vehicles used for business trips, and employees' transportation to the workplace. We diligently track and report our Scope 1, 2 and 3 emissions aligning with Bursa Malaysia's sustainability reporting requirements and Greenhouse Gas Protocol. Utilizing the financial control approach, we account for 100% of GHG emissions where we have the authority to direct financial policies.

Sustainability **Statement**
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Emissions Summary:

Scope 1: Direct emissions from owned or controlled sources. For The Group, Scope 1 emission are mainly generated from fuel usage by company-owned vehicles

Scope 2: Indirect emissions from the consumption of purchased electricity.

Scope 3: Indirect emissions arising from our business travel and employee commuting.

Indicator	GHG Emissions	Unit of Measurement	2024 (MT)	2025 (MT)
Scope 1		Tonnes CO_2e	11.24	15.57
Scope 2		Tonnes CO_2e	1,313.84	1,687.82
- Employee commuting		Tonnes CO_2e	122.19	50.91
- Business Travel (Land)		Tonnes CO_2e	108.03	44.13
- Business Travel (Air)		Tonnes CO_2e	14.41	6.70
- Business Travel (Train)		Tonnes CO_2e	0.03	0.08
Total Scope 3		Tonnes CO_2e	244.46	101.82
Total Scope 2+3		**Tonnes CO_2e**	**1,569.74**	**1,805.21**

WATER MANAGEMENT

Water covers nearly 70% of our planet, yet only a small fraction is fresh water accessible for daily human use. Most of Earth's water is saltwater in oceans, and a significant portion of the limited fresh water is trapped in glaciers and polar ice caps, leaving only a small percentage available for consumption and agriculture.

The growing concern over water scarcity is driven by several critical factors. Water pollution from industrial activities, agricultural runoff, and untreated sewage has compromised the quality of available fresh water. Inefficient water management practices have led to over-extraction and misallocation of resources, worsening shortages in many regions. Climate change further exacerbates the issue by altering precipitation patterns, increasing the frequency and severity of droughts, and impacting the availability and distribution of fresh water.

As these challenges intensify, the need for sustainable water management and conservation becomes increasingly urgent. Addressing water scarcity requires a multifaceted approach, including improving water use efficiency, investing in clean water technologies, and implementing policies to protect and preserve water resources for future generations.

Our Approach

The Group's water consumption primarily arises from operational needs such as cooling systems for injection machines, routine factory cleaning, and office staff usage. To effectively manage and minimise water usage, we are committed to implementing a range of water conservation initiatives.

We actively promote water-saving practices among employees by issuing regular reminders on efficient water use within our premises. These reminders encourage habits such as turning off taps when not in use and using water resources responsibly.

In addition, our administrative team conducts regular inspections and scheduled maintenance of washrooms and pantries to identify and promptly address leaks or inefficiencies. This proactive approach helps prevent water wastage and ensures that all facilities operate optimally.

By combining awareness campaigns with diligent maintenance practices, we aim to reduce our water consumption and uphold sustainable resource management throughout the organisation.

Sustainability **Statement**
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Our water usage during FY2025 as follows:-

Indicator/FYE		2024	2025
Factories			
1.	**Fiber Optic Cables**		
	Water consumption (m^3)	4,987	4,792
	Production output (KM)	1,201	2,220
	Intensity m^3/KM	4.15	2.16
2.	**Thixotropic Gel and Lubricant**		
	Water consumption (m^3)	296	167
	Production output (MT)	422	1080
	Intensity m^3/MT	0.70	0.15
Office premises			
Water consumption (m^3)		886	679

WASTE MANAGEMENT

Improper waste management can result in air and water pollution, soil contamination, and pose health risks to both employees and the local community. To mitigate these impacts, implementing strict waste management measures across all operations is essential.

At HCB Group, we prioritise effective waste management to minimise environmental and community impact. Our operations generate various types of waste, including hazardous waste (scheduled waste), non-hazardous waste, which comprises recyclable and general waste.

During the financial year, the scheduled waste disposed of included spent lubricating oil (SW305); rags, plastics, paper, or filters contaminated with scheduled waste (SW410); discarded containers contaminated with chemicals (SW409); and waste of non-halogenated organic solvents (SW322). These were handled responsibly through registered scheduled waste collectors. In addition, scheduled waste always being strictly managed and monitored by our Occupational Health and Safety Committee.

We strictly practice 3R - reduce, reuse, and recycle in our business operations:-

Reduce: - In our thixotropic gel production plant, we have invested in a squeeze system to minimise oil residue in packaging, effectively reducing raw material wastage. During the financial year, Hexlube Sdn. Bhd. transitioned to lubricant production, where production waste has become nearly zero due to the efficient nature of lubricant manufacturing.

Across the Group, employees are encouraged to adopt eco-friendly printing habits, such as using double-sided printing and recycled paper. Additionally, we have implemented e-signatures for certain approval processes, significantly reducing paper usage while improving operational efficiency.

Reuse: - Plastics and wooden pallets are reused for goods delivery whenever their condition permits. Furthermore, selected customers return used Intermediate Bulk Containers (IBCs) for reuse in subsequent deliveries, reducing environmental impact and promoting sustainable practices.

Recycle: - To minimise landfill waste and generate additional income, we recycle used plastics, including plastic pallets and empty bobbins, by selling them for further processing and reuse.

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The volume of scheduled waste disposed during the financial year as follows:-

Indicator/FYE	2024	2025
Volume of waste disposed (MT)		
Hazardous waste	1.65	2.06

Environmental-friendly Grease

REXLTON™ ESG MULTI-PURPOSE GREASE is an eco-friendly grease made from renewable and biodegradable resources, such as plant-based materials. It is recommended for use in environmentally sensitive areas, particularly near waterways. It offers excellent protection against rust and corrosion and is especially well suited for wet and corrosive environments. This product is designed to protect chassis and other applications, including commercial and agricultural vehicles and heavy-duty equipment.

SOCIAL

ANTI BRIBERY AND CORRUPTION

Anti-Bribery & Corruption Policy and Whistleblowing Policy

At HCB Group, we uphold a zero-tolerance policy against all forms of bribery and corruption, aligned with UNSDG 16.5. This policy encompasses unethical practices such as kickbacks, fraud, money laundering, and facilitation payments. We are committed to maintaining the highest standards of integrity, accountability, and professionalism in our business operations, safeguarding the interests of both our organisation and stakeholders while fostering trust and transparency.

Governance and Oversight

HCB Group is steadfast in conducting business with integrity and good faith. The Integrity Committee which reports directly to the Audit Committee, is tasked with overseeing the implementation and effectiveness of the Anti-Bribery and Corruption ("ABC") Policy.

Employee and Supplier Accountability

To create a culture of integrity, all new employees receive a comprehensive briefing on the ABC and Whistleblowing Policies conducted by the Human Resources team. After the session, employees must acknowledge their understanding and commitment to these policies.

Whistleblowing Mechanism

To strengthen ethical practices, HCB has also established a dedicated whistleblowing channel under the Whistleblowing Policy. This platform enables employees and external stakeholders to confidentially report any misconduct or impropriety via email or telephone. Both the ABC Policy and the Whistleblowing Policy are available on HCB Group's corporate website to ensure accessibility for all stakeholders.

Commitment to Ethical Practices

During the financial year, HCB reported zero incidents of corruption across all business operations of the Group. This reflects our unwavering commitment to ethical business practices and upholding the highest standards of corporate governance.

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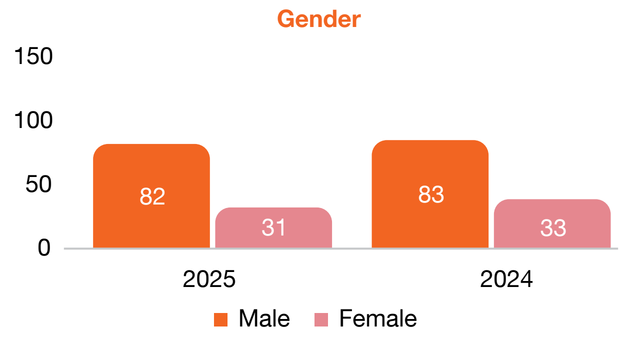
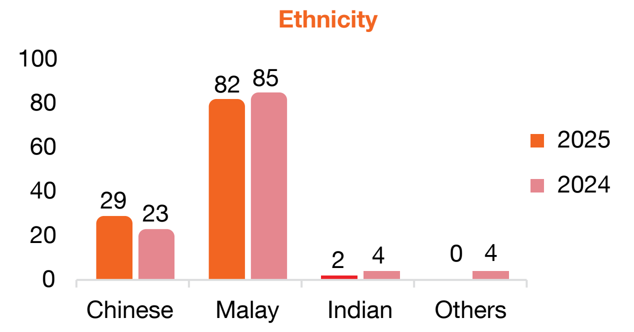
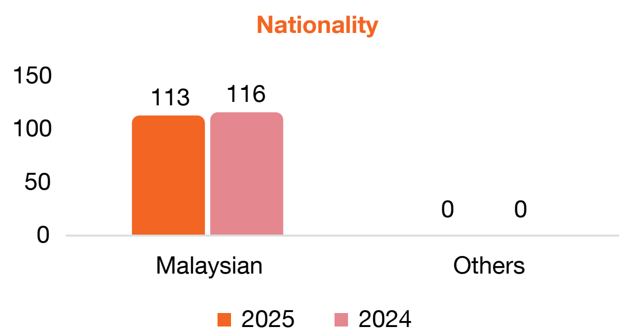
EMPLOYEE MANAGEMENT, EQUALITY AND DIVERSITY

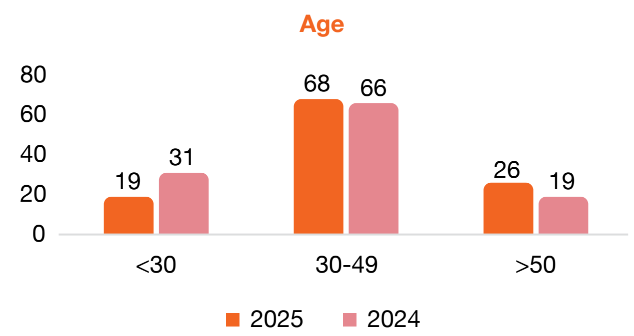
HCB Group is committed to providing equal employment opportunities to all qualified individuals, ensuring fairness and equality across races, ages, and genders. We actively strive to promote and communicate our commitment to equal opportunities by reaching out to a diverse pool of qualified candidates through both internal and external channels.

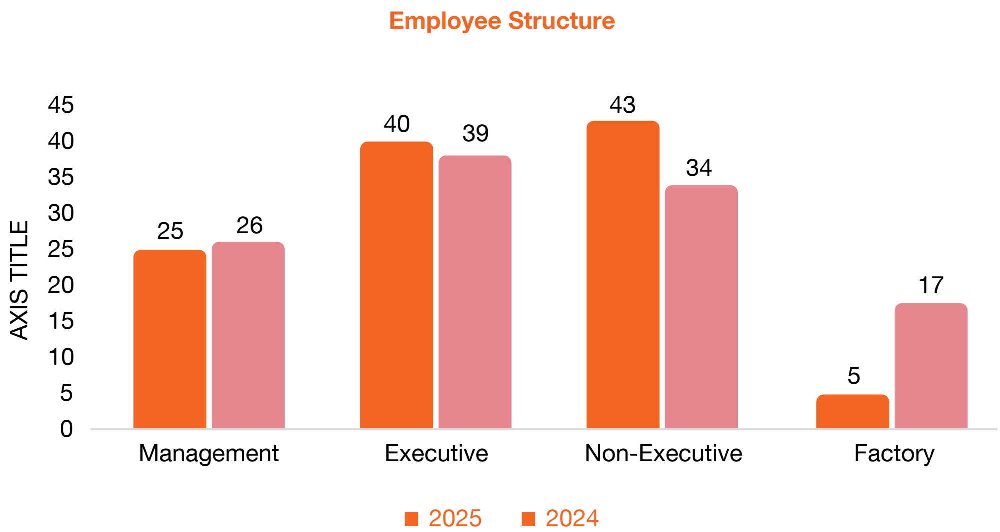
The employee's composition is illustrated as follow:











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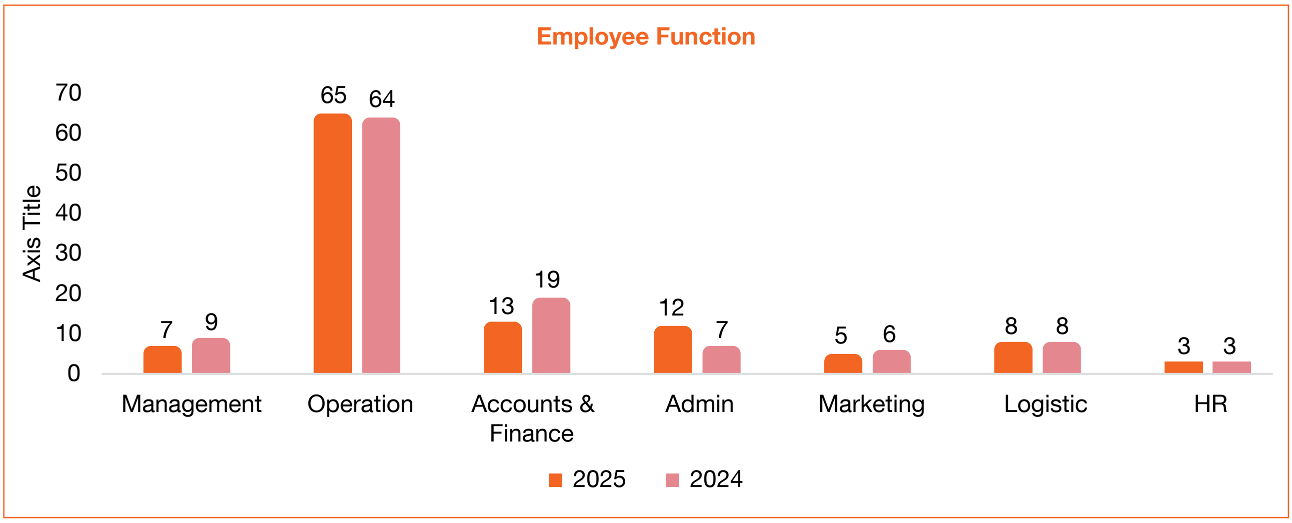

OCCUPATIONAL HEALTH AND SAFETY ("OSH")

At HCB, the health and safety of our employees are our highest priority, as we recognize that their well-being is fundamental to the success and growth of our business. We firmly believe that a company can only reach its full potential when its employees are protected, supported, and valued.

Occupational Health and Safety Committee ("OSH Committee")

To effectively address and manage Occupational Safety and Health (OSH) concerns, we have established a dedicated OSH Committee. This committee ensures that workplace safety and health practices align with regulatory requirements and industry standards.

The OSH Committee is responsible for the following:-

Monitoring Compliance

Ensuring adherence to all relevant safety regulations, including the Occupational Safety and Health Act, through regular audits and reviews of safety policies and procedures.

Hazard Identification, Risk Assessment, Risk Control

Identifying potential hazards and assessing risks within the workplace. The committee conducts evaluations to anticipate and mitigate potential safety issues before they escalate.

Training and Awareness

Coordinating safety training programs and awareness campaigns to keep employees informed about best practices, safety protocols, and emergency procedures.

Incident Management

Investigating workplace incidents and accidents, analysing root causes, and implementing corrective actions to prevent recurrence.

Reporting and Documentation

Maintaining accurate records of safety-related activities, such as incident reports, safety audits, and training sessions, to ensure transparency and compliance.

PERSONAL PROTECTIVE EQUIPMENT ("PPE")

Ensuring that employees are properly equipped with proper PPE is a cornerstone of our safety protocols. PPE is critical for safeguarding employees against workplace hazards. The OSH Committee monitors compliance with PPE usage to maintain a secure work environment.

First-aid Kits

First-aid kits are maintained in accordance with the Occupational Safety and Health Act, ensuring they are strategically placed and fully stocked. Regular inspections and maintenance are conducted to ensure all items are current and functional, with expired or depleted supplies promptly replaced.

Safety Awareness Training

We provide comprehensive safety awareness training to ensure employees are familiar with safety protocols and procedures. Employees are encouraged to promptly report any potential hazards and take proactive measures to prevent harm to themselves and their colleagues.

Pest Control Management and Safety

To safeguard the health and safety of our employees, we maintain a pest control program at our factory and warehouse facilities. Certified pest control providers ensure a pest-free workspace, reinforcing our commitment to a healthy working environment.

Sustainability **Statement**
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Fire Safety Inspections and Maintenance

HCB also conduct quarterly inspections of fire safety systems, including fire alarms, hydrants, hose reels, and the Central Monitoring Station (CMS). Any identified defects are promptly addressed, ensuring all fire protection measures remain fully operational and reliable.

Under our stringent OSH management, we achieved zero-injury working environment during FYE 2025. We are committed to maintaining this record and continuously improving our safety measures to ensure a secure and healthy workplace for all employees.

LABOUR PRACTICES AND STANDARDS

Employee Welfare, Culture and Development

At HCB Group, we are committed to maintaining a sustainable and motivated workforce by fostering a well-balanced workplace that supports employee well-being, professional development, and recognition of achievements. To ensure our employees feel valued and supported, we offer a range of benefits tailored to their respective job grades and/or years of service, including:-

Annual Leave	Marriage leave	Compassionate leave
Paternity leave	Calamity leave	Prolonged illness leave
Maternity leave	Group medical card policy	Medical leave and medical fee claim for dependents

Performance Evaluation and Recognition

HCB Group conducts annual performance evaluations to assess employees' achievements against established KPIs. This appraisal process ensures that employees are recognized for their contributions and rewarded based on their success in meeting or exceeding these KPIs. By linking rewards to performance, we promote a culture of accountability and continuous improvement while motivating employees to excel in their roles and align their efforts with the organisation's strategic objectives.

Professional Development and Membership Support

To encourage continuous learning and professional growth, we sponsor memberships in relevant professional organisations. Employees affiliated with accredited professional bodies or associations aligned with the Group's business focus are eligible for reimbursement of their annual membership fees. This initiative not only supports skill enhancement but also helps employees stay informed and well-connected within their fields.

Organisational Culture and Core Values

A motivated and engaged workforce is the foundation of a positive organisational culture. At HCB Group, our operations are guided by our core values, which foster a collaborative and innovative environment while driving individual and collective success. These core values include H-umility, E-xcellence, X-factor, T-rustworthy, A-daptability, and R-esponsibility. By embedding these values into our organisational culture, HCB Group fosters a workplace that encourages collaboration, innovation, and a shared commitment to success, empowering employees to excel and contribute meaningfully to the Group's goals.

Employee Training and Development

In addition to providing motivational support, we recognise that ongoing training and development are crucial for employees to refine their skills and boost their competencies. To facilitate this, we offer a range of training opportunities for current employees, including both external courses and internal on-the-job training. External training programs are selected based on recommendations from the respective Heads of Departments, who assess the specific needs of their teams and the relevance to employees' roles.

Training Program Attended	Date
Working at Height & Fall Prevention at Workplace	May 2025
Navigating the USEC and Class Regulation: Key Insights for Compliance	June 2025
Safety Matters: Navigating Regulation, Strengthening Compliance	June 2025
Hearing Conservation Administrator	June 2025
Ergonomic Training	July 2025
Integrated Management System (IMS) ISO Training	July 2025
Employment Act Training	July 2025
Environmental Quality Act 1974	July 2025
Effective Emergency Response Strategies	July 2025
2025 Occupational Health & Safety Guide: Seating and Standing Workstation	August 2025
CE20 Sistem Bekalan Air	September 2025

EVENTS AND ACTIVITIES

Bonding activities are strategic investment in fostering a collaborative and high-performing workplace. These initiatives enhance team effectiveness, improve communication, and strengthen alignment with organisational goals, creating an environment where employees feel valued, engaged, and motivated to contribute their best.

To promote teamwork, boost morale, and encourage a sense of camaraderie, we organise a variety of bonding events and activities for our employees. These initiatives not only improve workplace relationships but also create opportunities for employees to connect on a personal level, fostering a positive and supportive organisational culture.

Recognising the vital role that physical activity and well-being play in shaping healthy and vibrant communities, we also prioritise initiatives that encourage active lifestyles. By promoting sports activities and organising well-being events, we aim to empower individuals of all ages to lead active, fulfilling lives. These activities are a reflection of our commitment to holistic employee development and the cultivation of energetic and resilient communities.

Hextar Capital Berhad Gathering (Celebrating CNY & Ramadhan 2025)

On 26 February 2025, HCB organised the Hextar Capital Berhad Gathering in celebration of Chinese New Year and Ramadan 2025. The event brought together employees across the Group, fostering unity, inclusiveness, and mutual appreciation among colleagues from diverse backgrounds. Through this gathering, we reinforced a strong sense of community and camaraderie while celebrating cultural traditions in a warm and engaging environment. Overall, the event strengthened employee engagement and promoted a cohesive workplace culture.

Hextar Group Career Fair at Mid Valley Exhibition

On 12 April 2025, HCB took part in the MCTF Malaysia Career & Training Fair at Mid Valley Exhibition Centre. We had the opportunity to engage with a diverse pool of candidates, discuss job openings, and display our company culture and values. The event allowed us to interact with enthusiastic job seekers, answer their questions, and assess their fit for our open positions in a dynamic and face-to-face setting. Overall, it was a valuable experience that helped us connect with potential hires and strengthen our talent pipeline.

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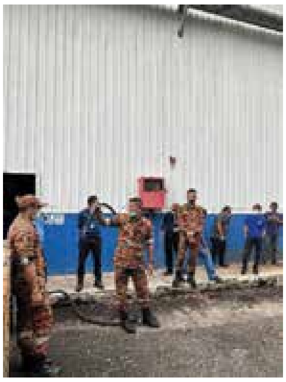
Cont'd

Hextar Group Career Fair at MITEC

On 27 April 2025, HCB participated in MyCareerFair 2025 at MITEC Kuala Lumpur. We engaged with a wide range of job seekers, providing insights into career opportunities within the Group while highlighting our organisational culture and values. The event served as a valuable platform to connect with aspiring talents, address their queries, and evaluate their suitability for available roles through direct interaction. Overall, the participation strengthened our recruitment outreach and enhanced our ability to build a robust and future-ready talent pipeline.

Fire Drill

On 3 July 2025, HCB organised an internal Response Training and Fire Drill at our Shah Alam factory, focusing on critical safety protocols and effective evacuation strategies. The training aimed to ensure that all staff are well-prepared to respond confidently and efficiently in the event of an emergency. By equipping employees with essential knowledge and practical skills, this initiative reinforces our commitment to workplace safety and preparedness.



Tree Planting Program at the Jeti Ranger mangrove area in Pelabuhan Klang.

On November 15, 2025, HCB proved its commitment to environmental stewardship through a **Tree Planting Program** at the Jeti Ranger mangrove area in Pelabuhan Klang. As a group, a dedicated team of **50 Hextarians** participated in the initiative, directly supporting the Group's **ESG goals** and aligning with the **UN SDGs** to promote biodiversity and climate



Hextar Chairman Cup at Colmare Tropical Resort, Bukit Tinggi Pahang

On 22 November 2025, HCB participated in the Hextar Chairman Cup held at Colmar Tropicale Resort, Bukit Tinggi, Pahang. The event brought together teams across the Group in a spirit of friendly competition, teamwork, and sportsmanship. Through a series of engaging activities and matches, employees had the opportunity to strengthen collaboration, build camaraderie, and foster stronger inter-company relationships. Overall, participation enhanced team cohesion and reinforced a positive and dynamic workplace culture.

DATA PROTECTION AND CYBER SECURITY

In recent years, we have seen the acceleration of various trends revolving around remote working, e-commerce and automation, which has propelled the adoption of digital technologies and infrastructure. However, it has also made data more susceptible to cybersecurity risks. We have a responsibility to manage the growing threat of cyberattacks, including protecting sensitive information of our customers, suppliers, and employees, to prevent any leaks, threats or loss of information.

In compliance to the Malaysia Personal Data Protection Act 2010 (PDPA), HCB implement robust security measures, including firewalls, encryption technologies and access controls, to protect unauthorised access of data. We are committed to reviewing and updating our security protocols to stay ahead of evolving cyber threats.

During FY2025, there were no complaints substantiated concerning breaches in privacy and losses of data.

Sustainability **Statement**
Cont'd

Hextar Capital Berhad
BMLR Transition Period

Date & Time: 2026-04-30_16:36:46
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Energy Management	Usage of electricity	kilowatt-hour (kWh)	75,707	-	No assurance
Emission Management	Scope 1 emission	Tonnes CO2e	15.57	-	No assurance
Emission Management	Scope 2 emission	Tonnes CO2e	1,687.82	-	No assurance
Emission Management	Scope 3 emission	Tonnes CO2e	101.82	-	No assurance
Water Management	Total volume of water used	Cubic Meter	679	-	No assurance
Water Management	Volume of waste disposed	Metric Ton	2.06	-	No assurance
Diversity	Employee by gender -Male	Number of employees	82	-	No assurance
Diversity	Employee by gender -Female	Number of employees	31	-	No assurance
Diversity	Employee by ethnicity -Chinese	Number of employees	29	-	No assurance
Diversity	Employee by ethnicity -Malay	Number of employees	82	-	No assurance
Diversity	Employee by ethnicity -Indian	Number of employees	2	-	No assurance
Diversity	Employee by ethnicity -Others	Number of employees	0	-	No assurance
Diversity	Employee by nationality -Malaysian	Number of employees	113	-	No assurance
Diversity	Employee by nationality -Others	Number of employees	0	-	No assurance
Diversity	Employee by age - below 30	Number of employees	19	-	No assurance
Diversity	Employee by age - between 30 -49	Number of employees	68	-	No assurance

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Page 1 of 2

Hextar Capital Berhad
BMLR Transition Period

Date & Time: 2026-04-30_16:36:46
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Employee by age - 50 and above	Number of employees	26	-	No assurance
Diversity	Employee Structure -Management	Number of employees	25	-	No assurance
Diversity	Employee Structure -Executive	Number of employees	40	-	No assurance
Diversity	Employee Structure -Non-Executive	Number of employees	43	-	No assurance
Diversity	Employee Structure -Factory	Number of employees	5	-	No assurance
Diversity	Employee function -Management	Number of employees	7	-	No assurance
Diversity	Employee function -Operation	Number of employees	65	-	No assurance
Diversity	Employee function -Accounts & Finance	Number of employees	13	-	No assurance
Diversity	Employee function -Admin	Number of employees	12	-	No assurance
Diversity	Employee function -Marketing	Number of employees	5	-	No assurance
Diversity	Employee function -Logistic	Number of employees	8	-	No assurance
Diversity	Employee function -HR	Number of employees	3	-	No assurance

CORPORATE GOVERNANCE **OVERVIEW STATEMENT**

The Board of Directors ("**Board**") of Hextar Capital Berhad and its subsidiaries ("the **Group**") is committed to upholding and embedding sound corporate governance practices across the Group as an integral part of fulfilling its responsibilities to enhance shareholders' value and stakeholder interest.

The Corporate Governance Overview Statement provides and overview of the Group's application of principles and practices outlined in the Malaysian Code on Corporate Governance ("**MCCG**") during the financial period ended 31 December 2025. This statement is prepared in accordance with Rule 15.25 of the ACE Market Listing Requirements Listing Requirements ("**Listing Requirements**") Bursa Malaysia Securities Berhad ("**Bursa Securities**") and should be read together with the Company's Corporate Governance Report ("**CG Report**"), which is available on the Company's website at www.hextarcapital.com.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

PART I - BOARD RESPONSIBILITIES

1.1 Board and Board Committees

The Board is entrusted with overall responsibility for the governance, leadership and internal control of the Group, ensuring that its businesses operate in compliance with applicable laws, regulations, ethical standards and best practices, while setting the Group's strategic direction, overseeing the conduct of its affairs to promote long-term success, and ensuring the implementation of effective internal control and risk management systems.

In discharging its fiduciary duties and responsibilities, the Board is guided by its Board Charter and Code of Conduct of Board ("Code") which outlines the roles, responsibilities and authorities of the Board. The Board also delegates specific responsibilities to the following Board Committees to enhance efficiency and effectiveness:-

(i) Audit Committee ("**AC**");
(ii) Nominating and Remuneration Committee ("**NRC**");
(iii) Risk Management Committee ("**RMC**") and
(iv) Tender Committee ("**TC**").

Each Committee operates in accordance with defined Terms of Reference ("**TOR**") and policies approved by the Board and is empowered to perform their functions and responsibilities. The Board Committees report to the Board on key matters discussed during their respective committee's meeting, presenting recommendations to the Board for consideration and approval.

1.2 The Chairman of the Board

The Board is led by Dato' Mazlin bin Junid, an Independent Non-Executive Chairman who is responsible for ensuring the overall effectiveness of the Board, including providing leadership, effective conduct and instilling good corporate governance practices of the Board, chairing Board and general meetings of shareholders, overseeing the conduct of Board proceedings, ensuring that all relevant matters for the effective management of the Company's business are duly tabled, encourage active participation from all Directors, and liaising with the Executive Director and/or the Company Secretary on the agenda for Board meetings.

The roles of the Board's Chairman and the Managing Director are held by different individuals, each with clearly defined and distinct roles.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.3 Managing / Executive Director

The Managing Director is primarily responsible for overseeing the implementation of the Board's policies and strategies, making key operational decisions, and acting as the bridge between the Board and Management to ensure effective governance. The Managing Director also maintains communication with shareholders and stakeholders, provides leadership by articulating the Company's vision and business strategy to employees, and keeps the Board informed of all significant matters concerning the Group's operations.

Whereas, the Executive Director focuses on the day-to-day management of the Company, driving operational performance, providing strategic guidance and sound business judgment, and ensuring the achievement of immediate performance targets while safeguarding the Company's long-term growth and sustainability.

1.4 Executive and Non-Executive Directors

The roles of Executive and Non-Executive Directors are clearly differentiated, with both having fiduciary duties to shareholders. Executive Directors are directly responsible for the day-to-day management and operations of the business, supported by a core team of senior management who execute and implement the policies and strategies approved by the Board in accordance with the Group's corporate governance, risk management, and internal control framework. In contrast, Non-Executive Directors bring independent judgment, skills, and experience to assess strategic, performance, and resource-related matters presented to the Board, providing objective oversight and guidance.

1.5 Qualified and Competent Company Secretaries

The Board is supported by two (2) Company Secretaries, each experienced and qualified to act under Section 235(2) of the Companies Act 2016 ("**Act**") and holding a Practising Certificate issued by the Companies Commission of Malaysia. All Directors have unrestricted access to the advice and services of the Company Secretaries.

The Company Secretaries play a key role in ensuring the Board's compliance with the Act, Listing Requirements of Bursa Securities, and other relevant laws and regulations. They assist the Board and Board Committees in functioning effectively in accordance with their TOR and best practices, and ensure adherence to existing Board policies and procedures. To discharge their duties effectively, the Company Secretaries regularly participate in training programmes, conferences, seminars, and forums organised by regulatory and professional bodies, keeping them updated on developments in corporate governance and regulatory requirements, thereby enabling them to provide informed and valuable advisory services to the Board.

During the FPE 2025, all Board and Board Committee meetings were properly convened, with accurate and complete records of proceedings and resolutions maintained in the Company's statutory records.

1.6 Meeting of Board and Board Committees

To facilitate the Directors in planning their schedules, an annual meeting calendar is prepared in advance of each year, providing scheduled dates for Board and Board Committee meetings as well as the Annual General Meeting ("**AGM**"). The Company Secretaries also provide the Directors and principal officers with the closed periods for dealings in securities, aligned with the scheduled dates for announcements of the Group's quarterly results.

Notices for Board and Board Committee meetings, together with the relevant meeting papers, are generally circulated to Directors at least seven (7) days prior to the meetings to ensure sufficient time for preparation and informed decision-making. The Board meets at least once every quarter on a scheduled basis, with additional meetings convened as necessary. The Company Secretaries record all proceedings, deliberations, and conclusions of Board meetings, with the minutes subsequently confirmed by the Board at the following meeting and endorsed by the Chairman or the meeting's presiding Chairman as an accurate record.

Corporate Governance **Overview Statement**
Cont'd

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.6 Meeting of Board and Board Committees (Cont'd)

During the FPE 2025, the Board conducted five (5) meetings. The Directors' attendance is detailed in the Profile of the Board of Directors set out in this Annual Report. All Directors serving as at the date of this Statement have complied with the minimum 50% attendance requirement under the Listing Requirements of Bursa Securities. Between scheduled meetings, matters requiring Board approval are addressed through written resolutions circulated to all Directors, with such resolutions subsequently noted at the next quarterly Board meeting.

1.7 Board Charter

The Board Charter formalises the roles, responsibilities, and authorities of the Board, Board Chairman. Managing Director, and the Board Committees, including the Board's authority to delegate certain functions to its Committees and matters reserved exclusively for the Board's decision-making. The Charter is reviewed every three (3) years, or as needed, to remain aligned with evolving regulations and best practices, and to support the Board's effectiveness in providing strong and competent leadership for the Group.

The current Board Charter and the matters reserved for the Board are available for reference on the Company's website at www.hextarcapital.com.

1.8 Code of Conduct of Board

The Company has adopted a Code of Conduct of Board ("**Code**") to enhance the standards of corporate governance and corporate behaviour. The Code aims to establish a standard of ethical conduct for Directors based on trustworthiness and values, as well as to uphold the spirit of responsibility and social accountability in line with the applicable laws, regulations and guidelines governing the administration of the Company.

The Code is published on the Company's website at www.hextarcapital.com.

1.9 Whistle-blowing Policy and Procedures

The Board has established a formal Whistle-Blowing Policy and Procedures which set out the mechanism for employees to raise concerns regarding possible misconduct or irregularities that they may become aware of in the course of their duties or within their respective workplace.

This policy not only covers possible improprieties in matters of financial reporting, but also:-

(i) fraud;
(ii) corruption, bribery or blackmail;
(iii) criminal offences;
(iv) failure to comply with a legal or regulatory obligation;
(v) miscarriage of justice;
(vi) endangerment of an individual's health and safety; and
(vii) concealment of any or a combination of the above.

The policy is reviewed once every three (3) years, or as and when deemed necessary, to ensure that it remains effective, relevant, and aligned with current legislation and regulatory requirements.

The Whistle-Blowing Policy and Procedures is available on the Company's website at www.hextarcapital.com.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART I - BOARD RESPONSIBILITIES (CONT'D)

1.10 Anti-Bribery and Corruption Policy

The purpose of the Anti-Bribery and Corruption Policy ("**ABC Policy**") is to set out the responsibilities of the Group, its directors, officers, and employees to observe and uphold the Group's zero-tolerance stance on bribery and corruption. The Policy ensures that the Group has adequate procedures in place to prevent and detect any acts of bribery or corruption. It provides information and guidance on the standards of conduct expected from employees and those working on behalf of the Company and offers guidance on how to recognise bribery and corruption. The Policy also establishes a safe and confidential channel for employees and members of the public to report any suspected bribery or corruption without fear of reprisal.

The ABC Policy will be reviewed at least once every three (3) years and in accordance with the needs of the Company to ensure that it continues to remain relevant and appropriate. The ABC Policy is made available on the Company's website at www.hextarcapital.com.

1.11 Directors' Fit and Proper Policy

The Board has adopted a Directors' Fit and Proper Policy ("**DFPP**") for the appointment and re-election of Directors for the Group. The DFPP is designed to strengthen the governance of the Group by ensuring that each Director possesses the necessary character, experience, integrity, competence, time, and commitment to effectively discharge their role. The Policy is reviewed every three (3) years, or as and when necessary, to remain aligned with relevant legislative developments and standards.

The fitness and propriety of a Board candidate, or of Directors seeking re-election, will be assessed in accordance with the following key criteria set out in the DFPP:-

(i) Probity, personal and financial integrity and reputation;
(ii) Experience, expertise and Competence; and
(iii) Time and commitment.

A copy of the DDFP is available on the Company's website, www.hextarcapital.com.

1.12 Conflict of Interest Policy

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

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

A copy of the Conflict of Interest Policy is available on the Company's website, www.hextarcapital.com.

1.13 Sustainability Governance

The Group is committed to conduct its business in a responsible and sustainable manner, taking into account environmental, social and economic ("**ESG**") considerations, while complying with all relevant laws and regulations. The Group strives to achieve long-term sustainable balance between meeting its business goals and preserving the environment as it recognises that the sustainability of ecosystems is an integral part of sustaining its long-term business plans. Further details on the Group's sustainability practices are set out in the Sustainability Statement of the Annual Report.

Corporate Governance **Overview Statement**

Cont'd

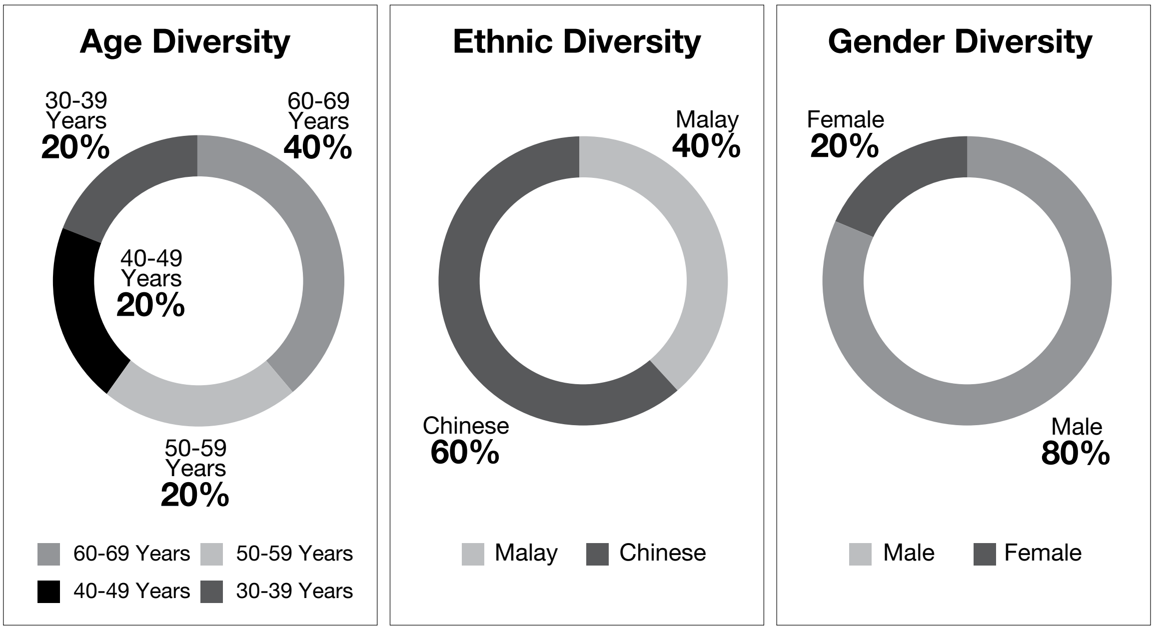
PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION

2.1 Composition and Balance of the Board

The Board comprises five (5) members, including two (2) Executive Directors and three (3) Independent Non-Executive Directors. Thus, the current Board composition complies with Rule 15.02 of the Listing Requirements of Bursa Securities, which requires at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, are Independent Directors and that there is at least one (1) woman Director.

The current board composition is illustrated as below:-



The Board composition is also in line with Practice 5.2 of the MCCG of having at least half of the Board comprising Independent Non-Executive Directors. This well-balanced composition ensures objective deliberations and independent decision-making as well as provide an effective check and balance to safeguard the interest of the minority shareholders and other stakeholders.

2.2 Tenure of Independent Non-Executive Directors

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

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION

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

As of 31 December 2025, none of the Directors served the Board as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years. Based on the assessment carried out during the FPE 2025, the Board is satisfied with the level of independence demonstrated by all the Independent Non-Executive Directors and their abilities to act in the best interests of the Company.

2.3 Appointment and Re-Election to the Board

Appointment to the Board is reviewed by the NRC and is made via a formal and transparent process, premised on meritocracy and taking into account the following key criteria under DFPP:-

(A) Probity, personal and financial integrity and reputation;
(B) Experience, expertise and Competence; and
(C) Time and commitment.

In the case of Independent Directors, the NRC assesses the candidate's ability to bring the element of detached impartiality and objective judgement to the Board deliberation.

During the FPE 2025, there was one (1) new appointment of Director, as recommended by the NRC, as follows:-

Name of Director	Date of Appointment	Designation
Gwi Fei Yi	26 February 2025	Executive Director *(Redesignated from Non-Independent and Non-Executive to Executive Director on 29 August 2025)*

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

The Notice of AGM, included in this Annual Report, discloses the names of the Directors who will retire by rotation at the forthcoming AGM. Further details on these Directors are provided in the Profile of the Board of Directors set out in this Annual Report.

In assessing candidates' eligibility for re-election, the NRC considers their competencies, commitment, contributions, and performance based on the results of their respective performance evaluations, as well as their ability to act in the best interests of the Company. The Board then makes recommendations on the re-election, re-appointment, or continuation in office of any Director for shareholders' approval at the AGM.

The Board continuously reviews its size and composition to ensure its effectiveness. Any potential candidate for Directorship undergoes a thorough review and recommendation by the NRC before being presented to the Board for full deliberation and approval.

2.4 Board Diversity

The Company currently does not have a formal policy specifically dedicated to gender diversity for the Board or Senior Management. However, the Company adheres to the principles of equal opportunity, non-discrimination, and fair employment. The selection criteria for appointment of Directors and Senior Management focus primarily on merit, capability, skills, and experience, while also taking into account diversity in gender, ethnicity, and age to enhance the effectiveness of the Board and Senior Management by attracting the best available talent.

Corporate Governance **Overview Statement**
Cont'd

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION

2.4 Board Diversity (Cont'd)

During the FPE 2025, the Board comprised one (1) female Director out of five (5) members, while the Senior Management team included one (1) female out of three (3) members.

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

The Board has, through the NRC, undertaken a formal and objective annual evaluation to assess the effectiveness of the Board and the Board Committees as a whole and the contribution of each Director, including the independence of the Independent Non-Executive Director, making reference to the guides available and the good corporate governance compliance. The evaluation process was carried out by sending the following customised assessment forms to Directors:-

(i) Board and board committee evaluation;
(ii) Board evaluation questionnaire to ESG or sustainability matters;
(iii) Individual Directors' Evaluation Form;
(iv) Individual Directors' Self and Peer Performance;
(v) Independent Directors' Self-Assessment on independence;
(vi) Evaluation on AC;
(vii) AC members' self and peer evaluation form;
(viii) Evaluation on NRC performance sheet; and
(ix) Evaluation by NRC on AC and its members.

The outcomes of the annual evaluation are summarised and presented to the NRC before reporting the same to the Board for notation. Both the NRC and the Board acknowledge the findings and results and take appropriate action where necessary. The evaluation process is conducted in three (3) stages as follows:-

Stage 1
Assessment Sheets

- Each director completes the assessment sheets distributed by the Company Secretaries.
- Each director undertakes a self-assessment of their individual performance during the financial period based on their criteria of experience, knowledge, participation, judgement, decision making and leadership and competence in understanding their role.

→

Stage 2
Evaluation

- The evaluation includes a review of the administration of the Board and its Committees covering their operations, agendas, reports, and information produced for consideration.

→

Stage 3
Reporting and Discussing with the Board

- Completed assessments will be compiled by Company Secretaries to generate summary report.
- The evaluation process is led by the NRC Chairman, assisted by Company Secretaries.
- Areas of concern for continuous improvements were recommneded to the Board.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART II - BOARD COMPOSITION (CONT'D)

2.6 Attendance of Board

Name of Directors	Attendance
Dato' Mazlin Bin MD Junid	5/5
Chang Kian Seong	5/5
Gwi Fei Yi *(Appointed on 26 February 2025)*	3/3
Er Kian Hong	5/5
Chen Thien Yin *(Resigned on 22 December 2025)*	5/5
Teh Li King *(Retired on 26 February 2025)*	1/1
Ong Soon Lim *(Retired on 26 February 2025)*	1/1

The table above excludes one (1) Independent Non-Executive Director namely, Dato' Haji Mohd Yazid Bin Haji Mustafa, who was appointed on 15 January 2026. All the Directors (save for the newly appointed Independent Non-Executive Director) have complied with the minimum 50% attendance requirement as stipulated in the Listing Requirements of Bursa Securities.

2.7 Training

The Directors continually assess their individual training needs and participate in relevant courses, seminars, conferences, and briefings to enhance their knowledge and competencies, enabling them to effectively discharge their duties and responsibilities. In addition, the Directors remain updated on business and regulatory developments through Board meetings, Committee meetings, and ongoing discussions. Regular updates and briefings on regulatory are also provided during these meetings.

The Board actively encourages and supports its members to undertake appropriate training and professional development programmes to further strengthen their effectiveness in fulfilling their roles as Directors.

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

Name of Directors	Training(s) attended
Dato' Mazlin Bin MD Junid	• UWA creating a safe, inclusive and respectful workplace
Chang Kian Seong	• Mandatory Accreditation Programme (MAP) II
Er Kian Hong	• Malaysia budget 2025 and latest tax developments • Key Amendments to the ACE Market Listing Requirements • The Evolving Financial Industry-Technology Driven Banking and Capital Markets, Fintech Credit and ESG • Unmasking Financial Frauds & Market Manipulation (Information, Transaction & Financial Statement Based) • Essential Fundamentals of Anti Bribery and Corruption
Gwi Fei Yi	• AWS re:Invent re:Cap Malaysia • Mandatory Accreditation Programme (MAP) I & II • AWS Data & AI Day Malaysia • Common Pitfalls in Transactions & RPT Rules

The above table excludes one (1) Independent Non-Executive Director namely, Dato' Haji Mohd Yazid Bin Haji Mustafa, who was appointed on 15 January 2026.

Corporate Governance **Overview Statement**
Cont'd

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION

3.1 NRC

The NRC assists the Board in reviewing the structure, size, and composition of the Board, and provides recommendations on the appointment, retirement, and replacement of Directors. It also oversees remuneration matters to ensure that Directors and senior management are fairly and responsibly rewarded, commensurate with their performance and contributions.

The NRC conducts an annual assessment of the required mix of skills, experience, and core competencies of Non-Executive Directors, as well as the overall effectiveness of the Board, Board Committees, and individual Directors, including Independent Directors. In accordance with the Listing Requirements of Bursa Securities, the NRC also reviews the tenure of the AC and evaluates the performance of the AC and its members on an annual basis. Further details are set out in the NRC Report in this Annual Report.

3.2 Remuneration Policy

The Board has established a formal Remuneration Policy for Directors and Senior Management, which provides a transparent framework for determining remuneration in a manner that supports the Company's business strategy and long-term interests. The Policy is designed to ensure that remuneration is competitive, equitable, and aligned with performance, responsibilities, and market practices, while also promoting value creation for shareholders.

The Policy aims to attract, retain, and reward high-calibre individuals by offering remuneration commensurate with their roles, experience, and contributions, and by linking rewards to both individual and corporate performance. The Board also determines the remuneration packages of Executive Directors, taking into consideration the recommendations of the NRC.

Fees and benefits payable to the Directors are reviewed by the Board and subject to shareholders' approval at the Company's AGM. Directors abstain from deliberations and decisions on matters relating to their own remuneration.

3.3 Remuneration of Directors

The Board determines the remuneration of the Directors based on the recommendations of the NRC. Non-Executive Directors are remunerated by way of fixed annual fees and meeting allowances for their attendance at Board and Board Committee meetings.

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION (CONT'D)

3.3 Remuneration of Directors (Cont'd)

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

(i) The Company

Name of Directors	Company		
	Fees (RM)	Allowance (RM)	Total (RM)
Dato' Mazlin Bin MD Junid	60,000	25,500	85,500
Chang Kian Seong	45,000	9,000	54,000
Gwi Fei Yi *(Appointed on 26 February 2025)*	-	-	-
Er Kian Hong	45,000	20,500	65,500
Chen Thien Yin *(Resigned on 22 December 2025)*	45,000	17,500	62,500
Teh Li King *(Retired on 26 February 2025)*	18,000	3,000	21,000
Ong Soon Lim *(Retired on 26 February 2025)*	18,000	3,000	21,000
Total	**231,000**	**78,500**	**309,500**

(ii) The Group

Name of Directors	Group			
	Fees (RM)	Allowance (RM)	Salary (RM)	Other emoluments (RM)
Dato' Mazlin Bin MD Junid	60,000	25,500	-	-
Chang Kian Seong	52,500	9,000	858,000	113,280
Gwi Fei Yi *(Appointed on 26 February 2025)*	-	-	300,000	87,800
Er Kian Hong	45,000	20,500	-	-
Chen Thien Yin *(Resigned on 22 December 2025)*	45,000	17,500	-	-
Teh Li King *(Retired on 26 February 2025)*	18,000	3,000	-	-
Ong Soon Lim *(Retired on 26 February 2025)*	18,000	3,000	-	-

The table above excludes one (1) Independent Non-Executive Director namely, Dato' Haji Mohd Yazid Bin Haji Mustafa, who was appointed on 15 January 2026.

Detailed disclosure on name basis of the nature and amount of each major element of the remuneration of Directors of the Company during the FPE 2025 also disclosed in the Corporate Governance Report, which can be downloaded from the Company's corporate website at www.hextarcapital.com or Bursa Securities' website.

Corporate Governance **Overview Statement**
Cont'd

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

PART III – REMUNERATION (CONT'D)

3.4 Remuneration of Senior Management

The remuneration of Senior Management during the financial period is as follows:

RANGE OF REMUNERATION	NUMBER OF SENIOR MANAGEMENTS
Below RM400,000	1
RM400,001 – RM500,000	-
RM500,001 – RM600,000	1
RM600,001 – RM700,000	1

The NRC aims to ensure that the KSM's remuneration packages align with their individual roles, capabilities, professionalism, skills, expertise and contributions to the Group. Given the industry's competitive landscape, the Board remains committed to safeguarding the security and confidentiality of KSM's remuneration details to protect the Company's best interests.

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – AUDIT COMMITTEE

4.1 Effective and Independent AC

During FPE 2025, the Company has in place an AC which comprises solely three (3) Independent Non-Executive Directors. The AC is chaired by Ms.Er Kian Hong, an Independent Non-Executive Director, distinct from the Chairman of the Board, and the majority of its members are financially literate, with the Chairperson is a member of the Certified Practising Accountants ("**CPA**"), Australia.

The AC assists the Board in overseeing financial reporting processes, ensuring the integrity of financial statements, reviewing related party transactions and conflict of interest situations, and evaluating the adequacy and effectiveness of the Group's internal control and internal audit functions. Currently, none of the existing AC members have previously served as key audit partners involved in auditing the Group.

The term of office and performance of the AC and its members are reviewed annually by the NRC to ensure that they have effectively discharged their duties in accordance with TOR.

4.2 External Auditors

The AC maintains a formal and transparent relationship with the External Auditors, who are granted direct access to the AC. This enables the External Auditors communicate independently and draw attention to matters requiring the Board's consideration particularly in relation to the integrity of the financials statements, compliance with applicable accounting standards and relevant regulatory requirements.

The AC assists the Board in overseeing the objectivity, independence and effectiveness of the External Auditors in accordance to the Evaluation and Appointment of External Auditors Policy.

The AC conducts an annual evaluation of the External Auditors based on four (4) key areas:-
(i) quality of service;
(ii) sufficiency of resources;
(iii) communication and interaction; and
(iv) independence, objectivity, and professional scepticism.

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

PART I – AUDIT COMMITTEE (CONT'D)

4.2 External Auditors (Cont'd)

As part of its annual assessment, the AC received written assurance from the External Auditors confirming their independence in accordance with relevant professional and regulatory requirements. The AC is satisfied with the performance, suitability and independence of the External Auditors of the Company and recommended their re-appointment to the Board for shareholders' approval at the forthcoming AGM.

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

5.1 Risk Management and Internal Control Framework

The Board has established a structured risk management and internal control framework as an ongoing process to identify, evaluate, monitor, and manage significant risks that may affect the achievement of the Group's business objectives. While the Board retains overall responsibility for maintaining a sound risk management and internal control system, the Board has delegated the review of its adequacy and effectiveness to the Risk Management Committee ("**RMC**"), which reports directly to the AC. This framework provides the Board with reasonable assurance that risks are appropriately identified, assessed, and managed in pursuit of the Group's objectives.

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

5.2 Tender Committee

The Tender Committee ("**TC**") of the Board is responsible to review the Group's procurement activities and commitment to undertake major business ventures with third parties. For procurement activities, TC examines the recommendation from the management team for expenditure or investment activities that require Board approvals.

The Committee also assesses the business transactions including the nature of the transaction, risks associated and the risk-reward considerations of the proposed transaction.

5.3 Internal Control

To ensure the robustness and effectiveness of the Group's risk management and internal control system, the Board has outsourced the internal audit function to an independent professional firm, Wensen Consulting Asia (M) Sdn. Bhd. ("Wensen" or "Internal Auditors"). This strategic approach reinforces objectivity, with the Internal Auditors reporting directly to the AC. To safeguard their independence, the AC has obtained a written declaration from Wensen, confirming the absence of any relationships or conflicts of interest that could compromise their impartiality

Upon completing each quarterly audit review, the Internal Auditor presents a detailed report to the AC during scheduled meetings. This report highlights identified weaknesses, areas for improvement, root-cause analyses and recommended measures to enhance operational efficiency. The Management acknowledges the audit findings and implements corrective action plans within the stipulated timeframe. Follow-up reviews are conducted to assess the effectiveness of these measures, ensuring continuous improvement in the Group's risk management and internal control framework.

Corporate Governance **Overview Statement**
Cont'd

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

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

5.3 Internal Control (Cont'd)

Further details on the Group's internal control system and framework are provided in the Statement on Risk Management and Internal Control and/or the AC Report in this Annual Report.

5.4 Financial Reporting

The Board strives to provide a fair, balanced, and meaningful assessment of the Group and the Company's financial performance and prospects. This is primarily achieved through the announcement of quarterly financial results to Bursa Securities and the circulation of the Annual Report to shareholders. The AC supports the Board by reviewing all financial information to ensure its completeness, accuracy, and adequacy prior to release.

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

PART I – COMMUNICATION WITH STAKEHOLDERS

6.1 Communication and Engagement with Shareholders

The Company is committed to maintaining effective, timely and transparent communication with shareholders and stakeholders. The Company strictly adheres to Bursa Securities' disclosure framework and listing requirements, ensuring the prompt dissemination of accurate and comprehensive information to facilitate shareholders' well-informed investment decisions.

The Company utilised various channels and platforms for information disclosure, including:

(i) Company's website, www.hextarcapital.com;
(ii) Announcements made to Bursa Securities;
(iii) AGM;
(iv) Annual Reports; and
(v) Email and face-to-face communications.

While the Company endeavours to provide comprehensive information, it remains mindful of legal and regulatory requirements governing the disclosure of material and price-sensitive information.

PART II – CONDUCT OF GENERAL MEETINGS

The AGM serves as the principal forum for shareholders to engage with the Board, seek clarifications on the Company's business and reports, and vote on all resolutions.

In line with the MCCG, the notice for the 29th AGM was issued at least twenty-eight (28) days prior to the meeting. Shareholders, corporate representatives, and proxies participated via the remote participation and voting facilities provided by the appointed vendor. The AGM was conducted virtually through live streaming from the Company's conference room, with all Directors in attendance. Shareholders and their proxies were invited to pose questions, including those submitted in advance by the Minority Shareholders Watch Group, and the Board endeavoured to provide clear and meaningful responses during the session.

All questions and responses were documented in the minutes, which, along with the list of questions and answers, have been uploaded to the Company's website. All resolutions were voted by poll, with votes validated by an independent scrutineer. The outcomes of all resolutions were announced to Bursa Securities on the same day.

COMPLIANCE STATEMENT

The Group has consistently upheld corporate governance principles and practices in all material aspects, in line with the MCCG and the relevant chapters of the Listing Requirements on corporate governance, except for the departures outlined in the Company's Corporate Governance Report. The Board remains committed to maintaining strong corporate governance by continuously embracing the principles and best practices outlined in the MCCG and other relevant laws, as appropriate and applicable.

This Statement is approved by the Board on 22 April 2026.

AUDIT COMMITTEE **REPORT**

Pursuant to Rule 15.15 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (**"AMLR"**), the Board is pleased to present the Audit Committee (**"AC"**) Report which lays out the AC's functions and activities held for the financial period ended 2025 (**"FPE 2025"**). The AC has carried out their roles and responsibilities according to the Terms of Reference ("TOR") which is available on the Company's website at *www.hextarcapital.com*.

AC COMPOSITION

The Company complies with Rule 15.09(1)(a) and (b) of the AMLR and adopts Practice 9.4 of the Malaysian Code of Corporate Governance ("MCCG") with the AC comprises three (3) Independent Non-Executive Directors and no alternate director is appointed as a member of the AC.

The members of the AC and their respective designations are as follows:-

Names	Designation
Er Kian Hong	*Chairperson, Independent Non-Executive Director*
Dato' Mazlin Bin Md Junid	*Member, Independent Non-Executive Director*
Dato' Haji Mohd Yazid Bin Haji Mustafa *(Appointed on 15 January 2026)*	*Member, Independent Non-Executive Director*
Chen Thien Yin *(Resigned on 22 December 2025)*	*Member, Independent Non-Executive Director*

The Company complies with Rule 15.09(1)(c)(ii) of AMLR wherein, the AC is chaired by Ms. Er Kian Hong who is a member of the Certified Practising Accountants (**"CPA"**), Australia.

MEETINGS AND ATTENDANCES

The AC held five (5) meetings during the FPE 2025, and the meeting attendance of each member of AC were as follows:-

Names	Meetings Attendance
Er Kian Hong	5/5
Dato' Mazlin Bin Md Junid	5/5
Dato' Haji Mohd Yazid Bin Haji Mustafa *(Appointed on 15 January 2026)*	N/A
Chen Thien Yin *(Resigned on 22 December 2025)*	5/5

At the invitation of the AC, the Executive Directors, relevant Senior Management personnel, external and internal auditors attended the AC meetings to provide clarifications on matters discussed, updated on financial performance and Group's operations. Minutes of each meeting were recorded and tabled for confirmation at the next AC meeting and subsequently to the Board for notation.

SUMMARY OF ACTIVITIES OF THE AUDIT COMMIITTEE

During the FPE 2025, the AC discharged its functions and carried out its duties as set out in its TOR. The summary of key activities undertaken by the AC during the financial period is provided below:-

(a) Financial Reporting

- Reviewed and deliberated the unaudited quarterly financial results and annual audited financial statements of HCB Group and the Company, including related announcements, compliance and/or change in accounting policies and practices, significant adjustments arising from the audit and compliance with accounting standards and other legal requirements where explanations and clarifications are reported by the Management to the AC before recommending to the Board for approval and release of the announcements to Bursa Securities;
- Considered and recommended the change of the financial year end of the Group from 30 September to 31 December;
- Conducted a biannual review of the Risk Management Committee Report, before reporting it for the Board's information; and
- Reviewed and discussed the changes in law and regulations and regulatory updates relating to HCB Group's businesses.

(b) External Audit

- Discussed and reviewed the External Auditors' Audit Planning Memorandum for the FPE 2025 outlining their engagement and reporting requirements, audit approach, materiality levels, areas of audit emphasis, enquiries to the AC, provision of non-assurance services, Malaysian Financial Reporting Standards updates, reporting deliverables and proposed audit fees;
- Reviewed the External Auditors' findings arising from audits, particularly comments and management's responses towards the management's issues and their actions to resolve them;
- Reviewed the audit progress, results of the final audit, audit report and assistance or responses given by the management with the External Auditors;
- Reviewed with the External Auditors, their evaluation of the system of internal control;
- Reviewed and undertook annual assessment of the suitability, objectivity and independence of External Auditors;
- Discussed and reviewed with the External Auditors the applicability and the impact of the new accounting standards and new financial reporting regime issued by the Malaysian Accounting Standards Board;
- Evaluated the performance and effectiveness of the External Auditors in the provision of statutory audit services and recommend to the Board for approval on their re-appointment and proposed annual audit fees; and
- Private Discussion with the External Auditors, without the presence of all Executive Directors and Senior Management personnel.

(c) Internal Audit

- Reviewed and assessed the adequacy of the annual scopes, plans and functions of the internal audit for HCB Group; and
- Reviewed the internal audit reports which outlined the audit findings, key risks, preventive control recommendations, Management's responses as well as corrective actions and implementation timeframe towards remediating areas of weakness. The internal Auditors also provided the AC with updates on the status of previous audit findings to ensure that identified weaknesses were appropriately addressed.

(d) Related party transactions ("RPT") and/or recurrent related party transactions ("RRPT")

- Reviewed, on a quarterly basis, the RRPT entered into by the Company and/or its subsidiaries with related parties to ensure that HCB Group's internal policies and procedures governing RRPTs are adhered to, the terms of the shareholders' mandate are not contravened, and disclosure requirements of AMLR are observed;
- Reviewed the Circular to Shareholders in relation to proposed renewal and new shareholders' mandate for RRPTs and recommended it to the Board for shareholders' approval.

Audit Committee **Report**

Cont'd

SUMMARY OF ACTIVITIES OF THE AUDIT COMMIITTEE (CONT'D)

(e) RPT and Conflict of Interest

- Reviewed the RPT entered into by the Company and/or its subsidiaries with related parties to ensure that the transactions were in the best interest of the Company, fair, reasonable and on normal commercial terms; and was not detrimental to the interest of the Company and the minority shareholders, prior to its recommendation to the Board for approval;
- Reviewed if there are any conflicts of interest situation that may arise within the Company or the Group at every quarterly AC and Board meetings and concluded that no conflict was identified required the AC's examination and implementation of specific mitigation measures, except for the RRPTs.
- During FPE 2025, the AC has ensure that all RPT were conducted at arm's length and under normal commercial terms with proper disclosure.

(f) Annual Report

Reviewed the Corporate Governance ("CG") Report, CG Overview Statement, AC Report, Sustainability Statement, Management Discussion and Analysis, and Statement on Risk Management and Internal Control, before seeking approval from the Board for inclusion in the Annual Report of the Company.

INTERNAL AUDIT FUNCTION

The Internal Auditors of HCB Group during the FPE 2025 was outsourced to Wensen Consulting Asia (M) Sdn. Bhd. (**"WENSEN"**), who reports directly to the AC. WENSEN assisted the Board through the AC in maintaining a sound system of internal controls and ensures that established policies and procedures are adhered to and continue to be effective and satisfactory.

WENSEN has conducted on-going reviews of the adequacy and effectiveness of the internal control systems, compliance with established policies and regulations and means of safeguarding assets of HCB Group. On a quarterly basis, internal audit findings and the internal follow-up review reports are submitted for review and approval by the AC. The reports contain suggested actions for addressing any identified risks or weaknesses, which are recommended to be implemented by the management. Certain internal control weaknesses were identified during the financial period under review, all of which have either been addressed or are currently being attended by the management. None of these weaknesses has resulted in any material loss that would require disclosure in HCB Group's financial statements.

WENSEN conducted a follow-up audit during the financial period to assess the progress of the implementation and improvement measures taken to address the identified internal control weaknesses previously highlighted.

The business processes reviews conducted during the financial period are as follows:-

- Fixed Assets Management;
- Procurement to payment management;
- Sustainability Reporting Process; and
- Project Management.

The total costs incurred for the internal audit function for the FPE 2025 was RM52,000.

None of the internal audit personnel has any relationships or conflict of interest that could impair their objectivity and independence will performing their internal audit duties. Accordingly, the AC is satisfied that the independence of the internal audit function has been maintained as adequate safeguards are in place. WENSEN has performed its audit assignments with impartiality, proficiency and due professional care.

NOMINATING AND REMUNERATION **COMMITTEE REPORT**

COMPOSITION

The Nominating and Remuneration Committee ("NRC") comprises three (3) Non-Executive Directors, all of whom are Independent Directors, as follows:-

Names	Designation
Dato' Haji Mohd Yazid Bin Haji Mustafa *(Appointed on 15 January 2026)*	*Chairman, Independent Non-Executive Director*
Chen Thien Yin *(Resigned on 22 December 2025)*	*Chairman, Independent Non-Executive Director*
Dato' Mazlin Bin Md Junid	*Member, Independent Non-Executive Director*
Er Kian Hong	*Member, Independent Non-Executive Director*

TERMS OF REFERENCE ("TOR")

The NRC has written TOR dealing with its authority and duties which include the selection and assessment of directors. The TOR of the NRC is available on the Company's website at *www.hextarcapital.com*.

The NRC shall meet at least once a year and as frequently as may be required.

MEETINGS AND ATTENDANCES

During the FPE 2025, total of three (3) NRC meetings were held, and the details of attendance are as follows:-

Names	Meetings Attendance
Dato' Haji Mohd Yazid Bin Haji Mustafa *(Appointed on 15 January 2026)*	N/A
Er Kian Hong	3/3
Dato' Mazlin Bin Md Junid	3/3
Chen Thien Yin *(Resigned on 22 December 2025)*	3/3

SUMMARY OF ACTIVITIES UNDERTAKEN BY NRC DURING FPE 2025

The summary of the activities carried out by the NRC during the FPE 2025 are as follows:-

(a) Nomination, election and appointment of Directors

The NRC is responsible for evaluating and recommending suitable candidates for appointment to the Board when necessary, such as to fill vacancies arising from resignation or retirement, or to address identified gaps in skills, competencies, experience or diversity within the Board. In identifying suitable candidates, the NRC may utilise various approaches and independent sources to identify individuals with the appropriate qualifications and experience for consideration as Directors. The NRC ensures that the procedures for evaluating and selecting new Directors are formal, transparent and based on merit.

Nominating And Remuneration **Committee Report**

Cont'd

SUMMARY OF ACTIVITIES UNDERTAKEN BY NRC DURING FPE 2025 (CONT'D)

(a) Nomination, election and appointment of Directors (Cont'd)

In assessing the suitability of a candidate, the NRC takes into consideration various factors including, but not limited to, the candidate's skills, knowledge, expertise, competence, experience, time commitment, character, professionalism and integrity. For the position of Independent Non-Executive Director, the NRC also evaluates the candidate's ability to discharge the responsibilities expected of an Independent Director and assesses his or her independence in accordance with the Listing Requirements of Bursa Securities.

During the financial year under review and up to the date of issuance of this Annual Report, the NRC identified and considered the suitable candidates to fill the vacancy arising from the retirement and resignation of the Directors on 26 February 2025 and 22 December 2025 respectively.

After due consideration of the professionalism, qualifications, integrity and skill sets of the potential candidates and the existing Directors of the Company, including their ability to devote sufficient time to discharge their duties, responsibilities and functions effectively, the NRC recommended the appointment of Gwi Fei Yi as a Non-Independent Non-Executive Director, and his subsequent redesignation as an Executive Director as well as the appointment of Dato' Haji Mohd Yazid Bin Haji Mustafa as an Independent Non-Executive Director (collectively referred to as the "Retiring Directors"). The appointments were approved by the Board based on the recommendation of the NRC and in accordance with the assessment criteria set out in the Directors' Fit and Proper Policy.

Pursuant to Article 83 of the Company's Constitution, any Director appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the conclusion of the next Annual General Meeting ("AGM") and shall then be eligible for re-election. The NRC reviewed and recommended to the Board the re-election of the Retiring Directors at the forthcoming AGM to be held in 2026, having satisfied itself that the Directors meet the requirements set out in the Directors' Fit and Proper Policy and they have expressed their willingness to continue in office.

Saved for the interested Director, the NRC also evaluated the performance of the Director who is due to retire by rotation at the forthcoming AGM and confirmed that he meets the requirements set out in the Directors' Fit and Proper Policy and remains eligible to stand for re-election, subject to shareholders' approval at the AGM.

(b) Annual evaluation

The annual evaluation was conducted to assess the effectiveness of the Board as a whole, the Board Committees and the individual Directors, including their performance, discharge of responsibilities and the adequacy of their time commitment to the Company's affairs, as well as to identify areas for improvement.

The evaluation process was facilitated by the Company Secretary and involved the completion of questionnaires/ evaluation forms by all Directors. The results, together with comments from the Directors, were compiled, properly documented, summarised and deliberated by the NRC before recommendations for improvement or further action were made to the Board.

In addition, the NRC assessed the independence of the Independent Directors and reviewed their annual confirmations of independence through the completion of an independence checklist. The NRC was satisfied that the Independent Directors continued to demonstrate independence in character and judgement and were able to exercise objective judgement and act in the best interests of the Company.

SUMMARY OF ACTIVITIES UNDERTAKEN BY NRC DURING FPE 2025 (CONT'D)

(c) Review of the terms of office and performance of the AC and each of its members

The NRC conducted an evaluation of the term of office and performance of the Audit Committee ("AC") for the financial period ended 2025 ("FPE 2025"). The assessment covered, among others, the AC's oversight of the internal audit programme, the processes and results of internal audits or investigations undertaken, the review of related party transactions and potential conflict of interest situations in accordance with the Group's Related Party Transactions Policy and Procedures, as well as the qualifications and experience of the AC members in meeting the objectives set out in the AC's TOR.

Following the evaluation, the NRC concluded that the AC and its members had effectively discharged their responsibilities in ensuring the quality, integrity and reliability of the Group's financial reporting and accounting processes, and had carried out their duties in accordance with the TOR of the AC.

(d) Review of Directors' fees, benefits and allowance

The NRC reviewed and assessed the proposed Directors' fees and meeting attendance allowances (benefits), as well as the salary increment and performance incentives for the HCB Group for FPE 2025 and the AGM.

(e) Review of NRC Report for inclusion in the Annual Report

The NRC reviewed and recommended the NRC Report, including the disclosure on trainings attended by the Directors during the financial year under review, for inclusion in the 2025 Annual Report.

STATEMENT ON RISK MANAGEMENT & **INTERNAL CONTROL**

INTRODUCTION

The Board of HCB is pleased to provide the following Statement on Risk Management and Internal Control of HCB and the Group for the financial period ended 31 December 2025, which has been prepared in accordance with the "Statement on Risk Management & Internal Control – Guidelines for Directors of Listed Companies" (**"SORMIC Guide 2025"**) issued by Bursa Securities.

BOARD RESPONSIBILITY

The Board recognises the importance of an effective and dynamic Board to lead and control the Group in enhancing the long-term shareholders' value and also ensuring that other stakeholders' interests are also taken into consideration. The Board is entrusted with the responsibility to exercise reasonable and proper care of the Group's resources in the best interest of its shareholders, whilst safeguarding its assets and shareholders' investments.

There is an ongoing process for identifying, evaluating, and managing the significant risks faced by the Group. The Board through its Audit Committee reviews the results of this process quarterly, including measures that have been carried out by management to mitigate and address the key risk areas. This process has been in place for the financial period under review and up to the date of approval of this Statement.

The Board affirms its overall responsibilities for maintaining a sound system of risk management and internal controls, for reviewing its adequacy and integrity in supporting the achievement of the Group's strategic goals and business objectives, and for managing those risks efficiently, effectively, and economically.

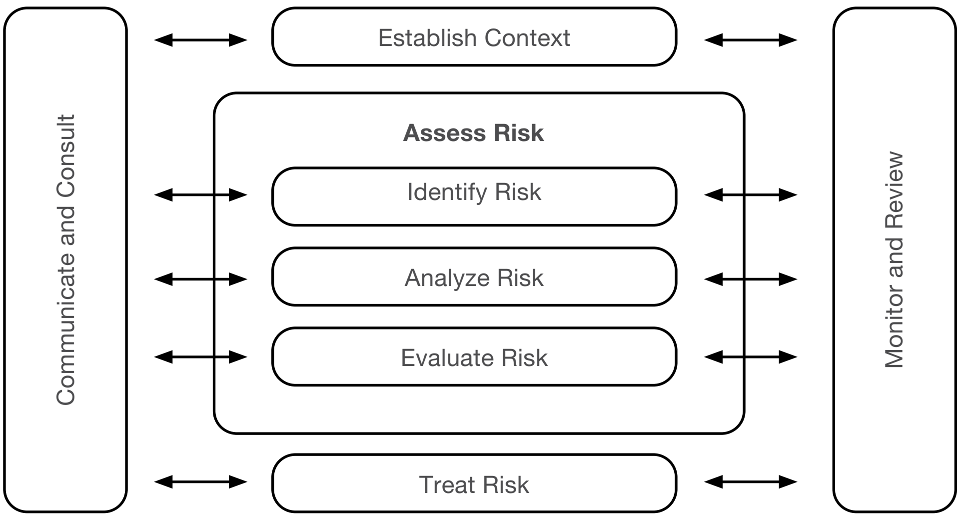
RISK MANAGEMENT FRAMEWORK

The Board and management drive a proactive risk management culture to ensure that the Group's management and Head of Workgroups have a better and clear understanding of the risk management principles.

The Group had written Risk Management Policies and Procedures (**"RMPP"**) to ensure a formal and consistent process of risk identification, assessment, acceptance, and treatment is carried out within the Group.

Under the RMPP, the role and responsibilities of the Board, AC, and Risk Management Committee (**"RMC"**) are defined. The composition of RMC is made up of individual heads of business units and the head of functional workgroups such as human resources, finance, MIS, safety and security, marketing, engineering, production & technical, etc, primarily to assist the Board and Audit Committee in the management of risks and control responsibilities. A RMC Chairman is appointed from the committee to govern the operations of the RMC.

The Group's Risk Management Committee had adopted the ISO31000:2009 which had superseded AS/NSZ 4360:2004 Risk Management Standard, for the establishment and implementation of the Risk Management Process within the Group. The overview of the Risk Management Process is depicted in the following diagram:



Statement on Risk Management & **Internal Control**

Cont'd

RISK MANAGEMENT FRAMEWORK (CONT'D)

The overview of the Risk Management Process involves the systematic establishment of strategic and organisational context, identifying, analysing, assessing, evaluating, monitoring, and/or reporting on the risks that may affect the achievement of the business objectives. This process helps to reduce the Group's internal and external uncertainty environment, thus allowing it to maximise business opportunities.

Once the gross risk is identified with its likelihood rating and impact level determined, the management further identifies the existing control procedures for identified risk and the effectiveness of the control, to determine the remaining risk known as Residue Risks. The Group's Residue Risks are plotted in the Risk Map (as indicated in the below table) to assist management in prioritising their efforts and appropriately gauging the acceptability and managing the different classes of risks.

Probability/Likelihood	Consequences/Impact				
	1 Insignificant	2 Minor	3 Moderate	4 Major	5 Catastrophic
5 - Almost Certain					
4 - Likely					
3 - Possible					
2 - Unlikely					
1 - Rare					

Insignificant Low Moderate High Extremely High

RMC meeting is held once every three (3) months or four (4) times in a financial period to continuously monitor and review management action plans to mitigate the risk. The RMC also had ad-hoc meeting arrangements on any crisis management that might arise.

INTERNAL AUDIT

The Group appoints an independent outsourced internal audit service provider to carry out internal audit reviews and to support the Board in assessing the adequacy and integrity of the internal control systems of the business units within the Group. The internal audit team highlights to the executive and operational management, areas for improvement and subsequently reviews the extent to which its recommendations have been implemented.

Areas that the internal auditors reviewed during the period are as follows:

i. Opcom Cables Sdn. Bhd., Hexlube Sdn. Bhd. and Opcom Engineering Services Sdn. Bhd.
   - Procurement to Payment Management

ii. Opcom Cables Sdn. Bhd. and Hexlube Sdn. Bhd.
   - Fixed Assets Management.

ii. Hextar Capital Berhad
   - Review on Sustainability Reporting Process.

iii. T & J Engineering Sdn. Bhd.
   - Project Management.

The reports are submitted to the AC, which reviews the findings with management at its quarterly meetings. In addition, the Management's response to the control recommendations on deficiencies identified during the internal audits provide an added and independent assurance that control procedures are in place, and are being followed.

The AC reports to the Board the plans and activities of the outsourced internal audit function, significant findings, and the necessary recommendations for the adequacy and effectiveness of the system of internal controls of the Group, including accounting control procedures.

Statement on Risk Management & **Internal Control**

Cont'd

INTERNAL AUDIT (CONT'D)

Additionally and separately, the Board is also of the view that the Internal Control system is adequate and effective based on the established Internal Control framework as reported by an independent outsourced internal audit service provider to the Audit Committee of the Board. The Board remains committed to ensuring a sound system of risk management and internal control, and therefore, recognise that the systems must continuously evolve to support growth and will take any appropriate action plans, when necessary, to further enhance the Company's system of risk management and internal control.

MANAGEMENT RESPONSIBILITIES AND BOARD ASSURANCE AND LIMITATION

The Board uses the following key controls, processes, and information and review mechanisms to follow up on the progress of management actions and to derive comfort on the state of internal control and risk management in the Group:

- A RMC has been set up to constantly identify, evaluate and monitor significant risks faced by the Group. The said committee is also responsible for the development of risk mitigation strategies and plans;

- Board discussions with the management during the board meetings on business and operational issues as well as the measures taken by the management to mitigate and manage risks associated with the business environment;

- The management team of the business unit meets frequently to discuss and review the cash flows, financial and business units' performances, funding, and operational issues to ensure that challenges and risks are addressed timely and appropriately;

- The AC reviews and discusses with the management the unaudited quarterly financial results to monitor the Group's performance; and

- The AC also discusses with the External Auditors on the key concerns and findings on financial and internal control matters at the audit planning, interim and final stage of the audit, and the follow-up actions by the management.

The Group's system of internal controls also comprises the following key elements:

- **Standard Operating Procedures and Control Policy**
  Group-wide policies and procedures are in place to facilitate communications and awareness of accountability and control procedures for key business units. The policies and procedures are available and accessible to the relevant employees.

- **Organisation Structure and Authorisation Matrix**
  The Group has a formally defined organisational structure that sets out lines of accountability. The delegation of authority is documented and sets out the decisions that need to be taken and the appropriate authority levels of management, including matters that require the Board's approval. Key financial and procurement matters of the Group require the authorisation of the relevant levels of senior management.

- **Budgetary Review**
  The Group's management team monitors and reviews the financial results and budgets for all business units within the Group monthly. The processes include monitoring and reporting performance against the operating plans and annual budgets in operations committee meetings. The Group's management team communicates monthly to monitor operational and financial performance as well as to formulate action plans to address any areas of concern.

MANAGEMENT RESPONSIBILITIES AND BOARD ASSURANCE AND LIMITATION (CONT'D)

The Group's system of internal controls also comprises the following key elements: (Cont'd)

The system of internal control is also structured in such a manner that it provides reasonable assurance that the likelihood of a significant adverse impact on objectives rising from a future event or situation is at a level acceptable to the business. It achieves this through a combination of prevention, detective, and corrective measures. It is possible that internal control may be circumvented or overridden. The rationale of the system of internal controls is to enable the Group to achieve its strategic and business objectives within an acceptable risk profile and cannot be expected to eliminate all risks. The system of internal controls will continue to be reviewed and tested periodically, added on, or updated in line with the changes in the operating environment.

However, this system of internal control does not apply to the Associated Companies as the Group does not possess control over the associates who operate under different business environments. There are no major internal control weaknesses that brought to the attention of the Board since the date of acquisition.

The RMC provided assurance that there was no significant breakdown or weakness in the system of internal controls of the Group that may result in a material loss to the Group for the financial period ended 31 December 2025. Based on the management's assurance as well as input from the relevant assurance providers, the Board is of the view that the risk management and internal control system are adequate and effective for the financial period under review and up to the date of approval of this statement and there is a continuous process in evaluating and managing significant risks faced by the Group and the underlying controls to mitigate these risks.

Review of Statement on Internal Control by External Auditors

The external auditors have reviewed this Statement on Risk Management and Internal Control pursuant to the scope set out in the Audit and Assurance Practice Guide (AAPG) 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the Annual Report of the Group for the financial period ended 31 December 2025, and reported to the Board that nothing has come to their attention that causes them to believe that the Statement intended to be included in the Annual Report of the Group, in all material respects:

(a) has not been prepared in accordance with the disclosures required by section 7 of the SORMIC Guide 2025, or
(b) is factually inaccurate.

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

This statement is issued in accordance with a resolution of the Board dated 22 April 2026.

ADDITIONAL COMPLIANCE **INFORMATION**

1. Audit and Non-Audit Fees

The amount of audit and non-audit fees paid and payable to the External Auditors by the Company and the Group, respectively, for the financial period ended 31 December 2025 ("FPE 2025") are as follows:

Type of Fees	Group RM	Company RM
Audit Fees	914,500	497,400
Non-Audit Fees	10,000	10,000
Total	**924,500**	**507,400**

Non-Audit fees covered the review of the Statement on Risk Management and Internal Control, as well as the examination of financial information presented in the Annual Report.

2. Material Contracts

There are no material contracts including contracts relating to any loans entered into by the Company and its subsidiaries (**"Group"**) involving Directors' or substantial shareholders' interest, either still subsisting at the end of the financial period ended 31 December 2025 or entered into since the end of the previous financial year.

3. Utilisation of Proceeds

Save as disclosed below, there were no other proceeds raised from the corporate proposal during the FPE 2025:-

10% Private Placement

(a) The 10% Private Placement was undertaken pursuant to the general mandate granted by the shareholders of the Company at its 27th Annual General Meeting held on 22 September 2022, in accordance with Sections 75 and 76 of the Companies Act 2016, whereby the Board of Directors of the Company was authorised to issue and allot up to 27,908,700 new shares of the Company, representing not more than 10% of the total issued shares.

On 31 January 2023, the Company raised RM19.257 million from issuance of 27,908,700 new ordinary shares pursuant to the said 10% Private Placement. The status of the utilisation of proceeds as at 31 December 2025 is as follows:-

Details of Utilisation	Original Proposed Utilisation RM'000	Actual utilisation RM'000	Unutilised Proceeds RM'000	Timeframe for utilisation of proceeds[(i)]
Future business projects/investments	18,257	(18,257)	-	Within 36 months
Working capital	735	(735)	-	Within 36 months
Estimated expenses for 10% Private Placement	265	(265)	-	Immediate
Total	**19,257**	**(19,257)**	**-**	**-**

Note:-
(i) From 31 January 2023 (being the date of completion of the 10% Private Placement).

Additional Compliance **Information**
Cont'd

3. Utilisation of Proceeds (Cont'd)

30% Private Placement

(a) The Company had on 24 April 2024 obtained shareholders' approval for the private placement of up to 134,089,200 new ordinary shares in the Company representing not more than 30% of the total number of issued shares of the Company (**"30% Private Placement"**) via an Extraordinary General Meeting (**"EGM"**).

On 6 March 2025, the Company raised gross proceeds of RM5.811 million from the first tranche of its private placement exercise via the issuance of 19,700,000 new ordinary shares. Subsequently, on 29 April 2025, the Company raised an additional RM4.998 million from the second tranche through the issuance of 20,400,000 new ordinary shares. On 17 September 2025, the Company further raised an additional amount of RM18.328 million from the final tranche via the issuance of 93,989,200 new ordinary shares. The Company has completed the 30% private placement of up to 134,089,200 new shares with total proceed raised amounting to RM29.137 million (**"Actual proceeds raised"**).

The status of the utilisation of proceeds is as follows:-

Details of Utilisation	Original proposed utilisation(i) RM'000	Variation(ii) RM'000	Revised Proposed Utilisation RM'000	Actual proceeds raised RM'000	Actual utilisation RM'000	Unutilised Proceeds RM'000	Timeframe for utilisation of proceeds (iii)
Funding for existing and future contracts	28,000	(28,000)	-	-	-	-	Within 36 months
Financial solutions business	-	28,000	28,000	18,269	(18,269)	-	Within 36 months
TP tied consideration	9,800	-	9,800	9,800	(9,800)	-	Within 12 months
Working capital	2,768	-	2,768	974	(974)	-	Within 24 months
Estimated expenses for 30% Private Placement	1,000	-	1,000	94	(94)	-	Immediate
Total	**41,568**	**-**	**41,568**	**29,137**	**(29,137)**	**-**	**-**

Notes:-
(i) As per the Circular to Shareholders in relation to the 30% Private Placement dated 5 April 2024.
(ii) As per the Circular to Shareholders in relation to the Proposed Variation of the utilisation of proceeds dated 9 January 2025. Subsequently, the shareholders' approval was obtained via an EGM held on 24 January 2025.
(iii) From 29 April 2025.

4. Employees' Share Option Scheme ("ESOS")

The shareholders of the Company had via an EGM held on 18 August 2021 approved the ESOS of up to 30% of the total number of issued shares of the Company (excluding treasury shares, if any) for eligible Directors and employees of the Group. The ESOS is for a duration of five (5) years commencing from the date of implementation of ESOS, unless extended further.

The options were granted on 21 September 2021 and no ESOS were issued during the FPE 2025.

Additional Compliance **Information**

Cont'd

4. Employees' Share Option Scheme ("ESOS") (Cont'd)

(a) The number of schemes currently in existence during the financial period is set out follows:-

Total Number of Options Granted	-
Total Number of Options Exercised	-
Total Number of Options Lapsed	-
Total Number Options Outstanding	18,500,000

(b) The aggregate options or shares outstanding at the beginning and at the end of the financial period are as follows:-

Description	**Directors**	**Senior Management**
Total Number of Options Granted	-	-
Total Number of Options Exercised	-	-
Total Number Options Outstanding	500,000	18,000,000

(c) The ESOS allocated and granted to the Directors and senior management since the commencement of the ESOS are as follows:-

	Aggregate maximum allocation (%)	**Actual percentagegranted (%)**	
		Since commencement of the ESOS	**During the FPE 2025**
Directors and senior management	55.88	55.88	-

(d) The breakdown of the options offered to and exercised by the Non-Executive Directors pursuant to the ESOS in respect of the FPE 2025 are as follows:-

Name of Directors	Amount of options granted	Amount of options exercised
1. Dato' Mazlin Bin MD Junid	500,000	-
2. Dato' Haji Mohd Yazid Bin Haji Mustafa *(Appointed on 15 January 2026)*	-	-
3. Er Kian Hong	-	-
4. Chen Thien Yin *(Resigned on 22 December 2025)*	-	-

Additional Compliance **Information**
Cont'd

5. **Recurrent Related Party Transactions ("RRPTs")**

The following are the details of RRPTs entered into between the Company and/or its subsidiaries and related parties during the FPE 2025 pursuant to the Shareholders' Mandate obtained by the Company at the last Annual General Meeting held on 26 February 2025:-

No.	Transacting Parties	Interested Parties	Nature of Relationship	Nature / type of Transaction with the Group	Aggregate Value made during the FPE 2025 (RM)
1	Complete Logistic Specialists Sdn. Bhd. (**"CLSSB"**)	Dato' Ong Choo Meng (**"OCM"**) and Ong Soon Lim (**"OSL"**)	OCM is the executive director and Major Shareholder of Hextar Technologies Solutions Berhad (**"HTSB"**). HTSB is the holding company of CLSSB. OSL holds directorships in the subsidiary/ies of HTSB. He is also the uncle of OCM.	Purchase of goods/ services from CLSSB includes but not limited to transportation services.	116,926
2	Hextar Global Berhad with its subsidiaries/ associates (**"HGB Group"**)	OCM, OSL and Teh Li King (**"TLK"**)	OCM is a Major Shareholder of HGB and HGB is the holding company of HCSB. OSL is the uncle of OCM. TLK is deemed as a Person Connected to OCM as he is the Group Chief Operating Officer of Hextar Holdings Sdn. Bhd. (**"HHSB"**) Group, which is the ultimate holding company of HGB. TLK is a director of HCSB and also a shareholder of HGB.	i. Supply of goods/ services to HGB Group includes but not limited to lubricant-based related products (e.g. hydraulic oil, grease), handling, storage etc.	4,989,423
				ii. Purchase of goods/ services from HGB Group includes but not limited to lubricant related additives. The supply of goods/ services to HGB Group are not the same as the purchase of goods/ services from HGB Group.	278
3	Hextar Chemicals Sdn. Bhd. (**"HCSB"**)			Purchase of goods/ services from HCSB, includes but not limited to raw materials, chemicals.	2,404

Additional Compliance **Information**

Cont'd

5. Recurrent Related Party Transactions ("RRPTs") (Cont'd)

The following are the details of RRPTs entered into between the Company and/or its subsidiaries and related parties during the FPE 2025 pursuant to the Shareholders' Mandate obtained by the Company at the last Annual General Meeting held on 26 February 2025:- (Cont'd)

No.	Transacting Parties	Interested Parties	Nature of Relationship	Nature / type of Transaction with the Group	Aggregate Value made during the FPE 2025 (RM)
4	Binasat Communications Berhad with its subsidiaries/ associates (**"BCB Group"**)	OCM, OSL and TLK	OCM is deemed interested in BCB by virtue of his interests in the Company via Opcom VC Sdn. Bhd. (**"OVCSB"**). OVCSB is wholly owned by the Company and OVCSB is the substantial shareholder of BCB. OSL is Group Managing Director of BCB and holds directorships in the subsidiaries of the Company. He is the uncle of OCM. TLK is the non-independent non-executive director of BCB.	Supply of good and services to BCB Group includes but not limited to fiber optic cables, high density polyethylene tube and pipe, corrugated sub duct, smooth wall duct, fiber optic splice closure, box panel distribution, fiber wall socket, transformer oil and engineering services related to telecommunication network, fiber optic closure or fiber optic infrastructure.	2,075,475
5	Transgrid Ventures Sdn. Bhd. (**"TVSB"**)	Datin Sri M. Saraswathy A/P Manikum (**"Datin Sri M. Saraswathy"**), Dato' Sri J.O. Nantha Kumar A/L J.C. Ramalu (**"Dato' Sri J.O. Nantha"**), and Chang Kian Seong (**"CKS"**)	Datin Sri M. Saraswathy is a director of TVSB and a Major Shareholder of the Company and TVSB. Dato' Sri J.O. Nantha is the spouse of Datin Sri M. Saraswathy and is a Major Shareholder of the Company and TVSB via his indirect interest. He is also a director of TVSB. CKS holds directorships in the Company and TVSB.	Supply of transformer oil and engineering services related to electrical substation and storage space to TVSB.	1,295

STATEMENT OF DIRECTORS' RESPONSIBILITY **FOR PREPARATION OF FINANCIAL STATEMENTS**

The Directors are required by the Companies Act 2016 (**"the Act"**) to prepare the financial statements for each financial year/period and to ensure that the financial statements are prepared in accordance with the applicable Malaysian Financial Reporting Standards (**"MFRS"**), International Financial Reporting Standards (**"IFRS"**), the Act and the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are also responsible for ensuring that the financial statements give a true and fair view of the financial position of the Group and of the Company at the end of the financial year/period, and of the financial performance and cash flows of the Group and of the Company for the financial year/period.

During the preparation of the financial statements, the Directors ensured that the Management has taken the following measures:-

- adopted and applied appropriate and relevant accounting policies consistently;
- ensured compliance with applicable accounting standards including MFRS, IFRS and the Act, subject to any material departure being explained in the financial statements;
- made judgements and estimates that are reasonable and prudent; and
- prepared the financial statements on a going concern basis.

In addition, the Directors are responsible to ensure that the Group and the Company keep proper accounting and other records that disclose the financial position of the Group and of the Company with reasonable accuracy at all times in compliance with the requirements of the Act.

The Directors have overall responsibilities for taking such steps so as to safeguard the assets of the Group and of the Company, to prevent and detect fraud and other irregularities.