HONG SENG CONSOLIDATED BERHAD 200101001581 (537337-M)

UNAUDITED INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 31 MARCH 2026

CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026

		INDIVIDUAL PERIOD		CUMMULATIVE PERIOD	
	Note	Current Period Quarter 31.03.2026 RM	Preceding Period Quarter (i) 31.03.2025 RM	Current Period Period-to-date 31.03.2026 RM	Preceding Period Period-to-date (i) 31.03.2025 RM
Revenue		4,395,075	-	8,491,787	-
Cost of sales		(11,131,764)	-	(18,342,482)	-
Gross loss		(6,736,689)	-	(9,850,695)	-
Other income		431,235	-	777,650	-
Interest income		29,745	-	39,072	-
Loss on disposal of investment		(1,121,300)	-	(42,727,902)	-
Fair value loss on other investments		(626,699)	-	(1,830,299)	-
Selling and distribution expenses		(88,147)	-	(153,608)	-
Administration expenses		(1,789,415)	-	(3,556,567)	-
Finance costs		(1,215,671)	-	(2,367,332)	-
Loss before taxation		(11,116,941)	-	(59,669,681)	-
Tax expense		(1,250,625)	-	(1,250,625)	-
Loss after taxation		(12,367,566)	-	(60,920,306)	-
Other comprehensive income		-	-	-	-
Total comprehensive expenses for the financial period		(12,367,566)	-	(60,920,306)	-
Loss after taxation attributable to:-					
Owners of the Company		(12,367,565)	-	(60,920,306)	-
Non-controlling interests		-	-	-	-
		(12,367,565)	-	(60,920,306)	-
Total comprehensive expenses attributable to:-					
Owners of the Company		(12,367,565)	-	(60,920,306)	-
Non-controlling interests		-	-	-	-
		(12,367,565)	-	(60,920,306)	-
Loss per share attributable to equity holders of the Company (sen)					
- Basic	**B10.1**	(0.23)	-	(1.12)	-
- Diluted	**B10.2**	(0.23)	-	(1.12)	-

Notes:

(i) In view of the change of financial year end from 18 months ended 31 March 2024 to 18 months ended 30 September 2025, there are no comparative figures for the preceding period quarter and preceding period-to-date. The current reporting financial period is for a period of 6 months, made up from 1 October 2025 to 31 March 2026.

(ii) The condensed consolidated statements of profit or loss and other comprehensive income should be read in conjunction with the audited financial statements for the financial period ended 30 September 2025 and the accompanying explanatory notes attached to the quarterly report.

HONG SENG CONSOLIDATED BERHAD 200101001581 (537337M)

CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	As at 31.03.2026 (Unaudited) RM	As at 30.09.2025 (Audited) RM
ASSETS		
Non-current assets		
Property, plant and equipment	116,818,715	124,656,401
Investment properties	42,862,530	43,210,244
Other investments	11,294,293	59,392,855
Total non-current assets	170,975,538	227,259,500
Current assets		
Inventories	12,579,088	9,311,124
Trade receivables	124,326,576	119,470,873
Other receivables	14,012,894	13,399,657
Tax recoverable	917,397	2,333,619
Fixed deposits with licensed banks	1,337,076	1,313,752
Cash and bank balances	7,896,682	11,228,078
Total current assets	161,069,713	157,057,103
TOTAL ASSETS	**332,045,251**	**384,316,603**
EQUITY AND LIABILITIES		
Equity		
Share capital	253,883,657	251,482,364
Fair value reserve	(1,649,082)	(1,649,082)
Retained earnings	1,159,799	62,080,105
Total equity	253,394,374	311,913,387
Non-current liabilities		
Lease liabilities	20,433	40,346
Deferred tax liabilities	-	179,318
Borrowings	64,618,269	58,894,963
Total non-current liabilities	64,638,702	59,114,627
Current liabilities		
Trade payables	5,567,652	5,090,064
Other payables	6,781,663	6,627,947
Lease liabilities	9,464	9,464
Borrowings	1,583,931	1,477,928
Tax payable	69,465	83,186
Total current liabilities	14,012,175	13,288,589
TOTAL LIABILITIES	**78,650,877**	**72,403,216**
TOTAL EQUITY AND LIABILITIES	**332,045,251**	**384,316,603**
Net assets per share attributable to owners of the Company (sen)	4.51	6.11

(The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the financial period ended 30 September 2025 and the accompanying explanatory notes attached to the quarterly report.)

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026

	<------------Attributable To Owners of the Company			-------------->
		Non-Distributable	Distributable	
	Share capital RM	Fair value reserve RM	Retained earnings RM	Total equity RM
Balance at 1 October 2025	251,482,364	(1,649,082)	62,080,105	311,913,387
Net loss for the financial period	-	-	(60,920,306)	(60,920,306)
Total comprehensive expenses for the financial period	-	-	(60,920,306)	(60,920,306)
Transactions with owners:				
Issuance of new shares	2,401,293	-	-	2,401,293
Balance at 31 March 2026	253,883,657	(1,649,082)	1,159,799	253,394,374

Notes:

(i) In view of the change of financial year end from 18 months ended 31 March 2024 to 18 months ended 30 September 2025, there are no comparative figures for the preceding period quarter and preceding period-to-date. The current reporting financial period is for a period of 3 months, made up from 1 October 2025 to 31 March 2026.

(ii) The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the financial period ended 30 September 2025 and the accompanying explanatory notes attached to the quarterly report.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2026

	Current Period Period-to-date 31.03.2026 RM	Preceding Period Period-to-date (i) 31.03.2025 RM
CASH FLOW FOR OPERATING ACTIVITIES		
Loss before taxation	(59,669,681)	-
Adjustments for:		
Non-cash items	9,318,646	-
Non-operating items	45,056,162	-
Operating loss before working capital changes	(5,294,873)	-
Net changes in inventories	(3,267,964)	-
Net changes in receivables	(5,468,940)	-
Net changes in payables	631,304	-
Cash used in operations	(13,400,473)	-
Interest paid	(2,367,332)	-
Income tax refund	1,615,000	-
Income tax paid	(212,499)	-
Net cash used in operating activities	(14,365,304)	-
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of other investments	(1,740,000)	-
Interest received	39,072	-
Proceeds from the disposal of other investments	5,277,060	-
Purchase of plant and equipment	(729,589)	-
Net cash generated from investing activities	2,846,543	-
CASH FLOW FOR FINANCING ACTIVITIES		
Net bank borrowings	5,829,309	-
Proceeds from issuance of shares	2,401,293	-
Repayment of lease liabilities	(19,913)	-
Net cash generated from financing activities	8,210,689	-
Net changes in cash and cash equivalents	(3,308,072)	-
Cash and cash equivalents at the beginning of the financial period	12,541,830	-
Cash and cash equivalents at the end of the financial period	9,233,758	-
Analysis of cash and cash equivalents		
Fixed deposits	1,337,076	-
Cash and bank balances	7,896,682	-
	9,233,758	-

Notes:

(i) In view of the change of financial year end from 18 months ended 31 March 2024 to 18 months ended 30 September 2025, there are no comparative figures for the preceding period quarter and preceding period-to-date. The current reporting financial period is for a period of 3 months, made up from 1 October 2025 to 31 March 2026.

(ii) The condensed consolidated statements of cash flows should be read in conjunction with the audited financial statements for the financial period ended 30 September 2025 and the accompanying explanatory notes attached to the quarterly report.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Basis of preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities").

The interim financial statements should be read in conjunction with the audited financial statements of Hong Seng Consolidated Berhad ("Hong Seng" or the "Company") and its subsidiary companies ("Group") for the financial period ended 30 September 2025.

The accounting policies adopted by the Group in the interim financial statements are consistent with those adopted in the audited financial statements for the financial period ended 30 September 2025 except for the adoption of the new and revised MFRSs which are mandatory for financial periods beginning on or after 1 October 2025.

A2. Qualification of financial statements

The auditors' report of the preceding financial statements for the financial period ended 30 September 2025 was not subject to any audit qualifications.

A3. Seasonal or cyclical factors

The business of the Group was not materially affected by any significant seasonal or cyclical factors during the current quarter under review.

A4. Unusual items due to their nature, size or incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flows of the Group during the current quarter under review.

A5. Significant estimates and changes in estimates

There were no changes in the estimates of amounts reported in the prior financial period, which have a material effect in the current quarter under review.

A6. Debts and equity securities

On 29 January 2026, the Company announced the listing and quotation of 510,913,400 new ordinary shares issued pursuant to the private placement on the Main Market of Bursa Malaysia Securities Berhad. The placement shares were listed and quoted on 30 January 2026, resulting in an increase in the issued share capital of the Company

Save as disclosed above, there were no issuance, cancellation, repurchase, resale and repayment of debt and equity securities for the current quarter under review.

A7. Dividends paid

There was no dividend paid during the current quarter under review.

A8. Segmental information

The Group's segmental report is presented based on its operating segments as follows:-

For the financial period ended 31 March 2026	Healthcare RM '000	Financial Services RM '000	Gloves RM '000	Seafood Business RM '000	Others RM '000	Total RM '000	Adjustments and eliminations RM '000	Total RM '000
Sales to external customers	-	2,795	5,588	-	109	8,492	-	8,492
Inter-segment sales	-	-	-	-	-	-	-	-
Total sales	-	2,795	5,588	-	109	8,492	-	8,492
(Loss)/Profit before taxation	(217)	2,053	(15,208)	-	(46,289)	(59,661)	(9)	(59,670)
Segment assets	35,640	125,065	91,157	-	296,246	548,108	(215,402)	332,706
Segment liabilities	2,463	119,858	108,010	-	158,545	388,876	(309,564)	79,312

For the financial period ended 31 March 2025**	Healthcar RM'000	Financial Services RM'000	Gloves RM'000	Seafood Business RM '000	Other RM'000	Total RM'000	Adjustmen and elimination RM'000	Total RM'000
Sales to external customer	-	-	-	-	-	-	-	-
Inter-segment sales	-	-	-	-	-	-	-	-
Total sales	-	-	-	-	-	-	-	-
Profit before tax	-	-	-	-	-	-	-	-
Segment assets	-	-	-	-	-	-	-	-
Segment liabilities	-	-	-	-	-	-	-	-

Notes:
** In view of the change of financial year end from 31 March 2025 to 30 September 2025, there is no comparative figure for the preceding period-to-date.

A9. Valuation of property, plant and equipment

The Group did not revalue any of its property, plant and equipment during the current quarter under review.

A10. Material events during the interim period

The material event during the current quarter ended 31 March 2026 is as follows:

(i) On 21 January 2026, the Board of Directors of Hong Seng Consolidated Berhad fixed the issue price of the proposed private placement at RM0.0047 per placement share, pursuant to the proposed issuance of up to 30% of the issued share capital of the Company as previously announced.

On 29 January 2026, the Company announced the listing and quotation of 510,913,400 new ordinary shares issued pursuant to the private placement on the Main Market of Bursa Malaysia Securities Berhad. The placement shares were listed and quoted on 30 January 2026, resulting in an increase in the issued share capital of the Company.

A11. Material events subsequent to the end of the interim period

The material events subsequent to the financial period ended 30 September 2025 are as follows:

(i) On 9 April 2026, AIMAX Capital Sdn Bhd, a wholly-owned subsidiary of the Company, entered into Debt Settlement Agreements with several borrowers for the settlement of outstanding loans amounting to RM63.61 million via the transfer of 184 units of serviced apartments located at Louvre Residence, Kajang, Selangor, with an agreed settlement value of RM62.48 million.

The Proposed Debt Settlement is expected to strengthen the recoverability of the Group's outstanding loans while providing potential upside from future capital appreciation and recurring rental income. The exercise is not expected to have any immediate material impact on the Group's net assets, earnings or gearing for the current financial period and is expected to be completed in the second quarter of 2026.

Save as disclosed above, there were no other material events subsequent to the end of the interim period that have not been disclosed elsewhere in this quarterly report

A12. Changes in composition of the Group

There were no changes in the composition of the Group during the current quarter under review.

A13. Capital commitments

	As at 31.03.2026 RM'000 (Unaudited)	As at 30.09.2025 RM'000 (Audited)
Contracted but not provided for:		
- Production lines modification	243	243

A14. Contingent assets or liabilities

There were no material contingent assets or liabilities at the end of the current quarter under review.

PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Review of performance

1.1 Financial review for the current quarter and financial period-to-date

	Individual Period				Cumulative Period			
	Quarter ended 31.03.2026 RM'000	Quarter ended 31.03.2025 RM'000	Variances Amount RM'000	%	Period ended 31.03.2026 RM'000	Period ended 31.03.2025 RM'000	Variances Amount RM'000	%
		**				**		
Revenue	4,395	-	N/A	-	8,492	-	N/A	-
Loss before interest and tax	(9,931)	-	N/A	-	(57,341)	-	N/A	-
Loss before tax	(11,117)	-	N/A	-	(59,670)	-	N/A	-
Loss after tax	(12,368)	-	N/A	-	(60,920)	-	N/A	-
Loss attributable to owners of the Company	(12,368)	-	N/A	-	(60,920)	-	N/A	-

** In view of the change of financial year end from 31 March 2025 to 30 September 2025, there are no comparative figures for the preceding period quarter and preceding period-to-date.

Revenue

The Group's revenue was primarily derived from the gloves segment, which contributed RM2.96 million or 67.56% of total revenue for the current quarter and RM5.59 million or 65.80% for the financial period-to-date. Meanwhile, the financial services segment contributed RM1.39 million or 31.63% of total revenue for the current quarter and RM2.80 million or 32.97% for the financial period-to-date.

Loss before interest and tax ("LBIT")

The Group recorded a loss before income tax ("LBIT") of RM9.93 million for the current quarter, mainly attributable to the loss on disposal of other investments of RM1.12 million, fair value loss on other investments of RM0.63 million, administrative expenses of RM1.79 million and gross loss from the gloves segment of RM8.19 million. This was partially mitigated by the gross profit contribution of RM1.39 million from the financial services segment.

For the financial period-to-date, the Group recorded an LBIT of RM57.34 million, mainly due to the loss on disposal of other investments amounting to RM42.73 million, fair value loss on other investments of RM1.83 million, administrative expenses of RM3.56 million and gross loss from the gloves segment of RM12.75 million. This was partially offset by the gross profit contribution of RM2.79 million from the financial services segment.

1.2. Financial review for the current quarter with the immediate preceding quarter

	Current quarter ended 31.03.2026 RM'000	Immediate preceding quarter ended 31.12.2025 RM'000	Variances Amount RM'000	%
Revenue	4,395	4,097	298	7.3
Loss before interest and tax	(9,931)	(47,410)	37,479	(79.1)
Loss before tax	(11,117)	(48,553)	37,436	(77.1)
Loss after tax	(12,368)	(48,553)	36,185	(74.5)
Loss attributable to owners of the Company	(12,368)	(48,553)	36,185	(74.5)

B1. Review of performance (Cont'd)

Revenue

The Group's revenue for the current quarter increased by RM0.30 million as compared to the immediate preceding quarter mainly due to increase in revenue of RM0.33 million in gloves segment.

Loss Before Interest and Tax ("LBIT")

The Group recorded a loss before income tax ("LBIT") of RM9.93 million for the current quarter as compared to a LBIT of RM47.41 million in the immediate preceding quarter. The lower LBIT was mainly attributable to the decrease in loss on disposal of other investments by RM40.49 million (current quarter: RM1.12 million; immediate preceding quarter: RM41.61 million) and lower fair value loss on other investments by RM0.58 million (current quarter: RM0.63 million; immediate preceding quarter: RM1.20 million). This was partially offset by the increase in gross loss from the gloves segment by RM3.63 million (current quarter: RM8.19 million; immediate preceding quarter: RM4.56 million).

B2. Group's prospects

The Group remains focused on strengthening the operational efficiency of its modified natural rubber glove production lines. Continuous optimisation initiatives are being implemented to enhance productivity, improve cost efficiency and maximise utilisation rates. These measures are expected to support a progressive recovery in the glove manufacturing segment, positioning the Group to capture opportunities as market demand stabilises.

In parallel, the Group has successfully undertaken a debt settlement exercise, resulting in the acquisition of 184 serviced apartment units at Louvre Residence, Kajang. This transaction enables the Group to recover outstanding indebtedness while securing property assets at a discounted value, providing potential for future capital appreciation and recurring rental income. The settlement further strengthens the Group's balance sheet resilience and reduces the risk of impairment from delayed or uncertain recovery.

Looking ahead, the Group will continue to allocate capital prudently, prioritising business segments with stronger profitability potential and sustainable growth prospects. While glove manufacturing remains the immediate focus, the newly acquired property portfolio offers flexibility for long-term monetisation through selective disposal or rental optimisation. Across all operations, management remains committed to maintaining sound cost controls, operational discipline and financial resilience, ensuring the Group is well-positioned to deliver sustainable value to shareholders.

B3. Statement of the board of directors' opinion on profit estimate, forecast, projection or internal targets

The Group has not provided any profit estimate, forecast, and projection in any public documents.

B4. Variance on profit forecast

The Group has not issued any profit forecast in any public documents.

B5. Tax expense

	Individual Period		Cumulative Period	
	Quarter ended 31.03.2026 RM'000	Quarter ended 31.03.2025 RM'000	Period-to-date 31.03.2026 RM'000	Period-to-date 31.03.2025 RM'000
Current tax expense:		**		**
- For the current financial period	(1,251)	-	(1,251)	-

** In view of the change of financial year end from 31 March 2025 to 30 September 2025, there are no comparative figures for the preceding period quarter and preceding period-to-date.

B6. Status of corporate proposal

There were no corporate proposals announced but not completed as at 22 May 2026, being the last practicable date from the date of issue of this report.

B7. Group's borrowings and debts securities

The details of the Group's borrowings and debts securities outstanding are as follows:-

	As at 31.03.2026			As at 30.09.2025		
	Long Term RM'000	Short Term RM'000	Total RM'000	Long Term RM'000	Short Term RM'000	Total RM'000
Secured						
Lease liabilities	20	10	30	40	9	49
Borrowings	64,618	1,584	66,202	58,895	1,478	60,373
Total borrowings	64,638	1,594	66,232	58,935	1,487	60,422

All borrowings are denominated in Ringgit Malaysia and the Group does not have any foreign currency borrowings.

The borrowings bear interest from 4.97% to 8.00% (30.9.2025: 4.97% to 8.00%) per annum.

B8. Material litigation

Hong Seng Assembly Sdn Bhd & Hong Seng Motor Sdn Bhd vs Hong Seng Consolidated Berhad

Further to the Company's previous announcement on the above matter, the Board of Directors of Hong Seng Consolidated Berhad wishes to provide the following updates.

During the case management held on 25 February 2026, the High Court fixed a follow up case management on 11 March 2026, for the Court to update parties as to the details of the proposed Court Annexed Mediation.

During the case management held on 11 March 2026, the High Court gave directions that the Court Annexed Mediation is to be heard before YA Tuan Azlan bin Sulaiman. The High Court then fixed a case management on 12 March 2026 for parties to update the Court on their available dates for Court Annexed Mediation.

During the case management held on 12 March 2026, the High Court gave the following directions:

i. The Court Annexed Mediation is fixed on 26 June 2026 at the Kuala Lumpur High Court;

ii. Parties are to file pre-trial case management documents, including Agreed Facts, Issues to be Tried and Common Bundle of Documents ("PTCM Documents") on or before 17 April 2026; and

iii. A case management was fixed on 21 April 2026 for parties to update the Court as to status of PTCM Documents.

During the case management held on 21 April 2026, the Plaintiffs' solicitors informed the High Court that the Plaintiffs were seeking an adjournment of the trial dates scheduled from 3 May 2027 to 6 May 2027, and the

B8. Material litigation (Cont'd)

Defendants had no objection to the said request. In light of the above, the High Court has given the following directions:

i. The trial dates from 3 May 2027 to 6 May 2027 are vacated;

ii. New trial dates have been fixed from 8 June 2027 to 10 June 2027; and

iii. A case management is fixed on 29 June 2026 for parties to update the Court on the status of settlement and/or Court Annexed Mediation.

On 15 May 2025, Hong Seng Consolidated Berhad and HKL Dynamics Sdn Bhd have reached a settlement with the Plaintiffs, and the parties will inform the Court of the terms of settlement prior to the upcoming case management.

Hong Seng Consolidated Berhad and AIMAX Healthcare (F.K.A. HKL Dynamics Sdn Bhd) will continue to defend and contest the Plaintiffs' claims to safeguard the Group's legal rights and interests.

At this juncture, the litigation is not expected to have any material financial or operational impact on the Group. No provision for liability has been made in the financial statements. The Company will make further announcements as and when there are material developments on this matter.

B9. Dividends

No dividend has been declared/paid during the quarter under review.

B10. Loss per share

The basic loss per share is calculated by dividing the profit after taxation attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the financial period. The diluted loss per share is equivalent to the basic loss per share as the Company does not have any dilutive instruments at the end of the reporting period.

		Individual Period		Cumulative Period	
		Quarter ended 31.03.2026	Quarter ended 31.03.2025 **	Period-to-date 31.03.2026	Period-to-date 31.03.2025 **
Loss attributable to owners of the Company	(RM'000)	(12,368)	-	(60,920)	-
Weighted average number of ordinary shares in issue	(Unit'000)	5,461,097	-	5,461,097	-
Basic/Diluted loss per share	(sen)	(0.23)	-	(1.12)	-

** In view of the change of financial year end from 31 March 2025 to 30 September 2025, there are no comparative figures for the preceding period quarter and preceding period-to-date.

B11. Qualification of financial statements

The Company's preceding annual financial statements were not subject to any audit qualifications.

B12. Notes to statements of profit or loss and other comprehensive income or loss

	Individual Period		Cumulative Period	
	Quarter ended 31.03.2026 RM	Quarter ended 31.03.2025 RM **	Period-to-date 31.03.2026 RM	Period-to-date 31.03.2025 RM **
Depreciation on property, plant and equipment	3,321,234	-	7,072,174	-
(Net reversal of over depreciation)/Depreciation on investment properties	404,642	-	412,872	-
Finance cost	1,215,671	-	2,367,332	-
Loss on disposal of other investments	1,121,300	-	42,727,902	-
Fair value loss on other investments	626,699	-	1,830,299	-
Interest income	(29,745)	-	(39,072)	-

** In view of the change of financial year end from 31 March 2025 to 30 September 2025, there are no comparative figures for the preceding period quarter and preceding period-to-date.

B13. Gains or losses arising from fair value changes of financial liabilities

No gains or losses were recognised for changes in fair values of financial liabilities during the quarter under review.