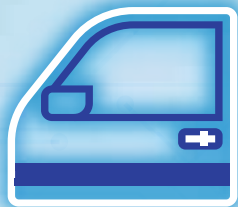




# NEW HOONG FATT HOLDINGS BERHAD

[Registration No. 199701010213 (425709-K)]



# ANNUAL REPORT 2025

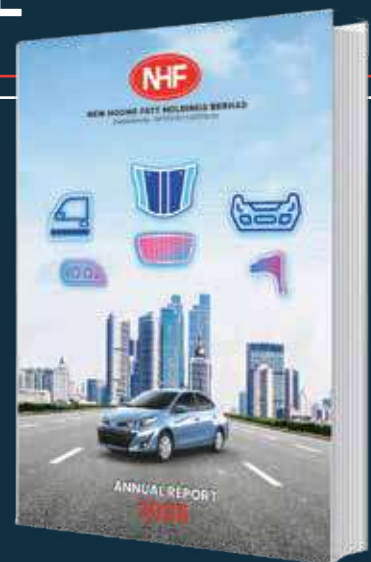
# MISSION

We provide quality automotive parts to our customers through a robust supply chain

## COVER RATIONALE

The cover reflects New Hoong Fatt Holdings Berhad Group's main focus on automotive replacement parts business, highlighting its disciplined approach to navigating an increasingly complex and evolving industry landscape. In line with this, the Group remains agile in responding to evolving market conditions and ready to recalibrate its strategies to maintain competitiveness and operational stability. The Group's established operations and diverse market presence anchor the forward-moving imagery, underscoring the solid base from which the Group continues to advance.

Collectively, these elements illustrate New Hoong Fatt's strategic direction—anchored in its core business, strengthened by experience and guided by an adaptive approach—positioning the Group to respond effectively to market developments and sustain its performance over the longer term.



# 29<sup>TH</sup> ANNUAL GENERAL MEETING

**Day & Date** : Thursday, 4 June 2026

**Time** : 10.00 a.m.

**Venue** : Function Room 1, Setia City Convention Centre  
No. 1, Jalan Setia Dagang AG, U13/AG Setia Alam  
Seksyen U13, 40170 Shah Alam, Selangor, Malaysia

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# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### KAM FOONG KENG

Executive Chairman

### CHIN JIT SIN

Managing Director

### KAM FOONG SIM

Executive Director

### CHIA SWEE YUEN

Independent Non-Executive Director

### OEI KOK EONG

Senior Independent Non-Executive Director

### NG CHEE KIET

Independent Non-Executive Director

## AUDIT AND RISK MANAGEMENT COMMITTEE

Ng Chee Kiet (Chairman)

Chia Swee Yuen

Oei Kok Eong

## NOMINATION COMMITTEE

Oei Kok Eong (Chairman)

Chia Swee Yuen

Ng Chee Kiet

## REMUNERATION COMMITTEE

Chia Swee Yuen (Chairman)

Oei Kok Eong

Ng Chee Kiet

## SECRETARIES

Angelina Cheah Gaik Suan  
(SSM PC No. 202008002177)  
(MAICSA 7035272)

Tan Bee Hwa  
(SSM PC No. 202008001174)  
(MAICSA 7058049)

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Tel: (603) 2692 4022  
Fax: (603) 2732 5119

## PRINCIPAL BANKERS

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Hong Leong Bank Berhad  
Malayan Banking Berhad  
United Overseas Bank (Malaysia) Berhad

## HEAD OFFICE

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Website: [www.newhoongfatt.com.my](http://www.newhoongfatt.com.my)

## STOCK EXCHANGE LISTING

Main Market, Bursa Malaysia Securities Berhad  
Stock Name: NHFATT  
Stock Code: 7060  
Sector: Consumer Products & Services

# CORPORATE PROFILE AND GROUP STRUCTURE

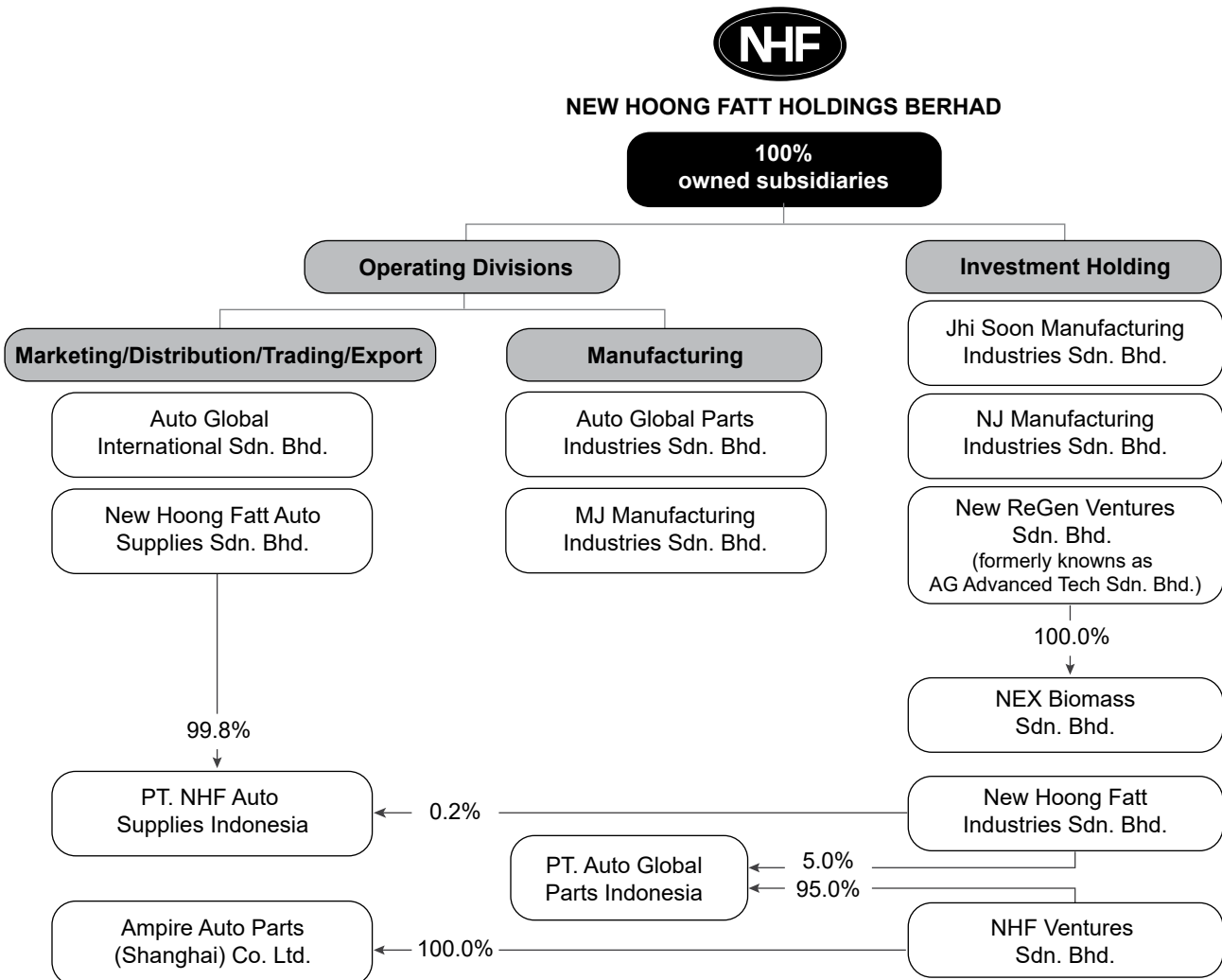
New Hoong Fatt Holdings Berhad (“NHF” or “the Company”) was first listed on the Second Board of Bursa Malaysia Securities Berhad (“Bursa Securities”) on 8 June 1998, and was later transferred to the Main Board of Bursa Securities, now known as the Main Market, on 2 July 2001. NHF and its subsidiaries (collectively “the Group”) started off business as a trading company back in 1977, selling genuine and alternative automotive replacement body parts. Years later, it has grown to become a major distributor of automotive parts to the local replacement market.

Having established a strong foothold in the trading and distribution of automotive parts, in 1989, the Group ventured into the manufacturing of metal and plastic automotive replacement body parts, such as doors, hoods, fenders, trunk lids, bumpers, grilles, lamps, etc. The Group’s advanced and efficient production facilities, as well as expertise in the design and development of moulds and dies, have led the Group to become the leader in the distribution of alternative automotive replacement body parts in Malaysia.

Subsequently, in 2011, the Group expanded its business abroad and incorporated subsidiaries in Jakarta, Indonesia and Shanghai, China. These subsidiaries focus on the trading and distribution of automotive parts, reinforcing the Group’s global presence and market reach.

NHF’s headquarters and factories are located in Klang, Selangor. Together with trading branches in Segambut, Kuala Lumpur and Kota Kinabalu, Sabah, they serve an extensive distribution channel that supports around 800 wholesalers and retailers throughout Malaysia, as well as exporting to 60 countries in Asia, Central and South America, Europe and Africa.

The Group’s corporate structure is as depicted in the diagram below:



# CORPORATE PROFILE AND GROUP STRUCTURE

(continued)

## OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS

The Group's principal activities are manufacturing, trading and exporting of automotive replacement parts and accessories.

### Manufacturing

The Group's manufacturing activities are carried out through the following subsidiaries:

- Auto Global Parts Industries Sdn. Bhd. ("AGP") for the manufacturing of automotive replacement body parts; and
- MJ Manufacturing Industries Sdn. Bhd. ("MJ") for the making of tools, moulds and dies.

The Group's manufacturing facility is located on 27 acres of land in Meru, Klang, producing more than 1,400 metal parts and 2,200 plastic parts. NHF currently has the capacity to manufacture up to six (6) million pieces of automotive replacement parts per year.

Through MJ, the Group also manufactures metal tools and dies used in the production of automotive parts. This capability shortens the lead time for introducing new products to the market and provides the Group with greater control over the quality and cost of tooling.

To support the operations of AGP and MJ, the Group continues to invest in advanced technology and machinery. By automating processes wherever possible, the Group enhances production efficiency, improves product quality and strengthens the Group's overall production capabilities to meet market demand. The Group's production facilities house key equipment, including metal stamping and plastic injection machines, 3D laser welding and cutting machines, metal inert gas (MIG) welding robots, ABB roller hemming robots, spot welding and sealing robots and a cathodic electro-deposition paint line.

### Marketing/ Distribution/ Trading/ Export

The Group's marketing and distribution activities are carried out by the following subsidiaries:

- New Hoong Fatt Auto Supplies Sdn. Bhd. ("NHFAS") for the local Malaysian market;
- Auto Global International Sdn. Bhd. ("AGI") for exporting to overseas markets;

- PT. NHF Auto Supplies Indonesia ("PT. NHF") for the local Indonesian market; and
- Ampire Auto Parts (Shanghai) Co. Ltd. ("Ampire") for the local China market.

NHFAS is the sole distributor of parts manufactured by AGP in the local market. Additionally, NHFAS sources other parts from both local and overseas suppliers, selling a wide range of automotive replacement parts, accessories and service items such as windscreens, door mirrors, radiators, filters, wiper blades, leaf springs, compressors, engine oils and lubricants. NHFAS is an authorised dealer for brands including Nissan, Toyota, Denso, Sika and Pilkington. These products are distributed to retail and wholesale spare parts shops throughout Malaysia.

AGI, on the other hand, exports automotive parts to overseas markets, including the Group's overseas subsidiaries, PT. NHF and Ampire. These products are distributed through agents and distributors located in more than 50 countries worldwide. Meanwhile, PT. NHF and Ampire focus on the import, export, distribution and marketing of automotive replacement parts in Indonesia and China, respectively.

### Investment Holding

The Group's investment holding companies hold investments in subsidiaries, real estate properties and intellectual property rights. The real estate properties are owned by the following subsidiaries and are leased out to sister companies to support the Group's operations:

- NJ Manufacturing Industries Sdn. Bhd.;
- Jhi Soon Manufacturing Industries Sdn. Bhd.; and
- New ReGen Ventures Sdn. Bhd. (formerly known as AG Advanced Tech Sdn. Bhd.).

During the financial year, AG Advanced Tech Sdn. Bhd. was renamed New ReGen Ventures Sdn. Bhd. and repurposed as the Group's investment arm for future investments.

### Others

The Group incorporated NEX Biomass Sdn. Bhd. as a wholly-owned subsidiary on 25 February 2026 to undertake the manufacturing and trading of biomass pellets. This newly incorporated company has yet to commence operations.

# MANAGEMENT DISCUSSION AND ANALYSIS

**This Statement provides the management discussion and analysis of the performance of the Group for the financial year ended 31 December 2025 (“FY2025”). It should be read in conjunction with the Audited Financial Statements of the Company and the Group for FY2025, as set out in the ensuing sections of this Annual Report.**

**This Statement may contains forward-looking statements, which are subject to risks, uncertainties and other factors that may cause actual results or performance to differ materially from those contemplated by such statements. Such statements reflect the Group’s current view with respect to future events and are not guarantees of future performance.**

## OPERATING ENVIRONMENT OVERVIEW

The 2025 operating environment was shaped by ongoing economic rebalancing, trade realignment and structural change across the global automotive sector. Global growth continued at a measured pace, but uncertainty remained elevated. Monetary policy stayed restrictive for much of the year: policy rates in major economies remained at relatively high levels despite moderating inflation, with only cautious and incremental easing emerging later in the year. As a result, borrowing costs and credit conditions remained tight, influencing investment decisions and sustaining pressure on vehicle affordability and consumer financing. Concurrently, geopolitical developments and increasingly fragmented trade policies continued to disrupt traditional supply chains and weighed on business confidence.

In Malaysia, economic conditions remained resilient, underpinned by strong domestic demand and sustained expansion across key sectors, including manufacturing and services. Malaysia’s economy expanded by 5.2% in 2025, with growth accelerated in 4Q 2025, reflecting continued strength in domestic demand. A key development during the year was the strengthening of the Malaysian Ringgit against the US Dollar, reflecting improved sentiment, firmer macroeconomic fundamentals and increased capital inflows. While supportive from a macro perspective, a stronger currency created a more challenging operating environment for export-oriented manufacturers, affecting revenue translation and constrained near-term pricing flexibility amid intense global competition.

China’s manufacturing scale and policy-driven incentives introduced additional complexities in 2025. Long-standing supply-side support and productivity-oriented policies continued to expand capacity across a broad range of industries, including automotive components. This resulted in persistent overcapacity, prompting Chinese manufacturers to increase export volumes and intensify price competition in both domestic and international markets. The influx of competitively priced products heightened competitive pressures on global incumbents, contributing to margin compression and reinforcing pricing challenges in an environment of cautious end-market demand.

Against this backdrop, the Group navigated a challenging business environment marked by intensified competition across key product segments. Despite moderated demand in several markets, the Group sustained profitability through disciplined operational management, cost control and a continued focus on market diversification. Operational efficiency remained a priority, with initiatives to optimise shop-floor performance, reduce waste and strengthen supply chain resilience supporting competitiveness and long-term sustainability. Through the execution of strategic initiatives, proactive market positioning, and selective capture of emerging opportunities, the Group demonstrated resilience and agility in navigating persistent uncertainties while reinforcing its ability to deliver sustainable growth and long-term value to stakeholders.

## INDUSTRY OVERVIEW

In 2025, the global automotive industry navigated a cautious recovery amid evolving market dynamics and persistent economic uncertainties. Global light vehicle sales were estimated at approximately 91-92 million units, reflecting modest growth as manufacturers balanced production discipline against uneven regional demand and affordability constraints. While the transition toward electric vehicles (“EVs”) and energy-efficient models continued to reshape consumer preferences, overall demand in several major markets remained constrained by tight financing conditions and sustained affordability pressures.

Despite global growth in EV sales, adoption remained highly concentrated in China. China retained its position as the world’s largest EV market by a wide margin, accounting for around half or more of global EV sales by volume in 2025, significantly outpacing other regions such as Europe and North America. In contrast, EV adoption in other markets progressed at a more measured pace, reflecting differences in charging infrastructure readiness, policy support and consumer adoption dynamics.

As the world’s largest automotive and EV market, China recorded another milestone year. According to the China Association of Automobile Manufacturers (“CAAM”), total vehicle sales reached 34.4 million units in 2025, representing a 9.4% year-on-year increase. New energy vehicles, including battery electric and plug-in hybrid vehicles, accounted for approximately 16.5 million units, representing about half of total vehicle sales. This growth was propelled by robust government incentives, narrowing cost gaps between EVs and internal combustion engine (“ICE”) vehicles, and a rapidly expanding charging infrastructure. Against a backdrop of intense domestic price competition, Chinese automakers accelerated their international expansion through increased exports and localisation strategies across Europe, the Middle East, Latin America and ASEAN, further reshaping the global competitive landscape.

# MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Performance across the ASEAN-6 markets (Indonesia, Malaysia, Thailand, the Philippines, Vietnam and Singapore) was mixed in 2025. While overall regional sales were broadly stable, a gradual shift toward electrification gained momentum despite macroeconomic headwinds.

In Thailand, the automotive market recorded moderate growth, with sales rising 8.5% to 621,166 units in 2025, bolstered by purchase incentives and excise tax measures, although tighter bank lending conditions weighed on ICE vehicle sales. Chinese original equipment manufacturers (“OEMs”) continued to expand their market presence, intensifying competition with established Japanese brands.

Similarly, Malaysia’s automotive market demonstrated notable resilience, with total industry volume (“TIV”) reaching 820,752 units in 2025, a slight increase of 0.5% from 2024. Following record volumes in prior years, market activity normalised as order backlogs were cleared, supported by a stable economic environment.

In contrast, Indonesia experienced softer conditions, with vehicle sales declining to 833,692 units in 2025, representing a 6.3% decrease, reflecting affordability challenges, tighter credit conditions and more cautious consumer sentiment.

Overall, the global automotive landscape continued to evolve in 2025. Shifting market dynamics, accelerating electrification and intensifying competition, particularly from Chinese manufacturers, presented ongoing challenges for traditional industry players in sustaining growth and profitability.

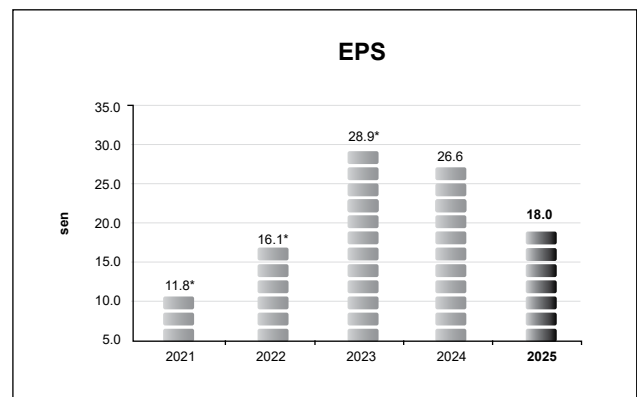
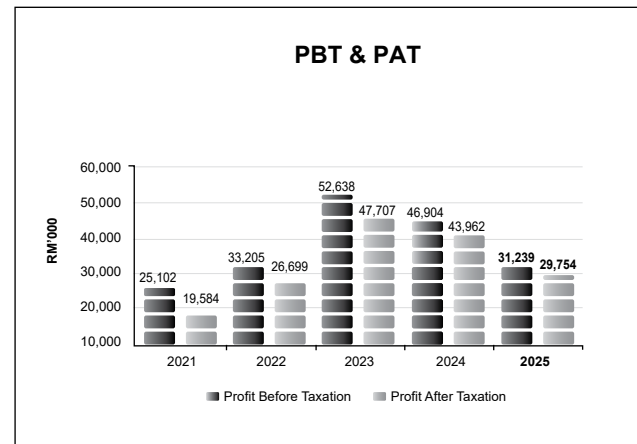
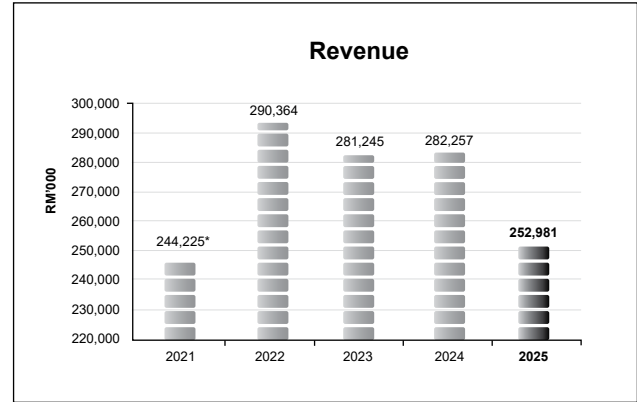
## FINANCIAL PERFORMANCE OVERVIEW

In FY2025, the Group recorded a revenue of RM253.0 million, representing a 10.4% decrease from RM282.3 million in the financial year ended 31 December 2024 (“FY2024”). The lower revenue was mainly attributable to competition amid a challenging external environment, as well as unfavourable foreign exchange (“forex”), which affected the conversion of the Group’s exports.

NHF posted a Profit Before Tax (“PBT”) of RM31.2 million in FY2025, compared to RM46.9 million in FY2024. The decline in PBT was primarily due to lower revenue and unfavorable foreign exchange (“forex”) movements.

Profit After Tax (“PAT”) decreased to RM29.8 million in FY2025 as compared to RM44.0 million in FY2024. The Group’s effective tax rate was lower than the statutory tax rate, mainly due to the utilisation of Reinvestment Allowance.

Consequently, the Group’s earnings per share (“EPS”) decreased to 18.0 sen from 26.6 sen in FY2024. Net assets per share stood at RM3.57 at the end of the financial year, compared with RM3.48 in FY2024.



\* Comparative figures for 'Basic Earnings Per Share' for 2021 - 2023 have been adjusted for the effects of the Share Split involving the subdivision of every one (1) existing ordinary share into two (2) subdivided ordinary shares, which was completed on 28 June 2024.

# MANAGEMENT DISCUSSION AND ANALYSIS (continued)

## Significant Assets and Liabilities

### Trade Receivables

Trade Receivables decreased by 20.8% from RM41.4 million as at the end of FY2024 to RM32.8 million at the end of FY2025. The reduction was mainly due to lower revenue and the Group's continued efforts to tighten credit control and improve collections.

### Inventories

Inventories decreased to RM56.5 million in FY2025 compared to RM70.1 million as at the end of FY2024. The decline was mainly attributable to tighter inventory management initiatives implemented during the financial year, including demand planning and production scheduling, more disciplined procurement and replenishment practices. These initiatives resulted in lower overall stockholding days and improved working capital efficiency.

### Trade Payables

Trade Payables increased by 17.6% to RM10 million as at the end of FY2025 compared with RM8.5 million as at the end of FY2024.

### Capital Expenditures

Capital expenditures incurred in FY2025 amounted to RM18.8 million, compared with RM26.8 million in FY2024. The capital expenditures incurred were mainly for the

development of moulds and dies to expand the Group's product range, the construction of a new warehouse and hostel, as well as office renovations.

### Cash Position

The Group maintained a strong balance sheet, recording a Net Cash position of RM167.9 million as at the end of FY2025, compared with RM126.0 million at the end of FY2024. The increase in Net Cash was mainly attributable to positive cash flows generated from operating activities, coupled with lower cash outflows for investing and financing activities during the financial year.

### Dividends

NHF does not have a formal dividend policy. However, the Group remains committed to rewarding shareholders through consistent dividend payments. Since its listing in 1998, the Group has maintained a track record of paying annual dividends, reflecting its dedication to delivering sustainable shareholder value.

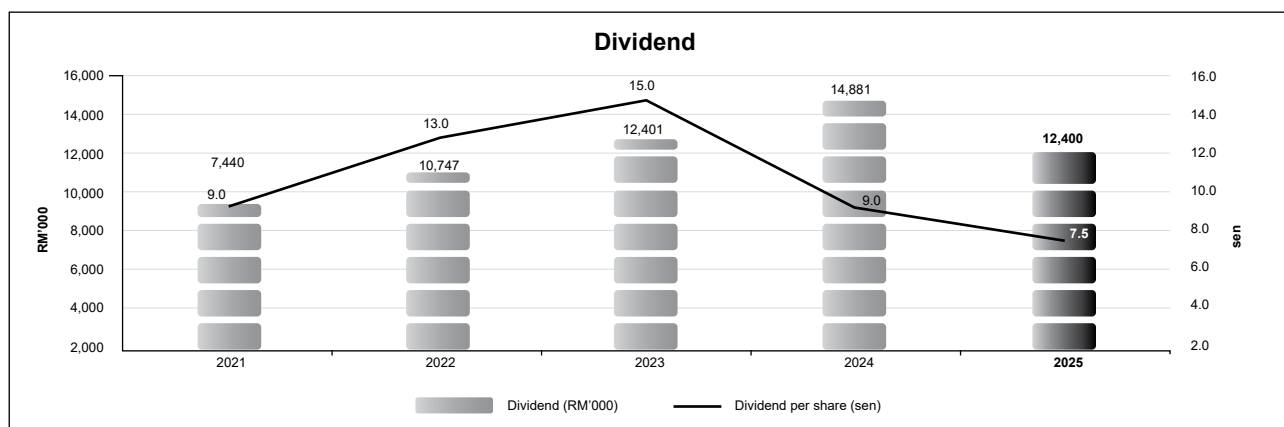
In determining the dividend rate, the Board of Directors considers various factors, including the Group's profitability, working capital requirements and potential investment opportunities. The Group aims to achieve a balanced approach, ensuring that shareholders are adequately rewarded while retaining sufficient earnings for reinvestment purposes, which will fuel the Group's future growth and long-term sustainability.

For FY2025, the Board of Directors declared interim dividends, paid and payable subsequent to the financial year end, as follows:

Single tier dividend	Rate per Ordinary Share	Amount (RM'000)	Payment Date
First interim	1.5 sen	2,480	30 Jun 2025
Second interim	1.5 sen	2,480	10 Oct 2025
Third interim	1.5 sen	2,480	23 Dec 2025
Fourth interim	3.0 sen	4,960	8 Apr 2026
<b>TOTAL</b>	<b>7.5 sen</b>	<b>12,400</b>	

The total dividends declared for FY2025 amounted to RM12,400,840 (7.5 sen per share), which was a decrease from RM14,881,007 (9 sen per share) in FY2024.

Dividends per share declared and paid for the past five (5) years are as follows:



# MANAGEMENT DISCUSSION AND ANALYSIS (continued)

## SEGMENTAL BUSINESS REVIEW

The Group's revenue by geographical segment for FY2025 is tabulated below:

	FY2025 RM'000	%	FY2024 RM'000	%
<b>Segment Revenue</b>				
Malaysia	127,002	50.2	147,767	52.3
ASEAN	48,982	19.4	50,783	18.0
Non-ASEAN	76,997	30.4	83,707	29.7
<b>Total Revenue</b>	<b>252,981</b>	<b>100.0</b>	<b>282,257</b>	<b>100.0</b>

### (a) Malaysian market

Revenue from the domestic market decreased by 14.1% to RM127.0 million in FY2025, compared with RM147.8 million in FY2024. The decline was mainly due to intensified competition. This segment represented 50.2% of the Group's total revenue.

### (b) ASEAN market

Revenue from the ASEAN market decreased marginally to RM49.0 million in FY2025 from RM50.8 million in FY2024, which contributed 19.4% of the Group's total revenue. Revenue of PT. NHF Auto Supplies Indonesia, the Group's subsidiary in Indonesia, remained stable at RM15.3 million, reflecting stable sales performance during the year.

### (c) Non-ASEAN market

Revenue from the Non-ASEAN market declined by 8.0% to RM77.0 million in FY2025, compared with RM83.7 million in FY2024. The Non-ASEAN market accounted for 30.4% of the Group's total revenue in FY2025.

Ampire Auto Parts (Shanghai) Co. Ltd., the Group's subsidiary in China, achieved revenue of RM7.5 million in FY2025, representing a decrease of 25.7% from RM10.1 million in FY2024. The decline was mainly due to intensified competition in the China market.

## ANTICIPATED KEY RISKS AND MITIGATING ACTIONS

The Group operates in a dynamic and competitive environment and is exposed to various risks and uncertainties that may affect its future performance. NHF manages these risks through its Enterprise Risk Management (ERM) framework, as described in the Statement on Risk Management and Internal Control of this Annual Report. The Group's principal risks and mitigating actions are summarised below:

### (a) Geopolitical risk

Geopolitical developments continue to represent a key source of uncertainty for the Group's operating environment. Trade frictions between major economies, particularly between the US and China, alongside rising protectionist measures and tariff-related pressures, have broader implications for global supply chains, trade flow and economic stability. The war in the Middle East has also raised concerns over the security of key shipping routes for ships in and out of the region.

These developments have disrupted global energy and commodity markets, intensified volatility in energy prices, and restricted trade routes, leading to logistical constraints including shipping delays and higher freight costs, as well as increased cost pressures across energy, logistics and supply chain. Disruptions to key shipping lines may weaken supply chain reliability. Trade disputes and tariffs may further increase input and production costs, while broader geopolitical and microeconomic uncertainties may contribute to currency volatility, adding to overall operational expenses. Collectively, these factors may affect demand, disrupt operations, constrain market expansion and intensify price competition.

To mitigate these risks, the Group adopts a strategy to limit its exposure to localised economy. The Group also diversifies its supply chain by sourcing from multiple suppliers across different countries. Continuous emphasis on cost management and operational efficiency further helps to cushion the impact of demand fluctuations and rising input costs. The Group closely monitors global and regional developments to support timely decision-making and safeguard business performance.

### (b) Competition in the replacement market

The Group operates in a highly competitive automotive replacement market and faced intensified competition from both regional and international manufacturers, particularly from Taiwan, China and Thailand. Many competitors benefit from larger production scale, more efficient manufacturing facilities and stronger

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

financial and operational resources, enabling them to offer comparable products at competitive prices. The entry of additional international players, together with aggressive pricing strategies adopted by local importers, has further intensified competition. These dynamics have been facilitated by regional trade agreements, including the ASEAN Free Trade Area (AFTA) and the Regional Comprehensive Economic Partnership (“RCEP”).

To alleviate competitive pressure, the Group focuses on strengthening customer relationships and reinforcing its market reputation. Key initiatives include ensuring consistent product quality, offering a comprehensive product range, improving delivery lead times where feasible and maintaining competitive pricing. The Group continuously enhances its customer engagement strategies to respond promptly to evolving customer needs. Domestically, the Group’s extensive distribution network across Malaysia support broad market coverage and efficient product delivery.

### (c) Supply of raw materials and volatility of prices

The Group relies on a stable supply of key raw materials, particularly steel coils and plastic resins, to support its manufacturing operations. Steel coils are primarily imported, while plastic resins are sourced from both local and international suppliers. Disruptions in supply availability or significant price volatility may result in production delays and cost escalation, adversely affecting the Group’s financial performance. In particular, the war in the Middle East has increased uncertainty in the availability, lead times and pricing of raw materials, resulting in higher input costs for the Group’s manufacturing operations.

To manage these risks, the Group closely monitors raw material market price trends and maintains active engagement with suppliers to manage supply continuity and pricing exposure. Manufacturing efficiency initiatives, cost optimisation measures and efforts to reduce material wastage further mitigate cost pressures. To strengthen supply resilience, the Group maintains relationships with at least two (2) reliable suppliers for each critical raw material, reducing dependency on single sources. Strategic inventory buffers are also maintained to mitigate unexpected supply disruptions or sudden price increases.

### (d) Foreign currency exchange risks

The Group is exposed to forex risks arising from the importation of raw materials, plant and machinery, moulds and dies, and trading parts, as well as from export sales, which are predominantly denominated in US Dollars (“USD”). These exposures give rise to both transaction and translation risks, potentially impacting the Group’s liquidity and profitability.

To mitigate forex risk, the Group adopts a natural hedging strategy by matching foreign currency receipts with payments in the same currency. The Group also closely monitors exchange rate movements and adjusts its strategies as necessary to minimise the impact of currency volatility.

In addition, the Group is exposed to translation risk arising from inter-company balances involving subsidiaries in China and Indonesia, where foreign currency fluctuations may affect reported financial positions.

### (e) Breakdown of critical machinery and equipment

Reliable operation of machinery and equipment is critical to the Group’s production processes. Breakdowns of critical machinery may disrupt production schedules, reduce output capacity and impede the timely fulfilment of customer orders, potentially resulting in financial losses. Unscheduled shutdowns may also lead to extended downtime due to maintenance and replacement part lead times.

To mitigate this risk, the Group conducts regular monitoring of machinery performance against established benchmarks and implements scheduled preventive maintenance programmes to prevent and minimise breakdowns and extend equipment lifespan. Sensors installed on critical machinery enable early detection of potential failures, allowing proactive maintenance planning. The Group also maintains adequate inventories of critical spare parts, particularly those with long procurement lead times, to ensure timely repairs and minimise production disruptions.

### (f) Labour shortage

The availability of a skilled and reliable workforce is essential to the Group’s operations. Labour shortages or inconsistent workforce supply may disrupt production schedules, limit output capacity and delay order fulfillment, affecting operational efficiency and profitability.

To address this risk, the Group employs proactive talent attraction and retention strategies, including partnerships with recruitment agencies, participation in job fairs and utilisation of online recruitment platforms. Collaborations with vocational institutions and training programmes supports the development of a sustainable talent pipeline.

The Group also invests in upskilling and cross-training employees to enhance workforce flexibility and reduce reliance on specific skill sets. Competitive remuneration, flexible employment arrangements, and selective automation initiatives further help mitigate labour dependency while improving operational efficiency.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

### (g) Technological advancement

The adoption of advanced technologies in automobiles, such as adaptive cruise control, blind spot monitoring, 360° cameras and parking sensors, automatic emergency braking, Advanced Driver Assistance System (“ADAS”), backup cameras and lane keeping assist, is improving vehicle safety and reducing accidents rates. As accidents gradually decrease, demand for body parts repairs and aftermarket components is expected to decrease over time. Regulatory mandates and safety standards may further drive OEMs and suppliers to prioritise ADAS and EV technologies in future vehicle models.

In response, the Group actively monitors technological developments and market trends to assess potential impact on its business. Strategic initiatives include enhancing and expanding the existing product range to align with evolving market requirements. Participation in local and international trade missions and expositions allows the Group to engage with industry stakeholders, evaluate emerging innovations and new technologies, and anticipate market shifts. These measures support proactive strategy adjustments, helping the Group maintain competitiveness and adapt to evolving market demands.

### OUTLOOK AND STRATEGY

Global economic growth is expected to remain resilient in 2026, with the International Monetary Fund projecting real Gross Domestic Product (“GDP”) growth of 3.3%, moderating slightly to 3.2% in 2027. While tariff pressures and policy uncertainty continue to weigh on activity, their impact is expected to ease. Inflationary pressures are moderating but remain persistent, with headline inflation projected at 3.8% in 2026, easing further to 3.4% in 2027. Despite this moderation, elevated economic policy uncertainty and downside risks persist, including the potential for new sector-specific tariffs, non-tariff trade measures and disruptions to global supply chains. Geopolitical tensions, ongoing wars, could trigger supply shocks, disrupt key shipping routes and push commodity prices higher. Concurrently, political uncertainty and interference in economic institutions may weigh on investment, dampen consumption and undermine overall market confidence.

The automotive industry in 2026 is expected to reflect these broader macroeconomic dynamics, shaped by trade disruptions, regulatory shifts, competitive realignment and the continuous transition to EVs. Global light vehicle sales are forecast to reach approximately 94.0 million units in 2026, a modest increase from 2025, indicating a cautious recovery. Although supply chain bottlenecks have eased, high financing costs, affordability constraints and evolving regulatory requirements continue to influence market outcomes. Regulatory and geopolitical factors, including tariffs affecting cross-border supply chains, remain significant considerations for suppliers.

China continues to be a key driver of global automotive growth, with total vehicle sales projected at around 34.8 million units in 2026, reflecting a stable market. EV sales growth is expected to moderate due to a reduction in direct purchase subsidies, while broader government support, including expanding charging infrastructure and declining battery costs continues to encourage adoption. Notably, China is expected to remain the largest contributor to global EV sales, with other regions progressing at a comparatively slower pace.

In the ASEAN region, automotive market performance is expected to soften amid economic and policy headwinds. Thailand’s automotive industry is projected to remain stable, with the Thai Automotive Industry Association forecasting domestic sales of 550,000 units, in line with the prior year’s forecast level. Indonesia is expected to record annual new vehicle sales of no more than 1.0 million units amid a challenging economic environment, while the removal of government incentives for EV purchases in 2026 is likely to place additional downward pressure on demand. Malaysia’s automotive market outlook for 2026 is expected to moderate following prior years of elevated volumes, with projected GDP growth of approximately 4.3% and new vehicle TIV projection of 790,000 units, a slight decline from 2025 level. This moderation reflects headwinds from rising cost of living pressures that are outpacing ringgit strength and constraining disposable income.

Despite the near-term challenges, the Group remains cautiously optimistic about the automotive aftermarket, underpinned by strong long-term demand fundamentals. The global vehicle parc exceeded 1.4 billion units in 2025, reflecting a structurally large and ageing fleet that will continue to require maintenance regardless of shifts in powertrain technologies. In ASEAN, the total number of registered motor vehicle population has reached more than 242.8 million units, while domestically, the registered vehicles exceeds 38.0 million units, nearly 50 times the annual TIV, further reinforcing the Group’s market position. As the industry advances toward new energy vehicles, the substantial existing vehicle base continues to underpin resilient demand for the Group’s core offerings.

The global transition to EVs is part of a long-term industry evolution rather than an immediate threat to the Group’s core business. EV adoption is expected to remain gradual in the near term due to infrastructure constraints, varying levels of regional readiness, and factors such as affordability considerations and evolving customer acceptance, with ICE vehicles continuing to dominate the global fleet in the medium term.

Accordingly, the Group will strategically focus on strengthening its business which continues to dominate in many of its operating regions, while remaining agile in monitoring EV developments and broader industry trends. This balanced approach positions the Group to capture demand from both the enduring ICE market and the emerging opportunities presented by electrification and future mobility trends.

## MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Moving forward, the Group will focus on sustaining resilient performance amid a challenging business landscape through the execution of the following priorities:

### a) Market-driven sales

The Group remains responsive to market dynamics by managing its product portfolio in a disciplined manner to support sustainable revenue and profitability. Ongoing efforts focus on strengthening core product segments to support volume, margin and overall performance.

These efforts are underpinned by compelling growth prospects in key markets particularly across the ASEAN region, driven by rising vehicle ownership, ongoing infrastructure development and an expanding middle class population. With a robust TIV growth of 8-10%, the Group's regional strategy leverages scale and opportunities in leading markets such as Thailand and Indonesia. Emerging markets including Vietnam, the Philippines and Myanmar also offer significant long-term growth markets due to relatively low TIV levels compared to population size, offering growth prospects over the next five (5) to ten (10) years. Modest TIV projection for 2026, supported by stable economic conditions and favourable government policies, are expected to strengthen consumer confidence and vehicle demand, further enhancing the region's growth outlook. Digital transformation serves as a key enabler of this strategy. Currently focused on Malaysia and Indonesia, the Group's E-Platform (EP) enhances the customer ordering experience, while broader digital initiatives support data-driven decision-making and market responsiveness.

### b) Integrated supply chain and operational resilience

For many years, the Group has maintained a strong focus on cost control and operational efficiency, with a proven track record of results. Building on this foundation, the Group will further enhance productivity and safeguard financial resilience. By optimising resource utilisation, the Group aims to sustain competitiveness and strengthen its market position. In production, efforts to reduce downtime will continue through improved shopfloor management, streamlined processes across all production units to optimise workflows and expand capacity.

The Group is also committed to consolidating its business process chain to create a more cohesive and integrated operation. Central to this effort is the sales and operations planning process, a cross-functional approach that aligns market demand with operational supply capabilities. By strengthening cross-functional communication, breaking down silos and promoting data sharing, the Group aims to achieve economies of scale and enhance margins. Digital transformation supports this goal by enabling real-time data capture, performance tracking and analytical insights across production and operational processes. Integration of various software applications further streamlines operations, improve efficiency and facilitate faster, data-driven decision-making.

In parallel, the reengineering of key business processes continues to ensure seamless future system integration and optimise operational performance, strengthening the Group's foundation for regional expansion and long-term growth.

### c) Build a sustainable workforce and performance culture

Recognising that a capable and future-ready workforce is critical to achieving business objectives, the Group continues to prioritise talent development and organisational capability enhancement. A core component of this effort is the ongoing Human Resource Transformation initiative, which seeks to optimise workforce efficiency, clarify roles and ensure organisational structures evolve in line with changing business needs. This includes reviewing role design, refining workflows and addressing capability gaps to ensure the right skills are in place to support both current operations and future growth.

In addition to structural alignment, the Group adopts a holistic talent management strategy aimed at attracting, developing and retaining a strong pipeline of skilled employees. Collaborations with educational institutions and recruitment partners facilitate structured talent acquisition and targeted skill development, while leadership development and succession planning initiatives strengthen bench strength and sustain high organisational performance.

Responding to growing automation and digitalisation, the Group is progressively enhancing workforce competencies in technology-driven processes, ensuring employee skills remain relevant and aligned with operational excellence and the broader digital transformation agenda. Collectively, these initiatives reinforce organisational resilience and equip the Group with the talent and capabilities needed to execute its strategy and deliver long-term value.

The automotive aftermarket continues to face structural shifts driven by technological advances, evolving customer expectations and intensifying competition. In 2026, the Group will focus on managing these developments cautiously while maintaining essential operational capabilities. Digitalisation, customer engagement and product portfolio expansion will remain key priorities, although progress may be influenced by market conditions and resource constraints.

External geopolitical developments are expected to continue creating uncertainty across the Group's key markets, particularly those sensitive to supply chain disruptions and currency fluctuations. These factors may affect the pace of sales and place pressure on margins. While the Group's cost discipline and business model provides some degree of resilience, external risks remain. The Group will continue to adopt a measured and adaptive approach to navigating these challenges.

**CHIN JIT SIN**  
Managing Director

# SUSTAINABILITY STATEMENT

NHF (“the Company”) is pleased to present its Sustainability Statement (“Statement”) for the financial year ended 31 December 2025 (“FY2025”). This Statement provides an overview of how the Company and its subsidiaries (collectively “the Group”) integrates sustainability considerations into the Group’s business strategy, operations and stakeholder engagement to support long-term value creation.

The Group’s sustainability framework is structured around key focus areas encompassing economic, environmental, social and governance consideration, with the following objectives:

- Deliver sustainable business performance and ethical practices
- Promote responsible use of resources and minimise environmental impact
- Create socio-economic benefits for local communities and empower employees

## REPORTING FRAMEWORKS

This Statement has been prepared in accordance with the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and with reference to Bursa Securities’ Sustainability Reporting Guide (3rd Edition). Where relevant, the Group also considers selected international sustainability reporting frameworks, such as the Global Reporting Initiative (GRI) Standard and the Task Force on Climate-related Financial Disclosures (TCFD) to guide its disclosures and enhance transparency to stakeholders, where appropriate.

## SCOPE

This Sustainability Statement covers the financial year ended 31 December 2025 and is aligned with the reporting period of the Group’s consolidated financial statements. Relevant comparative data from previous financial years are provided where available. Certain figures have been restated to reflect changes in scope, improvements in data collection and/or other relevant adjustments.

The scope of this Statement focuses on the Group’s principal operations in Malaysia, encompassing its trading and manufacturing operations, which account for the majority of the Group’s business activities. Overseas subsidiaries in China and Indonesia are excluded from the reporting scope as they are relatively small in scale and have minimal impact on the Group’s overall sustainability performance, unless explicitly mentioned. The scope remains consistent with the previous year.

For a comprehensive view of the Group’s operations, this Statement should be read alongside other sections of the Annual Report, including financial and non-financial disclosures.

## ASSURANCE STATEMENT

This Statement has not been subjected to external assurance. Nevertheless, NHF remains committed to ensuring the accuracy and reliability of its disclosures and continues to strengthen its internal processes and data collection frameworks.

For FY2025, an internal review was independently performed by the Group’s Internal Auditors, who is an external professional consultant. The internal verification of this Statement focused on the Group’s overall compliance with the Sustainability Reporting Framework, with particular emphasising on the following areas:

- Sustainability governance and oversight
- Materiality assessment process
- Stakeholder engagement

The scope of internal review will be progressively expanded to cover additional sustainability disclosure areas in future reporting cycles. The Group will also consider obtaining independent external assurance in the future, as and when appropriate, taking into account reporting maturity, regulatory developments and stakeholder expectations.

## FEEDBACK

This Sustainability Statement is included in the Company’s Annual Report 2025, which is available on NHF’s website.

NHF welcomes and encourages stakeholders to provide feedback pertaining to this Statement and the matters discussed. Feedback can be submitted to the Corporate & Sustainability Department at [nhfcorporate@newhoongfatt.com.my](mailto:nhfcorporate@newhoongfatt.com.my).

## OVERVIEW OF THE GROUP AND VALUE CHAIN

### Key business activities

The Group operates principally within a single operating segment, reflecting the integrated nature of its business activities. It is primarily engaged in manufacturing, wholesaling, marketing, trading, distribution and export of automotive parts and accessories for the replacement equipment market (REM), as well as the production of tools, moulds and dies. These activities are primarily carried out at the Group’s headquarters in Klang, Malaysia.

Besides its headquarters, the Group operates two (2) trading branches located in Segambut, Kuala Lumpur and Inanam, Sabah, as well as two (2) overseas subsidiaries located in Jakarta, Indonesia and Shanghai, China, all of which focus on trading and distribution activities.

Details of the Group’s business activities are set out in the Corporate Profile and Group Structure of this Annual Report.

Revenue by geographical location of customers is set out in Note 26 of the Group’s financial statements for the year ended 31 December 2025.

## SUSTAINABILITY STATEMENT (continued)

### Value chain

The Group's value chain can be broadly categorised into three (3) stages: upstream suppliers, operational activities and downstream customers and product use. This high-level overview provides context for the preliminary sustainability considerations undertaken during FY2025.






<p><b>Upstream - Suppliers</b></p>	<p>The Group sources raw materials and components essential for its manufacturing activities, primarily steel coil and plastic resin. Suppliers are located both locally and internationally. In addition, the Group sources genuine and alternative replacement automotive parts and accessories for trading from other local and overseas manufacturers. Key sustainability considerations at this stage include responsible sourcing, resource intensity and supply chain reliability.</p>
<p><b>Operations</b></p>	<p><b><u>Manufacturing</u></b></p> <ul style="list-style-type: none"> <li>The Group's manufacturing operations include metal stamping, plastic injection moulding, painting, assembly and related processes. These operations involve the use of energy, water and controlled chemicals, and generate waste streams such as scrap metal, plastic offcuts, wastewater and scheduled waste.</li> </ul> <p><b><u>Trading / Marketing / Distribution / Export</u></b></p> <ul style="list-style-type: none"> <li>The Group's trading and export activities involve the sourcing, handling and distribution of automotive parts and accessories, which include transportation, inventory management and packaging. While these activities have a lower direct environmental footprint than manufacturing, the sustainability considerations include logistics efficiency, product quality and compliance with applicable regulations.</li> </ul> <p>Operational sustainability considerations across the Group include energy and water consumption, waste and emissions management, occupational health and safety, labour welfare and adherence to environmental regulations.</p>
<p><b>Downstream - Customers and Product Use</b></p>	<p>The Group distributes and markets its products to the local and export customers comprising wholesalers, distributors and retailers who then sell the products to the end-users such as workshops and consumers. Downstream considerations focus on product quality and reliability, as well as meeting evolving customer expectations.</p>

The Group recognises that its most significant environmental and social impacts occur across both upstream supply and operational stages, with downstream considerations influencing product stewardship and customer engagement. This high-level mapping provides the foundation for future materiality assessments and structured risk evaluations planned for FY2026 in preparation for IFRS Sustainability Disclosure Standards S1 (*General Requirements for Disclosure of Sustainability-related Financial Information*) and S2 (*Climate-related Disclosures*).

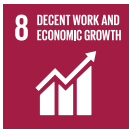


# SUSTAINABILITY STATEMENT (continued)

## Sustainability Strategy and Performance Targets

The Group integrates sustainability considerations into its strategic planning and decision-making processes to manage potential risks and seize relevant opportunities. As part of the process, the Group monitors key performance indicators across economic, environmental, social and governance dimensions. These indicators help track progress against internal targets and guide actions to mitigate risks and strengthen operational resilience. Examples of the Group’s main indicators include:

Focus Area	UN SDG & Target	NHF Approach / Initiatives	Key Performance Indicators / Targets (FY2025)
<b>Workplace Safety and Health</b>	 <p><b>UN SDG 3</b> <b>Good health and well-being</b></p> <p>3.6 and 3.9: Reduce road traffic fatalities and pollution-related illnesses</p>	Road safety awareness; monitoring employee accidents; safe workplace practices; waste management systems	Maximum 10 workplace accidents per year; 0 fatalities
<b>Skills Development and Workforce</b>	 <p><b>UN SDG 4</b> <b>Quality education</b></p> <p>4.3 and 4.4: Equal access to education and employable skills</p>	Collaborations with educational institutions; internships; on-the-job training	Total training hours for Non-Executives: 5,000 hours; maintain ≥30% women directors on Board
<b>Resource and Environmental Management</b>	 <p><b>UN SDG 6</b> <b>Clean water and sanitation</b></p> <p>6.3 and 6.4: Water quality and efficiency</p>	Water tracking; rainwater harvesting; effluent treatment	Treated effluent maintained below regulatory limits; track water consumption and water usage intensity
<b>Renewable Energy and Climate</b>	 <p><b>UN SDG 7</b> <b>Affordable and clean energy</b></p>  <p><b>UN SDG 13</b> <b>Climate action</b></p> <p>7.2: Renewable energy share and climate action</p>	Solar panels installations; energy efficiency initiatives in operations; track GHG emissions Scope 1 and 2; start Scope 3 reporting	Track total GHG emissions and intensity; reduce energy consumption; installed solar panels

## SUSTAINABILITY STATEMENT (continued)

Focus Area	UN SDG & Target	NHF Approach / Initiatives	Key Performance Indicators / Targets (FY2025)
<b>Economic Performance and Productivity</b>	 <b>UN SDG 8 Decent work and economic growth</b>  8.2 and 8.5: Productivity and employment	Upskilling workforce; fair compensation; safe workplace; work-from-home arrangement	Ensure full and productive employment; provide equal opportunity based on performance; implement safe working conditions
<b>Production and Waste Management</b>	 <b>UN SDG 12 Responsible consumption and production</b>  12.5: Reduce waste generation	Lean Manufacturing, Kaizen, 3R activities; waste management system	Implement Reduce, Reuse, Recycle activities; proper disposal of waste
<b>Ethical Business Practices</b>	 <b>UN SDG 16 Peace, justice and strong institutions</b>  16.5: Substantially reduce corruption	Anti-corruption training; annual risk assessment; zero tolerance policy	100% of Executives and Non-Executives trained; 100% of key operations assessed for corruption; 0 confirmed incidents

The Group monitors and reviews progress against sustainability initiatives disclosed in prior reporting periods. Performance is assessed through both quantitative and qualitative measures, including operational efficiency improvements, energy consumption reductions and the continued expansion of sustainability-related programmes and practices.

At present, Key Senior Management are responsible for managing and addressing material sustainability-related risks and opportunities as part of their day-to-day operational and oversight functions. Performance evaluations and remuneration are linked to the achievement of individual key performance indicators ("KPIs"), some of which include sustainability-related elements embedded within operational responsibilities. While sustainability considerations are therefore reflected in management performance assessments in an integrated manner, there are currently no standalone or explicitly designated sustainability-specific KPIs directly tied to remuneration. The Group recognises this as an area for potential enhancement and may progressively strengthen the integration of sustainability-specific considerations into performance assessments, where appropriate.



NHF's headquarters and manufacturing facilities in Klang, Selangor, with rooftop solar panels installed on one of the buildings.

## SUSTAINABILITY STATEMENT (continued)

### STAKEHOLDERS ENGAGEMENT

A fundamental step in developing the Group’s sustainability strategy is identifying its stakeholders and understanding their expectations. This ensures that the organisation focuses on relevant issues and aligns its sustainability initiatives with operational priorities.

The Group has identified its key stakeholders as employees, customers, suppliers, shareholders, regulators and local communities. Engagement with these stakeholders is conducted through a variety of formal and informal channels to understand and address their interests, concerns and expectations. Key activities include:

Key Stakeholders	Stakeholders’ Main Interests	Method of Engagement	Frequency of Engagement
<b>Employees</b>	<ul style="list-style-type: none"> <li>Workplace health and safety</li> <li>Comprehensive remuneration and benefits</li> <li>Diversity and equal opportunities</li> <li>Performance management</li> <li>Communication and engagement</li> <li>Learning and career development</li> <li>Employee welfare</li> </ul>	Departmental meetings	Regularly
		Quarterly business meeting	Quarterly
		Performance appraisals	Biannually
		Training and development programmes	On-going
		Employee welfare activities	Occasionally
<b>Customers</b>	<ul style="list-style-type: none"> <li>Product quality, stock availability, product range, delivery and competitive pricing</li> <li>Customer service</li> <li>Complaint management</li> <li>Customer data privacy</li> </ul>	Exhibitions	Annually
		Salesman visits	Regularly
		Emails, phone calls, social media communications	Regularly
		Survey and market research	Periodically
<b>Suppliers/ Vendors</b>	<ul style="list-style-type: none"> <li>Prompt payment</li> <li>Long-term partnership</li> <li>Transparent procurement practices</li> <li>Sufficient lead time</li> </ul>	Performance evaluation	Annually
		Visits	Regularly
		Emails and phone calls	Regularly
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>Profitability</li> <li>Stable dividends</li> <li>Timely and regular updates of business performance</li> <li>Good corporate governance</li> <li>Business continuity</li> </ul>	Annual general meetings	Annually
		Annual and quarterly reports	Periodically
		Company’s website - Investor Relation page	On-going
		Announcements to Bursa Securities	As and when necessary
		Meeting with analysts and fund managers	As and when necessary
		Press releases	Periodically
<b>Government and regulatory bodies</b>	<ul style="list-style-type: none"> <li>Regulatory and reporting compliance</li> <li>Ethical business practices</li> </ul>	Statutory disclosures and submissions	As and when necessary
		Meetings	As and when necessary
		Advocacy	As and when necessary
		Industry associations memberships	On-going
<b>Local communities</b>	<ul style="list-style-type: none"> <li>Job opportunity</li> <li>Healthy and safe environment</li> <li>Community outreach programme</li> </ul>	Training programmes	On-going
		Career fairs	Regularly
		Corporate social responsibility (CSR) activities	Occasionally

The Group also assesses the relevance of each stakeholder based on their level of influence and interest in the Company. This helps prioritise engagement efforts to focus on stakeholders most critical to the Group’s sustainability performance.

# SUSTAINABILITY STATEMENT (continued)

## MATERIALITY ASSESSMENT

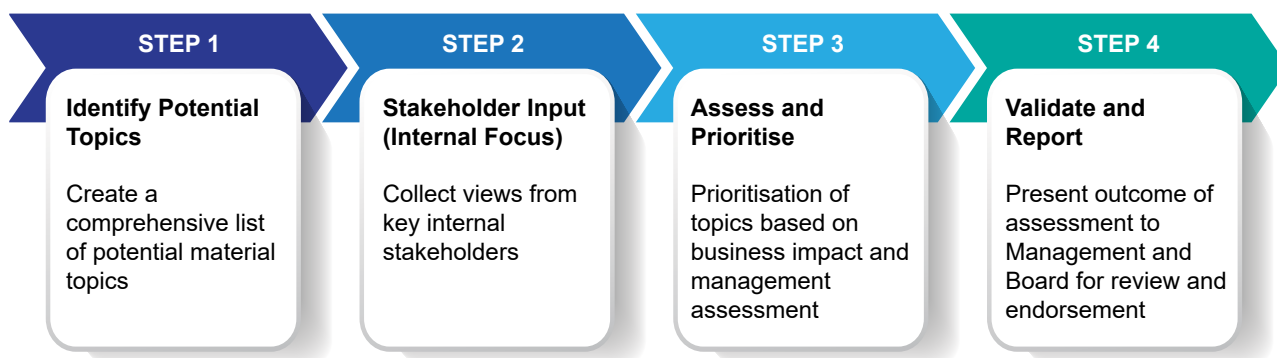
The Group identifies and prioritises sustainability matters that may have a significant impact on its business, stakeholders and long-term value creation. Material matters include issues that could influence the Group's financial performance, operational resilience, governance practice, as well as social and environmental responsibilities.

The Group last conducted a comprehensive materiality assessment in FY2022. In FY2025, the materiality assessment was reassessed and refreshed to ensure continued relevance to the Group's evolving business environment and stakeholder expectations.

### Assessment approach

The FY2025 reassessment was carried out through an internal survey facilitated by an external sustainability trainer. The exercise involved Heads of Departments and key functional leaders, with the results subsequently reviewed by Management.

The materiality assessment process is illustrated below:



A total of 17 sustainability topics were evaluated. These topics were identified based on multiple references, including:

- Common sustainability matters under the Listing Requirements of Bursa Securities
- Sustainability Accounting Standards Board (SASB) Standards for the 'Auto Parts' and 'Multiline and Specialty Retailers and Distributors'\*
- Other recognised sustainability frameworks and industry practices

\* Only certain metrics that are applicable to the Group's circumstances

Each topic was assessed based on its relevance and potential impact on the Group's operations and long-term performance. The identified sustainability topics were further evaluated using the following criteria:

- Impact severity: the extent of potential positive or negative effects on the Group's operations, stakeholders or the environment
- Impact likelihood: the probability of the issue occurring or continuing to affect the Group
- Stakeholder concern: the level of importance placed on the issue by relevant stakeholder groups
- Strategic and financial relevance: the degree to which the issue could influence the Group's business strategy, financial performance or long-term value creation
- Ability to influence: the extent to which the Group can manage, mitigate or drive positive outcomes relating to the issue

The combined evaluation of these factors helped identify the key focus areas that are most material to the Group. From this assessment, Management determined the top three (3) priority matters, which were subsequently endorsed by the Board to ensure their relevance to the Group's business and long-term performance.

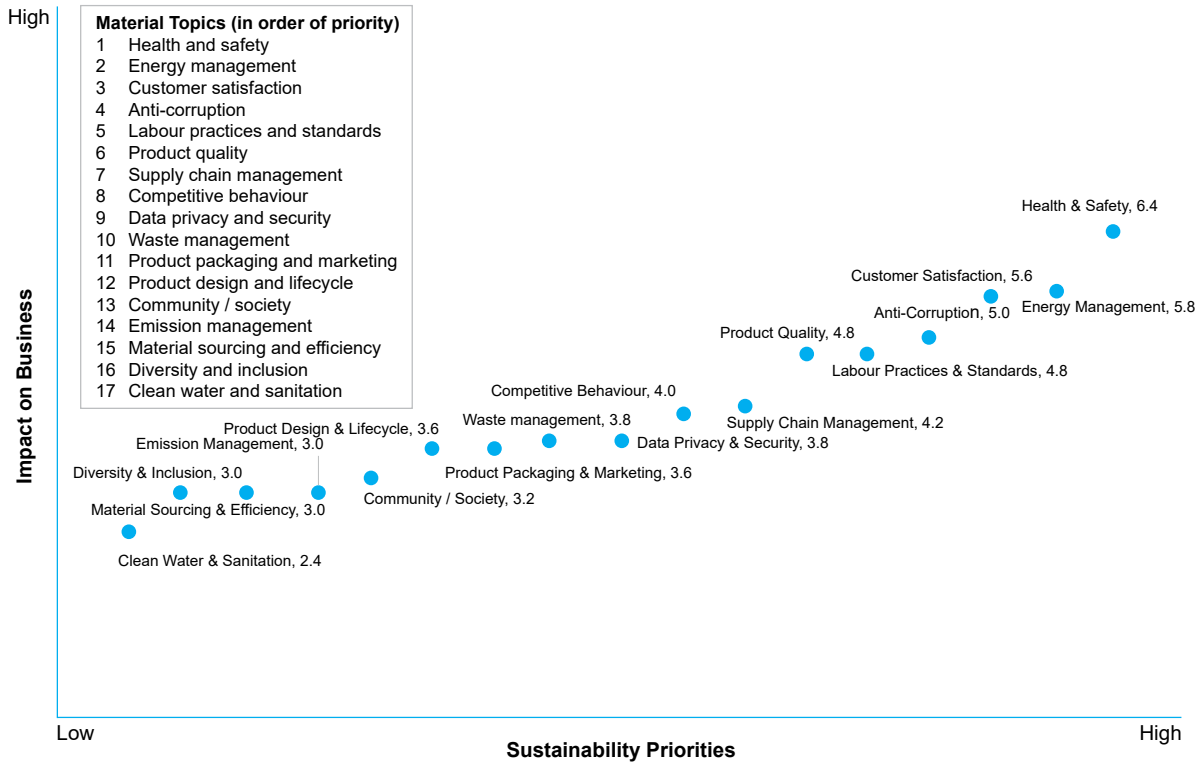
The outcome of the assessment allows the Group to focus resources on the sustainability issues most pertinent to its operations, enhance risk management and operational resilience, and align sustainability initiatives with business strategy and stakeholder expectations. These material matters form the basis of the disclosures in this Sustainability Statement and guide the Group's sustainability priorities and initiatives going forward.

The FY2025 assessment focused only on internal stakeholders.

# SUSTAINABILITY STATEMENT (continued)

## Results

The results of the assessment are plotted in the materiality matrix below:



While the materiality assessment has identified the Group’s key sustainability topics, a comprehensive assessment of risks related to each topic has not yet been performed, except for those already captured in the Group’s existing risk register under the Enterprise Risk Management (“ERM”) framework.

## SUSTAINABILITY GOVERNANCE STRUCTURE

The Board of Directors (“Board”) holds ultimately responsibility for overseeing the Group’s sustainability strategy, ensuring alignment with business objectives and maintaining accountability for the Group’s sustainability performance and disclosures. The Board sets the strategic framework and ensures resources are appropriately allocated to achieve the Group’s sustainability objectives.

The Audit and Risk Management Committee (“ARMC”) supports the Board by reviewing the Group’s sustainability performance against targets, assessing key sustainability risks and identifying opportunities to enhance the Group’s economic, environmental, social and governance performance. These responsibilities are formalised in the updated Board Charter and the ARMC’s Terms of Reference.

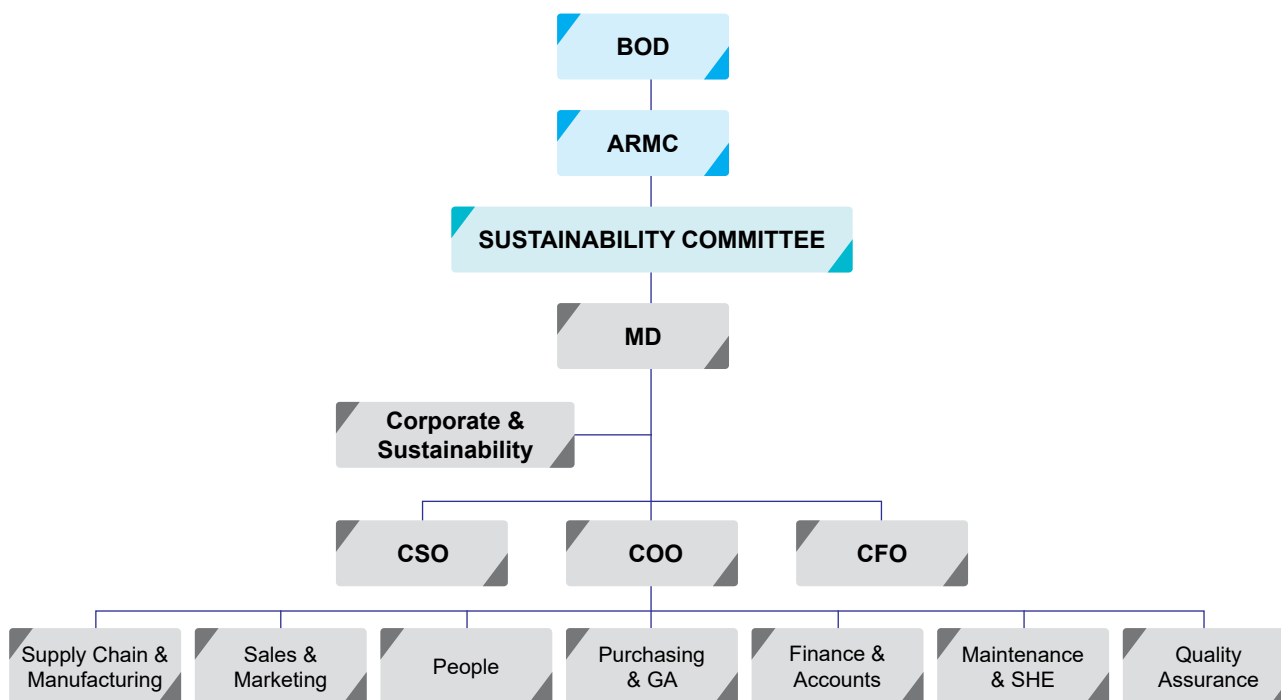
In FY2025, the Group strengthened its sustainability governance framework through several key initiatives:

- The Sustainability Working Group was restructured and renamed the Sustainability Committee, a management-level committee chaired by the Managing Director and comprising senior management and department heads. The Committee is responsible for formulating sustainability programmes, setting targets, monitoring

- progress, implementing initiatives, and ensuring that sustainability policies and practices are embedded into day-to-day operations. It also oversees the identification, evaluation, monitoring and management of the Group’s key sustainability-related risks and opportunities.
- To formalise its commitment, the Group established and adopted a Sustainability Policy to guide responsible business practices, with expectations extended to suppliers, contractors and business partners across the value chain.
- Capacity-building efforts were enhanced during the year, with key personnel participating in external and in-house workshops on IFRS S1 and S2 to strengthen implementation capabilities, while Directors continued to attend training programmes, including sustainability-focused sessions, to support effective oversight.
- A comprehensive plan for compliance with IFRS S1 and S2 was developed and presented to the Board to identify reporting gaps.
- Sustainability initiatives and performance monitoring are coordinated by the Corporate & Sustainability Department, which also oversees the preparation of the Group’s Sustainability Statement.
- The Sustainability Committee met twice during the financial year, and updates on sustainability performance and ongoing initiatives were provided to the ARMC and the Board on a quarterly basis to ensure continuous oversight.

## SUSTAINABILITY STATEMENT (continued)

The Group’s sustainability governance structure for FY2025 is summarised below:



The table below summarises the roles and responsibilities within the Group’s sustainability governance framework:

Role	Responsibility
<b>Board of Directors (“BOD”)</b>	<ul style="list-style-type: none"> <li>Provide overall oversight of sustainability matters, ensuring material sustainability-related risks and opportunities (including climate change) are considered in the Group’s strategy and long-term direction.</li> <li>Ensure appropriate governance structures, resources, and internal controls are in place to manage sustainability matters effectively.</li> <li>Ensure sustainability-related risks form part of the Group’s ERM framework and that principal risks are managed within the Group’s risk appetite.</li> </ul>
<b>Audit and Risk Management Committee (“ARMC”)</b>	<ul style="list-style-type: none"> <li>Review the adequacy and effectiveness of the Group’s sustainability frameworks, policies, and processes for identifying, assessing, and managing sustainability-related risks and opportunities (including climate change).</li> <li>Monitor emerging sustainability risks, regulatory developments, and evolving standards, and assess their impact on the Group.</li> <li>Review sustainability-related reporting, including the Sustainability Statement, and provide recommendations to the Board to ensure transparency and compliance.</li> </ul>
<b>Main Committee Members:</b> <ul style="list-style-type: none"> <li><b>Managing Director (“MD”) (Chairman)</b></li> </ul>	<ul style="list-style-type: none"> <li>Provide leadership and guidance in the integration of sustainability into the Group’s overall business strategy.</li> <li>Report on sustainability performance to the ARMC and the Board.</li> <li>Foster a culture of sustainability and support sustainability initiatives within the Group.</li> </ul>
<ul style="list-style-type: none"> <li><b>Chief Operating Officer (“COO”)</b></li> <li><b>Chief Strategy Officer (“CSO”)</b></li> <li><b>Chief Financial Officer (“CFO”)</b></li> </ul>	<ul style="list-style-type: none"> <li>Ensuring ESG/sustainability is integrated into business planning and operations.</li> <li>Establish sustainability strategy and policies for own division.</li> <li>Set priorities, metrics and targets for key sustainability issues.</li> <li>Allocate budget and resources.</li> </ul>

## SUSTAINABILITY STATEMENT (continued)

Role	Responsibility
<b>Members (representatives from):</b> <ul style="list-style-type: none"> <li>• <b>Supply Chain &amp; Manufacturing</b></li> <li>• <b>Sales &amp; Marketing</b></li> <li>• <b>People</b></li> <li>• <b>Purchasing &amp; General Administration</b></li> <li>• <b>Finance &amp; Accounts</b></li> <li>• <b>Maintenance &amp; SHE</b></li> <li>• <b>Quality Assurance</b></li> </ul>	<ul style="list-style-type: none"> <li>• Review material risks and opportunities.</li> <li>• Implement sustainability initiatives within their respective department and guide team efforts towards achieving sustainability targets.</li> <li>• Monitor the progress of departmental sustainability targets and report to the Corporate &amp; Sustainability Department.</li> <li>• Identify opportunities for improving resource efficiency and reducing environmental impacts within their functions.</li> <li>• Report progress to the Main Committee.</li> </ul>
<b>Secretariat:</b> <b>Corporate &amp; Sustainability</b>	<ul style="list-style-type: none"> <li>• Coordinate Sustainability Committee meetings, sustainability reporting, including data collection, analysis and reporting on key indicators.</li> <li>• Conduct awareness programs to promote sustainability across the Group.</li> <li>• Stay informed on emerging trends and regulations on ESG/sustainability and provide recommendations to the Sustainability Committee.</li> </ul>

The processes for identifying and assessing risks, including sustainability-related and climate-related risks, are described in the Statement of Risk Management and Internal Control of this Annual Report.

Several material sustainability issues, such as workplace safety and environmental conservation, are closely linked to the Group's key business risks and are therefore monitored and managed through the ERM framework.

### SUSTAINABILITY RELATED RISKS AND OPPORTUNITIES

The Group recognises that sustainability-related risks, including climate-related risks, have financial and operational implications over time. A preliminary qualitative assessment of relevant climate-related risks has therefore been incorporated into the Group's ERM framework.

The current assessment is based on available internal information and does not yet constitute a comprehensive climate scenario analysis. Nevertheless, it provides an initial basis for understanding potential risk exposures and related opportunities. The Group has identified the following key climate-related risks and potential opportunities arising therefrom. These high-level disclosures reflect physical and transition risks as part of the broader sustainability risk management process.

Category	Description	Potential Impact	Timeframe*	Mitigation Actions	Opportunities
<b>Physical Risks Resulting from Climate Change</b>					
Flood due to extreme weather	Increased frequency and severity of heavy rainfall or storms may lead to flash floods or widespread flooding.	Damage to operational premises, inventory, machinery and equipment; temporary shutdowns of facilities; disruptions to logistics and workforce mobility; delays in production and deliveries; increased repair, maintenance and insurance costs; potential decline in property value.	Short to medium term	Emergency response plans; insurance coverage; improved drainage, elevation of critical equipment and protective barriers; coordination with local authorities and community to align mitigation measures.	Strengthen business continuity and operational resilience; improve facility design to reduce long-term maintenance; enhance stakeholder confidence through stronger risk management.

## SUSTAINABILITY STATEMENT (continued)

Category	Description	Potential Impact	Timeframe*	Mitigation Actions	Opportunities
Drought and water scarcity	Prolonged periods of low rainfall may lead to water shortages and tighter water supply controls.	Disruption to production processes dependent on water; potential impact on product quality; operational delays; higher operating costs from alternative water sourcing, storage or efficiency investments.	Long term	Rainwater harvesting; secure alternative water sources.	Improve water efficiency; reduce long-term water costs through reuse initiatives; enhance resilience to supply disruptions.
<b>Transition Risks Resulting from Climate Change</b>					
Government and industry regulations	Introduction of more stringent environmental and climate-related regulations, standards and reporting requirements.	Higher compliance and reporting costs; need for operational adjustments; capital expenditures on cleaner technologies and process improvements; legal exposure or reputational damage in the event of non-compliance.	Short, medium and long term	Compliance monitoring; reporting frameworks; process audits.	Strengthen governance and compliance practices; improve operational efficiency through cleaner technologies; enhance corporate reputation and stakeholder confidence through proactive compliance and transparent reporting.
<b>Climate-Related Opportunities</b>					
Renewable energy adoption	Participation in renewable energy initiatives, such as installation of solar power.	Reduced carbon footprint; improved energy efficiency and resilience; lower long-term energy costs; enhanced corporate reputation.	Short, medium and long term	Energy efficiency programs; renewable energy adoption.	Achieve long-term energy cost savings and improved energy resilience; reduce exposure to energy price volatility.
Use of recycled materials	Increased use of recycled materials in plastic parts production.	Lower environmental impact and carbon footprint; waste reduction; reduced reliance on virgin raw materials; potential cost savings.	Short, medium and long term	Supplier engagement; 3R and Kaizen programmes.	Improve resource efficiency and circular economy practices; reduce reliance on virgin raw materials.

\*Note: The Group defines the following time-horizons as follows:

- short term (0 to 2 years)
- medium term (3 to 5 years)
- long term (6 to 10 years)

By incorporating climate-related risks into its ERM framework, the Group ensures that relevant climate risk factors are systematically identified, assessed and monitored. The Sustainability Committee plays an oversight role in reviewing mitigation strategies and supporting Management in implementing appropriate actions to manage potential impacts on the Group's operations and performance.

# SUSTAINABILITY STATEMENT (continued)

The Group tracks several key metrics to measure and manage climate-related risks and opportunities:

Metric	Definition
<b>Waste</b>	Total waste directed to and diverted from disposal.
<b>Energy Consumption</b>	Total energy consumption, including electricity usage and usage intensity per RM1.0 million revenue.
<b>Greenhouse Gas (“GHG”) Emissions</b>	Total Scope 1, Scope 2 and Scope 3 emissions (business travel and employee commutes).
<b>Carbon Intensity</b>	Carbon emissions per RM1.0 million revenue.
<b>Water Usage and Intensity</b>	Total water usage and usage intensity by RM1.0 million revenue.

The Group began tracking Scope 1, 2 and 3 GHG emissions in FY2024, including emissions from employee commuting and business travel. This establishes a baseline to support the Sustainability Committee’s plan to introduce an energy consumption target in FY2026.

In addition to climate-related risks, the Group will undertake a structured sustainability risk assessment in FY2026 in preparation for IFRS-aligned sustainability reporting under IFRS S1 and S2, and to strengthen the identification, evaluation and integration of sustainability-related risks into the Group’s risk management and decision-making processes.

## A. ENVIRONMENTAL

NHF recognises the importance of environmental stewardship and is committed to adhering to all applicable environmental regulations. The Group seeks to manage its environmental impacts across land, air, water and ecosystems, with consideration of how these impacts affect the Group’s business, stakeholders and the well-being of future generations. There were no incidents of non-compliance or penalties related to environmental issues recorded during the reporting period.

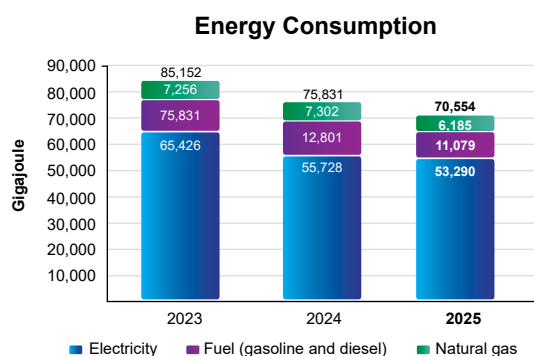
To support responsible environmental management and the integration of environmental considerations into business operations, NHF implements initiatives across energy, waste, emissions and water management.

## (i) Energy management

Effective energy management is a critical aspect of both environmental stewardship and operational efficiency. Optimising energy consumption helps the Group minimise its carbon footprint, reduce greenhouse gas (“GHG”) emissions and mitigate the environmental impacts associated with energy use. It also supports operational performance by reducing waste, improving productivity and lowering utility costs, while ensuring compliance with environmental laws and regulations.

As a manufacturing and trading business, the Group relies on a variety of energy sources, including electricity, fuel and natural gas. The majority of electricity is purchased from external source, primarily Tenaga Nasional Berhad (“TNB”), with additional energy generated on-site through solar photovoltaic (“PV”) panels installed on the rooftops of the Klang factory. Most electricity is consumed in the manufacturing process, fuel is mainly used for the Group’s truck fleets, forklifts and boiler heating at the Plastic Division, while natural gas powers burner heating at the Metal Division, resulting in both direct and indirect GHG emissions.

During FY2025, NHF monitored and tracked energy consumption across these business segments, including purchased electricity and self-generated energy. The total energy consumed by the Group was 70,554 GJ, covering direct purchased electricity, fuel usage and natural gas. Only energy directly consumed by the Group during the reporting period is included.



Of the total energy consumed, 85% was supplied from purchased grid electricity. Energy generated from the solar PV panels at the Klang factory accounted for 15% of total energy consumption.

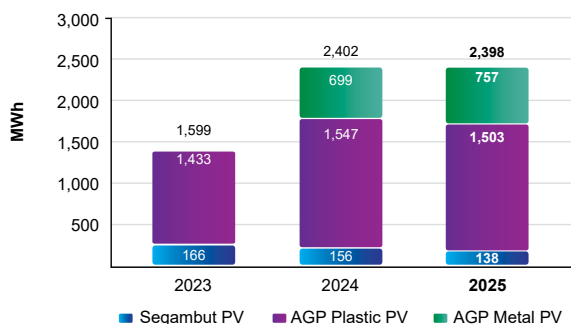
# SUSTAINABILITY STATEMENT (continued)

## Renewable energy

As part of the Group’s commitment to green energy, NHF has invested in solar PV systems across its operations. These initiatives aim to reduce reliance on grid electricity and lower carbon emissions.

- The Group participates in TNB’s Solar PV Feed-in-Tariff System in 2013 under a Renewable Energy Power Purchase Agreement at the Segambut branch in Kuala Lumpur. Solar energy generated at this site is sold to TNB over a concession period of 21 years. In FY2025, the system generated 138 megawatt-hours (“MWh”), contributing to renewable energy supply while generating value for the Group.
- At the Plastic Division factory in Klang, the Group installed rooftop solar panel in 2022 to produce electricity for internal use. In FY2025, the system generated 1,503 MWh of electricity, resulting in operational cost savings of approximately RM486,000.
- In 2023, the Group installed solar panels at its Metal Division factory in Klang, which were converted to Net Energy Metering (NEM) under the Net Offset Virtual Aggregation (NOVA) program in January 2024. This system allows on-site consumption of generated electricity, with excess energy exported to the TNB grid. In FY2025, the system generated 757 MWh of electricity, of which 76 MWh was sold to TNB.

**Electricity Generated from Solar PV**

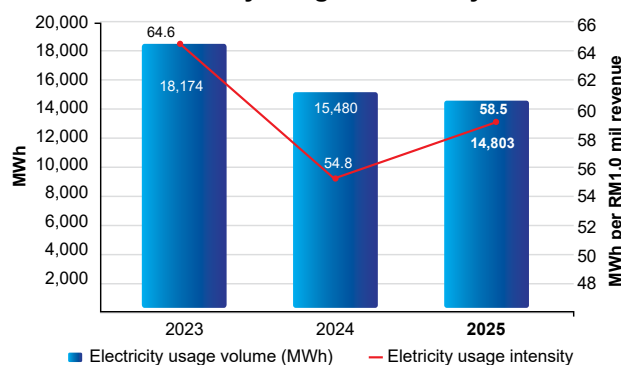


**Electricity Sold to TNB**

	FY2023	FY2024	FY2025
Segambut PV (MWh)	166	156	<b>138</b>
AGP Metal PV (MWh)	N/A	41	<b>76</b>
<b>Total (MWh)</b>	<b>166</b>	<b>197</b>	<b>214</b>

In FY2025, the Group’s electricity consumption decreased slightly by 4.4% compared to the previous year. Despite this reduction, electricity usage intensity increased to 58.5 MWh per RM1.0 million of revenue, up from 54.8 MWh per RM1.0 million of revenue in FY2024. This increase in intensity was primarily due to lower production volumes and lower revenue during the year, although improvements in production efficiency and electricity generated from the Group’s solar PV panels helped to partially offset this impact.

**Electricity Usage & Intensity**



The following initiatives were implemented to minimise energy consumption:

- **Energy-efficient lighting:** Light-emitting diodes (“LEDs”) lighting systems and motion sensors are used. LEDs consume less energy and have a longer lifespan, resulting in both cost savings and reduced environmental impact.
- **Natural lighting:** Skylight roofs were installed, providing natural light into the premises to reduce electricity consumption.
- **Responsible use of air conditioning:** Employees are encouraged to use air conditioners responsibly as part of the environmental conservation efforts.
- **Fleet efficiency:** Direct emissions from fleet trucks are reduced and transport efficiency optimised through route scheduling, consolidated deliveries and maximising truckloads, thus lowering carbon emissions, truck mileage and fuel consumption.

# SUSTAINABILITY STATEMENT (continued)

- Electrification of forklifts: Diesel forklifts are being gradually replaced with electric forklifts to reduce fuel consumption and combustion emissions.
- Servo-based plastic injection machines: Conventional plastic injection machines are being replaced with efficient servo-driven machine. Currently, 21 of the Group's 30 plastic injection machines are servo-based, achieving lower energy consumption.
- Fuel-efficient vehicle: The Group considers hybrids vehicles when commercially available and practical.

## (ii) Waste management

Manufacturing automotive parts requires substantial material inputs, and along the process, waste generation is inevitable. As materials represent a significant portion of production costs, effective management of inputs is critical to improving resource efficiency, reducing waste and maintaining cost competitiveness. Poor waste management can increase operational risks, regulatory scrutiny, legal liabilities and capital expenditure on pollution control. Recognising these risks and opportunities, the Group prioritises efficient resource utilisation and waste minimisation.

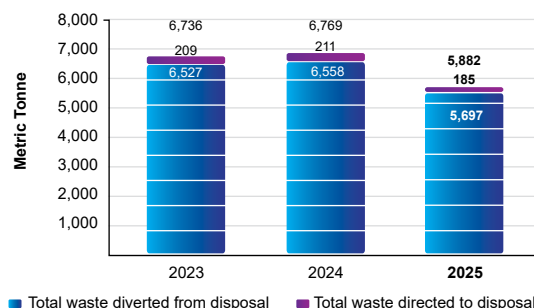
The waste generated from the Group's manufacturing operations comprises a mix of materials arising mainly from production processes. The key material components present in the Group's waste streams include:

Waste Material Category	Typical Source of Waste
<b>Metals (steel off-cuts, metal scrap, metal sludge)</b>	Stamping, fabrication, trimming and ED coating processes
<b>Plastics (resin rejects, runners, plastic packaging)</b>	Plastic injection moulding and packaging materials
<b>Non-metallic minerals (sludge, treatment residues)</b>	Wastewater treatment plant and surface treatment processes
<b>Chemical residues and oils</b>	Paint processes, lubricants, coolants and maintenance activities
<b>Paper and cardboard</b>	Packaging materials and office activities
<b>Others (e.g., used PPE, general waste)</b>	General operations and maintenance

The Group monitors waste generated from its manufacturing operations to ensure responsible resource management and environmental compliance. In FY2025, total waste generated, primarily from production processes amounted to 5,882 metric tonnes, a decrease from 6,769 metric tonnes in FY2024, mainly due to lower production volumes during the year.

The Group successfully redirecting approximately 97% of total waste away from landfill through reuse and recycling, with only 3% of waste disposed of at landfill.

Waste Generation and Disposal



The Group has adopted a comprehensive approach to waste management that focused on reducing, reusing and recycling materials wherever possible. Key strategies for reducing waste include:

- Prioritising the use of quality materials to reduce defects and rejects.
- Leveraging automation and optimising production processes to increase efficiency and limit waste generation.
- Implementing Lean Production and Kaizen methodologies to enhance productivity and further reduce material waste

In addition, the Group implemented targeted waste reduction initiatives as follows:

- Optimising paint usage: Improving electro-deposition ("ED") paint efficiency through enhancement to the ultrafiltration system for paint recovery and better control of paint thickness within quality standard, thus reducing paint waste.
- Reducing scheduled waste in the Metal ED and Plastic electro-plating ("PE") lines: Pre-treating concentrated waste from the electroless nickel process instead of treating it in the wastewater treatment plant, which reduce the consumption of chemicals used in the treatment process.
- Promoting 3R practices at the workplace: Setting up 3R bins at the office compound to encourage sustainable waste practices among employees.

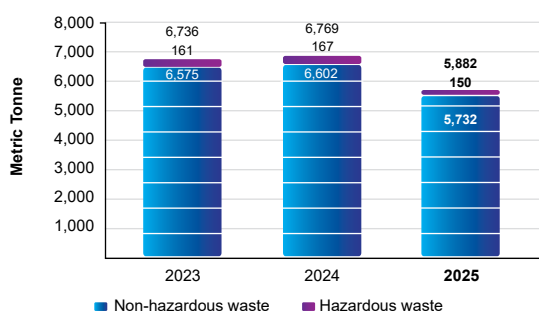
## SUSTAINABILITY STATEMENT (continued)

The Group promotes reuse and recycling of raw materials in its processes. In the Metal Division, metal scraps are reused where possible and the remainder of scraps that cannot be used are sold to external parties for recycling, thereby reducing landfill waste.

In the Plastic Division, plastic resin rejects are either crushed for reuse in certain plastic parts or sold to external parties for recycling. Crushed and reuse rejects represent approximately 8% of the Group's total waste generated. Currently, approximately 92% of the materials used in the Group's plastic production consist of recycled resins from either purchased externally and crushed internally, while virgin resin used is only 8%.

From the total waste generated through production process, hazardous waste accounted for 3%. Hazardous waste refers to scheduled wastes such as waste oils, sludge, chemical residues and contaminated containers. The Group ensures that all hazardous waste is properly classified, stored, transported and disposed of in accordance with the environmental laws and regulatory requirements, including disposing through licensed third-party waste contractors, record-keeping, and reporting to the Department of Environment ("DOE"). Hazardous wastes are identified and managed in accordance with the Environmental Quality (Scheduled Wastes) Regulations 2005 under the Environmental Quality Act 1974 (Act 127) in Malaysia.

**Waste Generation and Disposal By Type**



These initiatives reflect the Group's efforts to promote environmental sustainability through waste reduction and responsible management practices.

### (iii) Emissions management

Emissions management is critical in the Group's manufacturing business due to its energy-intensive operations. Energy efficiency improvements and the adoption of renewable energy create opportunities for low-carbon transition, operational resilience and cost savings.

The following table provides a detailed overview of the Group's GHG emissions performance over the past three (3) years:

GHG emissions (Metric tonnes of CO <sub>2</sub> equivalent (tCO <sub>2</sub> e))	FY2023	FY2024	FY2025
Scope 1	1,397	1,428	<b>1,227</b>
Scope 2	13,058	10,354	<b>9,843</b>
Scope 3	NA	994	<b>892</b>
- Category 6: Business Travel	NA	67	<b>55</b>
- Category 7: Employee Commuting	NA	927	<b>837</b>
<b>Total Scope 1, 2 and 3</b>	<b>14,455</b>	<b>12,776</b>	<b>11,962</b>

### Activity data

For the measurement of GHG emissions, the Group utilises the following activity data:

- Scope 1 (Direct Emissions): Quantities of fuel consumed (diesel and petrol) by vehicles, forklifts, and boilers, as well as natural gas used for burner heating, based on supplier invoices.
- Scope 2 (Indirect Energy Emissions): Quantities of purchased electricity consumed, based on utility invoices from TNB.
- Scope 3 (Other Indirect Emissions): Business travel (air, rail, and land) and employee commuting, based on travel records and reasonable estimates.

### Emission factors

For the measurement GHG emissions, the Group applies the following emission factors:

- Scope 1: IPCC 2006 Guidelines
- Scope 2: Energy Commission of Malaysia (2021)
- Scope 3: U.S. Environmental Protection Agency (EPA)

### Energy data conversion

The Group applies conversion factors consistently across all reported data. Energy from fuel consumption is converted to standard units using recognised calorific values, and electricity consumption is converted from kilowatt-hours (kWh) to gigajoules (GJ).

# SUSTAINABILITY STATEMENT (continued)

The Group's total GHG emissions in FY2025 decreased by 814 tCO<sub>2</sub>e, or 6%, from 12,776 tCO<sub>2</sub>e in FY2024 to 11,962 tCO<sub>2</sub>e. The reduction in Scope 1 emissions was mainly attributable to the electrification of forklifts, while the decrease in Scope 2 emissions was driven by increased renewable energy usage and the implementation of energy-efficiency measures on servo-based injection machines. Scope 3 emissions decreased primarily due to lower headcount and work-from-home arrangements for certain executive-level staff.

The Group tracks GHG emissions intensity per RM1 million of revenue as an indicator of operational GHG efficiency. The intensity levels for the past three (3) years are as follows:

### Carbon Emission Intensity

	FY2023	FY2024	FY2025
Carbon emission intensity (tCO <sub>2</sub> e per RM1.0 million revenue)	51.4	45.3	<b>47.3</b>

Overall, the Group remains committed to progressively lowering its GHG emissions and improving carbon efficiency across its operations in the coming years.

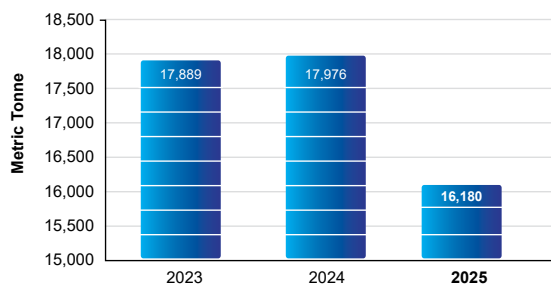
### (iv) Material sourcing and efficiency

Material sourcing is critical to the Group's operations, as raw materials such as steel and resin represent a significant portion of production costs. Key risks include price volatility, supply disruptions, quality issues and environmental or social impacts from suppliers. Effective management of these risks ensures reliable supply, cost efficiency and sustainable operations.

The Group monitored and tracked the total materials used in production, as well as the packaging materials for its products.

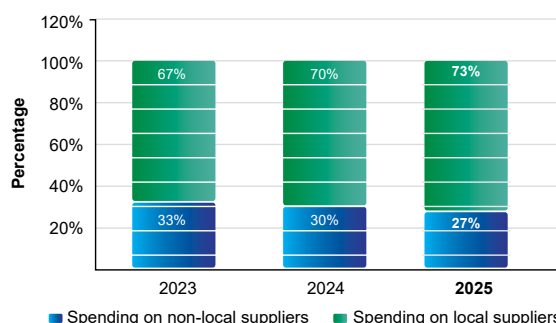
In FY2025, material usage for production and packaging decreased by 10% mainly due to lower production volume.

### Material Usage



The Group sources raw materials and automotive parts from both local and overseas suppliers. Steel coils are primarily sourced from overseas, as locally available options do not currently meet the quality standards required. For other raw materials and certain automotive parts, the Group prioritises local suppliers whenever possible. This approach supports local businesses, reduces procurement costs, shortens lead times and improves supply chain efficiency. It also helps minimise the environmental impact associated with long-distance sourcing. In FY2025, spending on local suppliers increased slightly to 73%, up from 70% in FY2024.

### Supplier Spending Distribution



The Group promotes sustainable procurement by carefully planning purchases to avoid excess purchases and ensure materials and supplies are used efficiently. Office supplies, furniture and equipment are regularly reviewed to identify items that can be reused, repurposed or recycled, reducing unnecessary waste.

Where possible, the Group consolidates orders and prioritises bulk purchasing from single supplier. This approach not only enhances operational efficiency and cost savings but also contributes to environmental sustainability by lowering the carbon footprint associated with transportation and logistics.

## SUSTAINABILITY STATEMENT (continued)

### (v) Clean water and sanitation

Water is a vital resource for the Group's operations, with the largest consumption occurring at its manufacturing plants. It is used in various production processes, including paint coating, paint spraying, fabricating, cooling and wastewater treatment. The Group recognises that its operations may contribute to water-related impacts, including pressure on local water resources and potential effects on surrounding ecosystems.

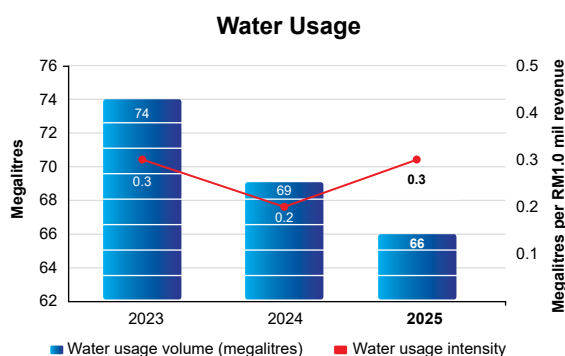
In response to growing global water scarcity, the Group is committed to adopting sustainable water management practices that conserve water, improve operational efficiency, and mitigate risks such as supply disruptions.

The Group conducts regular water audits and site-level assessments to evaluate water usage, efficiency and potential environmental impacts. These assessments cover all manufacturing plants and using water metering data and internal monitoring systems.

The Group implements several initiatives to manage water responsibly:

- **Monitoring water consumption:** Water usage is consistently tracked across manufacturing plants to identify trends, manage high-consumption areas, and promptly address any inefficiencies.
- **Rainwater harvesting:** Six (6) rainwater harvesting tanks have been installed at production facilities to collect and store rainwater. This water is primarily used for toilet flushing and cooling tower operations, reducing reliance on municipal water and lowering water-related costs.

The Group's water consumption in FY2025 was 66 megalitres, representing a slight 4% decrease from 69 megalitres in FY2024. This reduction was primarily driven by improved production efficiency and the use of harvested rainwater. However, water consumption intensity increased to 0.3 megalitres per RM1.0 million of revenue, up from 0.2 megalitres per RM1.0 million of revenue in FY2024, due to lower revenue recorded during the year despite operational improvements and conservation initiatives.



### Effluents management

Effluents management is a critical aspect of the Group's environmental responsibility. The Group's manufacturing processes generate wastewater that, if not properly treated, could harm local ecosystems and water resources. By adhering to strict effluent management practices, the Group ensures compliance with regulatory standards and demonstrates its commitment to sustainable and responsible operations.

The Group maintains stringent controls over the quality and quantity of wastewater discharged from its metal ED paint, PE processes and cooling towers to prevent environmental pollution. Wastewater is collected via an extensive network and treated on-site before discharge into the public drain. All effluents are treated according to the Environmental Quality (Industrial Effluent) Regulations 2009.

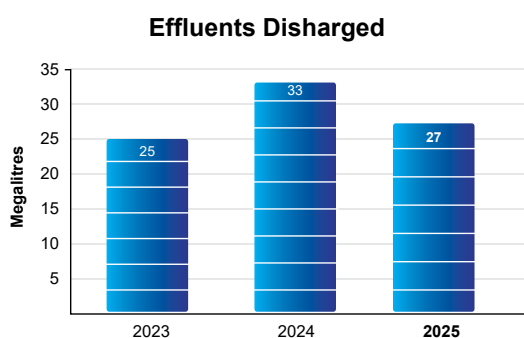
Water samples from the Group's three (3) treatment plants are tested weekly, both internally and externally by a DOE-approved laboratory to monitor key effluent parameters and ensure compliance with DOE's Standard B requirements. Test results are submitted to the DOE on a monthly basis. In FY2025, monitoring covered parameters such as pH, biochemical oxygen demand (BOD), chemical oxygen demand (COD), suspended solids and heavy metals:

Parameter	Standard B	Unit
pH	5.5 – 9.0	-
COD	< 200	mg/L
BOD	< 50	mg/L
Total Suspended Solids	< 100	mg/L
Lead	< 0.5	mg/L
Copper	< 1.0	mg/L
Manganese	< 1.0	mg/L
Nickel	< 1.0	mg/L
Zinc	< 2.0	mg/L
Iron	< 5.0	mg/L
Aluminium	< 15	mg/L
Fluoride	< 5.0	mg/L
Formaldehyde	< 2.0	mg/L
Ammoniacal Nitrogen	< 20	mg/L
Chromium Hexavalent	< 0.05	mg/L
Chromium Trivalent	< 1.0	mg/L
Boron	< 4.0	mg/L
Oil & Grease	< 10	mg/L

## SUSTAINABILITY STATEMENT (continued)

The Group also complied with the Zero Discharge Policy (“ZDP”) introduced by the Selangor State Government, which requires industries to recycle effluents and obtain a ZDP license based on discharge level. The Group took the necessary actions to meet the licensing requirements for effluent discharge from its wastewater treatment plants and cooling towers.

In FY2025, the Group discharged a total of 27 megaliters of effluents, down from 33 megaliters in FY2024. The reduction was partly due to the pre-treating of concentrated waste from the electroless nickel process, which reduced the load on the wastewater treatment plant, as well as lower production volumes during the year.



In FY2025, the Group records zero incidents of non-compliance with effluent discharges.

### B. ECONOMIC

The Group recognises that sustainable economic performance is critical to long-term business continuity and the creation of value for all stakeholders. Risks such as operational disruptions, product quality failures, supply chain inefficiencies, or failure to meet customer expectations may adversely affect profitability, brand reputation and stakeholder trust. In response, the Group is committed to maintaining strong business performance while upholding best practices, ensuring its continued role as a reliable and value-adding partner in the local automotive replacement market.

#### (i) Customer satisfaction

Customer satisfaction is a key driver of sustainable business performance and based on the latest materiality assessment, it was identified as the third most material topic for the Group. Maintaining high levels of customer satisfaction supports brand reputation, fosters customer loyalty and contributes to long-term economic value. Meeting customer needs is integrated into the Group’s operational and decision-making processes.

The Group proactively engages with customers to understand their needs and expectations, utilising structured feedback systems to monitor product quality and gather valuable customer insights. Feedback is analysed and reflected in quality improvement initiatives, promoting cross-organisational collaboration and preventing recurrence of issues.

An annual customer satisfaction survey evaluates customer satisfaction across key areas, including product quality, pricing, speed of product delivery, responsiveness and communication. Findings are analysed and shared with relevant business units for continuous improvement initiatives, enhancing both products and customer experience.

#### (ii) Anti-corruption

The Group maintains a zero-tolerance stance on bribery and corruption and is committed to conducting all business affairs with professionalism, fairness and integrity. All employees and third parties engaged with the Group are required to adhere to the Group’s Anti-Bribery and Corruption (“ABC”) Policy and Procedures. This framework safeguards the Group against legal, reputational and operational risks associated with corruption. Additionally, a whistleblowing channel has been established to provide employees, stakeholders and third parties with a confidential and secure means to report suspected incidents of bribery, corruption, fraud, or other misconduct. All reports are investigated promptly and appropriate actions are taken.

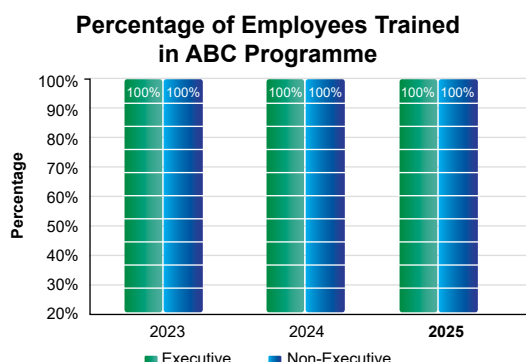
The Group’s ABC Policy and Procedures align with the Guidelines on Adequate Procedures issued pursuant to Section 17A of the Malaysian Anti-Corruption Commission (“MACC”) Act 2009. Key control measures include:

- Annual corruption risk assessments.
- Training and communication to employees and third parties.
- Proper documentation of all business transactions.
- Establishment of reporting channels.
- Due diligence on suppliers, contractors and other business partners.

Compliance with the ABC Policy and Procedures is integrated into employment contracts and onboarding programmes for all new employees. The Group promotes organization-wide understanding of its anti-corruption framework through communication and targeted training. The Group utilises an e-learning module for Executives, complemented by in-person briefings for Non-Executives.

# SUSTAINABILITY STATEMENT (continued)

In FY2025, 100% of employees has received training or briefings on the ABC Policy and Procedures. The programmes cover key topics, including common corruption scenarios, how appropriate responses, reporting channels, and potential consequences of violations. The training also addresses various types of corruption, such as receiving gifts, facilitation payments, kickbacks, as well as political contributions and charitable sponsorship.



The Group communicates its ABC Policy and Procedures to key suppliers, contractors, agents and customers to ensure alignment with ethical business practices. Due diligence, including screening of new and existing business partners for bribery and corruption, is conducted to confirm compliance with anti-corruption laws and reduce the risk of unethical behaviour within the supply chain.

The Group conducts annual anti-bribery and corruption risk assessments through surveys and self-assessment methods to identify potential corruption risks within the organisation and its operations. In FY2025, assessments were carried out across all main operations of the Group, including its subsidiaries in Indonesia and China, covering functional areas such as procurement, export, sales and marketing, human resource, accounting and finance, among others. Control actions are implemented to mitigate risks identified from the assessment.

The effectiveness of the ABC framework is also reviewed by the Internal Auditors to ensure that the policy adequately addressed the requirements of Section 17A of the MACC Act and the Guidelines on Adequate Procedures.

	FY2023	FY2024	FY2025
Percentage of operations assessed for corruption-related risks (%)	100	100	<b>100</b>
Number of confirmed corruption incidents	0	0	<b>0</b>
Number of whistleblowing incidents	0	0	<b>1</b>

### (iii) Product quality

In a competitive business landscape, high quality products are central to long-term success. Delivering reliable products consistently foster customer loyalty, enhance brand reputation and differentiate the Group from competitors. The Group adopts a proactive approach to enhance its market position by:

- Ensuring the availability of high-quality, reliable products at competitive prices.
- Diversifying product portfolio to meet evolving market demands.
- Strengthening distribution networks for timely delivery to customers.

These measures, coupled with responsive operational strategies and efficient execution, support the Group’s objectives of sustaining its position as the market leader in the local automotive replacement parts market.

### Quality management and assurance

The Group maintains rigorous quality control throughout the production and supply chain, from sourcing raw materials to the final product delivery. The Quality Assurance Department monitors key performance metrics, including customer order fulfillment, reject rates, complaints, feedback and claims. Corrective actions are promptly implemented to prevent recurrence and ensure continuous improvement.

Both the Group’s manufacturing and trading operations are certified under the ISO 9001:2015 Quality Management System, through the following subsidiaries:

Subsidiary	Scope
Auto Global Parts Industries Sdn. Bhd.	Development and manufacture of automotive parts
New Hoong Fatt Auto Supplies Sdn. Bhd.	Procurement, warehousing, sales and distribution of automotive parts and accessories

These certifications underscore the Group’s commitment to international quality standards and continuous process improvement. Regular audits and inspections provide independent assessments of the Group’s compliance with established requirements and standards, as well as the effectiveness of processes and controls integrity.

## SUSTAINABILITY STATEMENT (continued)

The Group has implemented additional initiatives to further strengthen product quality and operational resilience, including:

- Enhanced supply chain quality controls: Conducting comprehensive supplier assessments and verifying raw materials to ensure consistency and reliability across all production inputs.
- Process automation and continuous improvement: Expanding automation and continuous improvement initiatives to reduce operational risks, enhance efficiency and maintain consistent product quality across production lines.
- Integration with enterprise risk management: Embedding quality management into the Group's ERM framework to ensure ongoing monitoring, timely review, and proactive mitigation of risks related to product quality and operational performance.

### (iv) Anti-competitive behaviour

The Group upholds fair competition and does not tolerate anti-competitive conduct. This includes strict adherence to applicable laws and regulations, anti-trust standards, and ethical business practices in dealings with customers, suppliers and competitors. By promoting transparent and responsible commercial practices, the Group aims to foster a level playing field in the replacement equipment market.

Policies, governance controls, and awareness initiatives are in place to prevent practices such as price-fixing, bid-rigging, market allocation, and improper information-sharing, with clear escalation channels for any concerns. Governance oversight is applied to key commercial activities, including pricing approvals and distributor arrangements, to reduce competition-law risks and ensure that business decisions are made independently and ethically.

During the reporting period, there were no legal actions pending or completed regarding anti-competitive behaviour, anti-trust, or monopoly practices, and no fines, penalties or related monetary losses were incurred.

### (v) Product packaging and marketing

The Group is committed to integrating sustainability into its downstream operations through responsible product packaging and marketing practices. Products are packaged using plastic and carton boxes designed to protect parts from environmental exposure, moisture, and mechanical impact during transit and storage. Packaging materials are selected to provide optimal protection while minimising quality defects and resource waste associated with damaged returns or unnecessary replacements.

From an environmental perspective, the Group works to reduce packaging impacts by optimising material use, prioritising recyclable and responsibly sourced materials where feasible, and improving packaging design to minimise damage in transit and unnecessary waste. Suppliers are engaged to strengthen packaging quality and consistency across the Group's distribution channels.

The Group also provides clear and accurate product information, including key product identification, specifications, and compatibility details. By providing clear and accurate information, the Group helps prevent incorrect installations, fitment errors or misuse that could pose potential safety risks.

During FY2025, there were no incidents of non-compliance with regulations concerning product information and labelling, or marketing communications, and no fines, penalties, warnings or related monetary losses were recorded.

### (vi) Product design and lifecycle

The Group is committed to responsible product design, as inadequate focus in this area could expose the business to risks including product incompatibility, safety or quality issues, environmental inefficiencies and competitive disadvantage in the replacement equipment market. By adhering to rigorous engineering standards, the Group ensures that its aftermarket parts achieve seamless compatibility with original equipment specifications, ensuring accurate fit and optimal functionality.

The Group ensures that chemicals used in the production of its automotive parts, such as coatings, plastics and adhesives, comply with relevant regulations and industry standards, including restricted substances requirements where applicable. In addition, the Group prioritises the use of recyclable materials where feasible, and manufacturing scrap is systematically collected for recovery as part of its efforts towards a more circular manufacturing approach and to minimise its environmental footprint.

From an end-of-life perspective, the metal and plastic components used in automotive body parts are generally recyclable and may be recovered and reused as inputs in other industries at the end of their service life. While the Group does not currently conduct formal end-of-life assessments for its products, the inherent recyclability of these materials supports broader circular economy practices within the automotive value chain.

## SUSTAINABILITY STATEMENT (continued)

### Product health and safety considerations

Product safety is fundamental to the Group's automotive body replacement parts business, as component integrity, fitment and functional performance can directly affect road-user safety. The Group manages these risks through lifecycle controls covering product specification, supplier qualification, quality inspections (incoming, in-process, and final) and post-market monitoring. Key measures include:

- Establishing product specifications and acceptance criteria aligned with industry requirements.
- Conducting supplier due diligence and performance monitoring to mitigate risks associated with non-conforming materials, counterfeit parts and inconsistent processes.
- Implementing incoming, in-process and final inspection regimes to verify dimensional tolerances, fitment, finish and functional performance.
- Maintaining follow-up processes to ensure that any quality concerns are promptly identified, contained and addressed.

The Group tracks relevant indicators such as customer feedback, complaints and customer returns trends, using these insights to continuously strengthen quality controls, supplier management and training.

The Group's automotive body replacement parts do not pose significant health and safety risks to consumers. In FY2025, there were no incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of the Group's products, no fines, penalties, warnings, or related monetary losses, and no recall incidents attributable to health and safety concerns.

## C. SOCIAL

### (i) Health and safety

The Group recognises that the health and safety of employees is critical to sustainable operations. Unsafe working conditions can lead to workplace incidents, injuries, illnesses or fatalities that could affect employee well-being. Accordingly, the Group is committed to implementing a robust occupational health and safety management system to identify, assess and mitigate workplace risks.

The Board oversees the management of health and safety risks within the through quarterly reviews of health and safety performance, alongside regular ERM reports, to ensure compliance with relevant regulations and appropriate measures are in place to safeguard employees. The Managing Director holds overall responsibility for the Group's health and safety management, supported by the Chief Operating Officer (Trading Division) and the Director of Supply Chain & Manufacturing (Manufacturing Division), who ensure appropriate actions and resources are in place to achieve the Group's health and safety objectives.

The Group's key safety and health measures and practices are as follows:

- **Regulatory compliance and management system:** The Group adheres to the Occupational Safety and Health Act ("OSHA"). The Safety and Health Department ("SHE") is led by a qualified Safety and Health Officer, who ensures that the Group's workplace conditions and operating procedures comply with applicable OSHA standards. The Safety and Health Officer, together with the Safety Committee, conducts regular inspections and safety audits to observe work processes and enforce adherence to safe work practices.
- **Training and awareness:** Employees receive regular safety trainings, refresher courses, and safety assemblies and briefings covering key topics, including confined space entry, chemical spill and leakage control, first aid and CPR/AED, ergonomics risk awareness, noise and hearing conservation, fire safety and drills, overhead crane operations and working safely at heights. In FY2025, 851 employees participated in both in-house and external formal safety training conducted by certified trainers, in-house safety officers, Heads of Departments or supervisors.



Safety Awareness and Fire Drill Training @ NHF Group

## SUSTAINABILITY STATEMENT (continued)



In FY2025, the Group mandated compulsory online Safety Awareness Refresher Training for all Executives to reinforce awareness of workplace safety practices and ensure adherence to safety regulations.

- Hazardous materials management:** The Group ensures proper handling procedures are in place for hazardous chemical substances. Hazardous wastes are appropriately stored in designated containers with clear labeling to prevent exposure, spillage, fire or explosion and are kept in secure areas until disposal. Employees handling these materials are provided with specialised trainings and appropriate protective equipment. Additionally, the SHE conducts assessments to evaluate the potential effects of new chemical substances before use.
- Emergency preparedness:** Periodic fire drill and emergency response exercises are conducted for first aiders, firefighting teams and chemical spillage control teams to ensure preparedness in case of emergencies. The Group has a first-aid room equipped with essential facilities at its factory in Klang, attended by trained first-aiders.
- Risk assessment and control:** Health and Safety Risk Assessments (“HIRARC”) are conducted across both manufacturing and trading operations to identify and assess potential risks using a risk matrix table recommended by DOSH. Subsequently, control measures are implemented to eliminate or minimise these risks. Key risks identified during the assessment are reported within the ERM framework. For the solar project, the Group mitigates the risk of fault current by using a Fault Current Limiting Reactor (FCLR). To further minimise this risk, fencing has been installed to restrict unauthorised access, and warning and caution signage has been placed around the area.

- Workplace health initiatives:** Dengue prevention programs are implemented at the Klang facility to reduce the risk of dengue fever within the workplace. This initiative is particularly critical as the Klang area is prone to flooding, which can increase the risk of dengue outbreaks. The program includes daily 5S (Sort, Set in Order, Shine, Standardise, Sustain) activities and cleaning, regular inspections of mosquito breeding sites at the factory compound and workers’ hostels, bi-monthly fogging to eliminate mosquito breeding sites and regular sharing of dengue-related information with employees.

The above health and safety measures cover all employees and contract workers in Klang. Certain activities are partially covered at Segambut and Kota Kinabalu branches, as well as overseas subsidiaries.

In addition to the measures mentioned above, the Group promotes a safe and healthy workplace culture through clear work process flows, supervisor accountability, safety Kaizen initiatives, line safety audits and proactive management of near-miss incidents and unsafe acts, behaviour or conditions. These efforts aim to reduce the risk of major injuries improve operational safety, and reinforce a culture of safety throughout the organisation.

The Safety, Health and Environment Policy of the Group outlines a clear commitment toward achieving a ‘zero-accident’ workplace. For FY2025, the Group set a target to limit workplace accidents to no more than 10 cases, and this target was achieved with 10 workplace accidents recorded during the year. No work-related fatalities were reported. The number of workdays lost decreased from 66 days in FY2024 to 38 days in FY2025. This reduction is attributed to fewer serious incidents requiring extended recovery periods.

However, the Lost Time Incident Rate (“LTIR”) increased slightly from 1.21% in FY2024 to 1.33% in FY2025, primarily due to lower total hours worked during the year. The LTIR currently covers work-related incidents involving employees based at the Group’s headquarters only, with plans to expand the reporting scope to include all employees across the Group in the next reporting cycle.

The LTIR is calculated based on the number of lost time injuries per 200,000 hours worked, where 200,000 represents a standardised base equivalent to 100 employees working 40 hours per week for 50 weeks per year. The scope includes employees only.

# SUSTAINABILITY STATEMENT (continued)

LTIR covers work-related incidents where employees are unable to perform their regular duties for at least one (1) full day (excluding the day of the incident) due to workplace injuries or illnesses. Contractors are excluded from this calculation. Additionally, incidents where employees are able to return to work immediately or on the same day, such as those requiring only first aid, are also excluded from the LTIR calculation.



	FY2023	FY2024	FY2025
Number of work-related fatalities	0	0	0
Number of workdays lost*	50	66	38

\* Refers to the number of workdays (consecutive or not) an employee would have worked but could not due to occupational injury.

Majority of incidents were linked to non-compliance with established safety protocols. For every incident, the Group undertakes prompt investigations to identify root causes, implement corrective and preventive measures, and review existing safety controls. The SHE Department oversees incident evaluation and follow-up actions to strengthen workplace safety. Incident reporting is conducted in accordance with the Occupational Safety and Health (Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease) Regulations 2004 (NADOPOD). Key incident learnings are also communicated to Heads of Department for dissemination to employees to reinforce safety awareness and prevent recurrence.

## Employee health and well-being initiatives

In addition to workplace safety management, the Group promotes employee well-being as part of its commitment to maintaining a healthy and productive workforce. In FY2025, the Group organised an internal Healthy Week programme to encourage healthier lifestyle habits and raise health awareness among employees. The programme featured a variety of activities, including a '30 Days Weight Loss Challenge', short pre-work workout sessions and Breakfast, all aimed at inspiring healthier lifestyle choices. These physical activities were complemented by health talks that offer practical guidance on nutrition, wellness and healthy lifestyles.

The Group also supports employees' access to non-occupational healthcare services as part of its broader commitment to employee well-being and preventive health management. During FY2025, the Group facilitated employees' access to general health screening through participation in PERKESO's Health Screening Programme (HSP 3.0), which provides eligible employees with free medical check-ups. The screenings covered a range of preventive healthcare services, including physical examinations, mental health screening and medical consultation.

In addition, the Group organised free basic health checks in conjunction with its annual blood donation campaign, further encouraging employees to monitor their health status.

These initiatives support early detection of health risks, promote preventive care, and reduce potential long-term health issues that may affect employees' well-being.

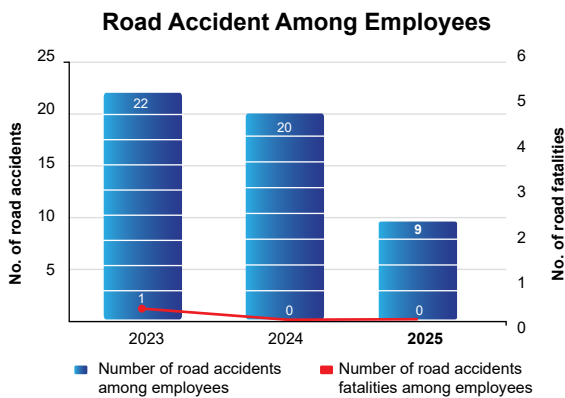
## Road safety

Road safety is an important aspect of the Group's employee health and well-being, particularly for employees who commute by motorcycle and are exposed to higher accident risks. While commuting incidents occur outside the workplace, they may affect employees' safety, well-being and livelihoods. As part of its broader commitment to employee well-being and its zero-fatality objective, the Group promotes road safety awareness to mitigate these risks.

# SUSTAINABILITY STATEMENT (continued)

In FY2025, road safety awareness was reinforced through talks conducted during the Group's Healthy Week programme. The Group also regularly shared driving safety tips through internal communication channels, including lessons learned from recent road accidents involving employees, to encourage safer commuting behaviour. In addition, employees who commute by motorcycle and bicycle are required to wear reflective safety vests provided to them, particularly during morning and night travel.

Road accidents involving employees dropped from 20 cases in FY2024 to 9 cases in FY2025, with no fatalities reported. The Group will continue its awareness initiatives to further reduce commuting-related risks.



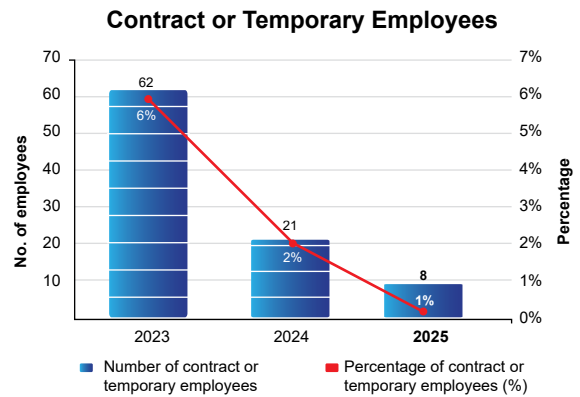
## (ii) Labour practices and standards

The Group recognises that sound employment practices are fundamental to workforce stability, productivity and long-term business sustainability. Talent attraction and retention are critical in supporting operational continuity.

Failure to manage employment-related risks, including high turnover, non-compliance with labour regulations or inadequate employee welfare, may result in operational disruption and increased recruitment costs. Accordingly, the Group maintains structured employment policies and regularly monitors workforce trends to support informed human capital management decisions.

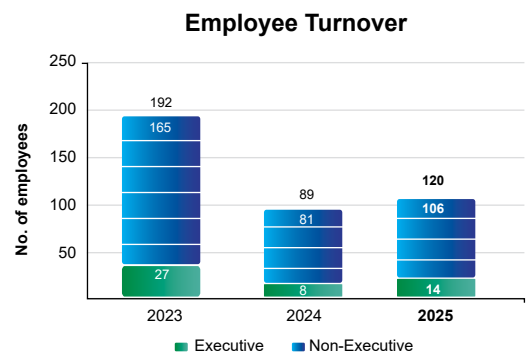
## Workforce composition

As at 31 December 2025, the Group employed a total of 849 permanent employees in Malaysia and 8 contract employees. The Group continues to monitor workforce composition to ensure adequate staffing levels to meet operational requirements.



## Employee turnover

Employee turnover is monitored on a monthly basis to identify underlying causes of resignation of employees as it impacts productivity. The Group continuously works on strategies to improve employee satisfaction by enhancing workplace culture, provide career development opportunities, and offer competitive compensation and benefits. Total employee turnover in FY2025 increased to 120 employees (FY2024: 89), representing a turnover rate of 14% (FY2024: 10%). The increase was mainly due to higher natural attrition during the year.



## SUSTAINABILITY STATEMENT (continued)

### Employee benefits

In addition to benefits provided under labour laws, the Group provides additional benefits to employees which includes Group Personal Accident insurance for confirmed local employees, Group Hospital and Surgical insurance for eligible employees, work-from-home arrangements for eligible roles, as well as staff purchase discounts

The Group also provides support and incentives for family-related needs, including:

- Encouraging and recognising academic achievement among employees' children through cash rewards for outstanding results in public examinations.
- Providing schooling aid at the start of each academic session to help eligible employees cover educational expenses for their children.
- Offering support for significant life events, such as weddings and childbirths, as well as providing financial assistance during challenging times such as family bereavement, major illness or major home destruction due to natural disasters.

### Responsible employment practices

The Group is committed to adhering to all applicable labour laws and upholding internationally recognised human rights principles. The Group does not engage in any form of forced labour, child labour, or modern slavery across its operations.

Foreign workers are provided with fair wages, safe working conditions and housing that complies with the Minimum Standards of Housing and Amenities (Amendment) Act 2019 (Act 446). Foreign workers are also covered under the Foreign Worker Hospitalisation and Surgical Insurance Scheme (SKHPPA).

During the financial year, no substantiated complaints concerning human rights violations were reported (FYE2024: Nil).

### Human Rights Complaints

	FY2023	FY2024	FY2025
Number of substantiated complaints concerning human rights violations	0	0	0

### Employee engagement and communication

The Group fosters regular employee engagement and effective communication to improve workforce productivity, retention and organisational sustainability. Structured engagement activities enable employees to provide feedback, share ideas, and raise concerns, supporting continuous improvement in business processes and workplace practices.

The Group maintains multiple platforms to facilitate open communication including:

- Quarterly business review meetings and regular departmental meetings, such as weekly reviews and monthly one-on-one sessions to keep employees informed about business performance, operational updates and organisational developments.
- Mentoring sessions with senior leadership, including the Executive Chairman, to provide mentorship, guidance and career development support to employees.
- Talent Management discussions among the senior leadership team align on workforce strategy, development programs and engagement initiatives.
- Orientations and engagement sessions for new joiners to introduce company's values, operations and leadership expectations.

Performance feedback is provided through bi-annual performance review, providing managers or supervisors to assess employee performance and development progress, provide constructive guidance and address workplace challenges. This mechanism strengthens the employee-employer relationship and support employee retention and workforce motivation.

In addition to formal communication channels, the Group organises various employee engagement and social activities to foster teamwork, collaboration and personal development. These activities include sports tournaments, family days, health awareness campaign and the annual dinner. Employees participating in the organisation of such events also gain opportunities to develop leadership and project management skills.

## SUSTAINABILITY STATEMENT (continued)

### NHF Smart Grow Project (Pilot Phase)

In May 2025, the Group launched the NHF Smart Grow Project as an internal sustainability initiative aimed at promoting environmental awareness and sustainable agriculture practices within the workplace. Five (5) “Hope Boxes” were installed at the office compound, with 21 employees volunteering to manage watering, monitoring and harvesting activities. The pilot phase serves as a proof of concept to evaluate the viability of the Smart Grow system, including crop growth cycles and maintenance requirements. During FY2025, seven (7) harvest cycles were completed, producing approximately 10.6 kilograms of vegetables, which were distributed to employees. The initiative supports the Group’s objectives to promote sustainability awareness and responsible food practices among employees, encourage voluntary employee participation in environmental initiatives and strengthen internal social sustainability engagement. The pilot phase provides a foundation for potential expansion of the programme in subsequent years.



*NHF Smart Grow Project*

### Training and development

The Group recognises that workforce capability and continuous learning are critical to supporting business growth, operational resilience and long-term sustainability. Training and development initiatives are designed to enhance employees’ knowledge, skills and competencies, supporting career progression, productivity and organisational performance. Training needs are identified through performance reviews and skills gap assessments, ensuring that learning interventions are aligned with employees’ strategic responsibilities and career development plans. Targeted training programmes support succession planning by preparing high-potential employees for critical roles, thereby ensuring continuity in key positions and reducing the risk of operational disruptions.

### • Executive development programmes

To foster leadership capabilities and strategic talent development, the Group provides the following programmes for Executive-level employees:

- o Individual Development Plan (“IDP”): Each Executive’s IDP is reviewed annually with their superior and outlines action plans to address technical competency gaps, develop leadership potential and support career progression. The IDP serves as a framework to identify high-potential employees for future leadership roles.
- o Leadership Development Programme (LDP): This programme enhances leadership competencies across the organisation. Key components include Leadership Forum for open dialogue, reflection on leadership style and peer mentoring. Leadership retreats are also conducted to strengthen relationships, trust and communication among leaders, contributing to a supportive organisational culture.
- o Talent Development Programme (TDP): A structured programme focused on developing high-potential young talents within the organisation, nurturing their professional skills, leadership capabilities and career readiness. Participants received tailored guidance, skill-building opportunities and exposure to leadership responsibilities to strengthen the Group’s future leadership pipeline.

### • Non-Executive training and upskilling

For Non-Executive employees, the Group emphasises competency building and critical skills development to support a high-performance culture:

- o Manufacturing Assistant (“MA”) Upskilling Program: Provides local employees with targeted training to transition into semi-skilled and skilled roles, improving operational efficiency and career mobility.

### • Internship and Talent Programmes

- o The Group partners with colleges and universities to provide internship, offering students practical experience while creating a pipeline for potential future employees.

# SUSTAINABILITY STATEMENT (continued)

During FY2025, employees participated in various personal development programmes as follows:

- 360 Feedback Workshop
- Business Communication Skills for Better Workplace Collaboration
- Conscious Culture: Intentional Culture for Building High Performance Teams
- To Coach, To Mentor or Both

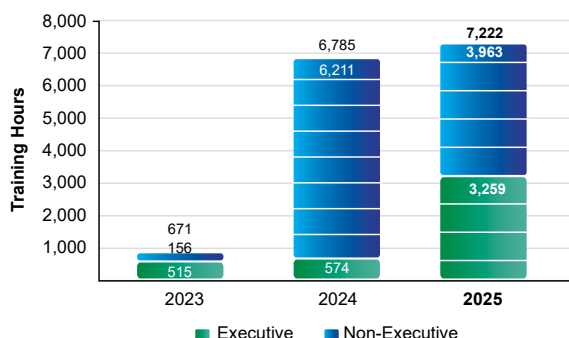
In FY2025, total training hours for Executives increased significantly compared to FY2024, largely due to the introduction of the Executive Development Programme (EDP). The programme is a structured training programme designed for newly appointed Executives, with mandatory participation in their first year of service. The implementation of this programme contributed significantly to the overall increase in Executives training hours. In addition, the People Department’s involvement in the Fundamental Human Resource Transformation initiatives, along with participation in safety awareness and various life skills training programmes, further contributed to the higher training hours recorded for the year. Total training hours for Non-Executives decreased compared to FY2024. The higher training hours in FY2024 were primarily due to the Manufacturing Assistant (MA) Upskilling Programme, where 33 employees were selected and participated in structured training session. This has significantly contributed to the overall training hours recorded last year. The Group had set a target of 5,000 training hours for Non-Executives, with the actual hours for FY2025 slightly below target.

The Group continues to track and monitor training participation and effectiveness, ensuring learning interventions support workforce development, organisational performance and talent retention.

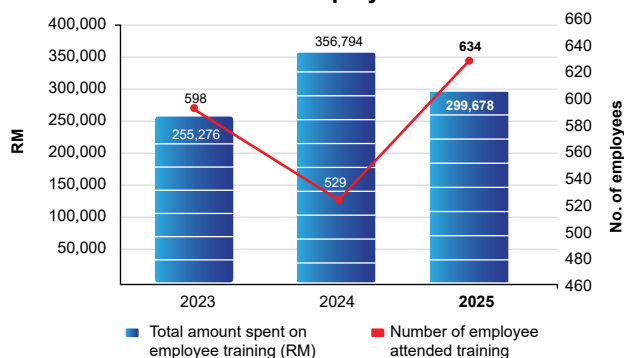


Business Communication Skills workshop @ NHF

## Employee Training Hours



## Employee Training Expenses and Total Employees Trained



## Employee Average Training Hours

Employee Category	FY2023	FY2024	FY2025
<b>Total training hours</b>	<b>671</b>	<b>6,785</b>	<b>7,222</b>
Executive (Total Hours)	515	574	<b>3,259</b>
Average Training Hours per Executive	3.8	4.0	<b>22.6</b>
Non-Executives (Total Hours)	156	6,211	<b>3,963</b>
Average Training Hours per Non-Executive	0.2	8.0	<b>5.6</b>

# SUSTAINABILITY STATEMENT (continued)

## (iii) Diversity and inclusion

The Group recognises that workforce diversity and an inclusive working environment are fundamental to sustainable business performance. A diverse workforce enhances decision-making quality, strengthens innovation capacity and improves the Group’s ability to understand and respond to the needs of its customers and stakeholders across different markets.

Failure to effectively manage diversity and non-discrimination risks may affect employee engagement and talent retention, as well as expose the Group to legal, regulatory and reputational consequences. Diversity and inclusion considerations are therefore embedded within the Group’s human capital management framework.

The Group is committed to providing equal employment opportunities and maintaining a workplace free from discrimination. All employment-related decisions, including recruitment, remuneration, training and promotion are based on merit, performance and capability, without regard to gender, ethnicity or age. The Group does not tolerate discrimination or harassment of any kind. Employees may raise concerns through established reporting channels in accordance with internal policies. During FY2025, no incidents of discrimination were reported (FY2024: Nil).

### Gender diversity

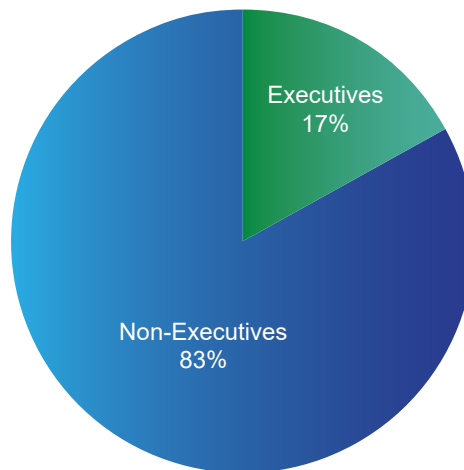
In line with good corporate governance practices, NHF maintains a policy of having at least one-third (1/3) women Directors on the Board, supporting balanced leadership and effective oversight. Across the Group’s global workforce, women make up 24.6% of total employees in FY2025, including employees in the subsidiaries in Indonesia and China. The Group continues to promote equal access to career development and leadership opportunities, with advancement based on merit and performance.

### Inclusion of persons with disabilities

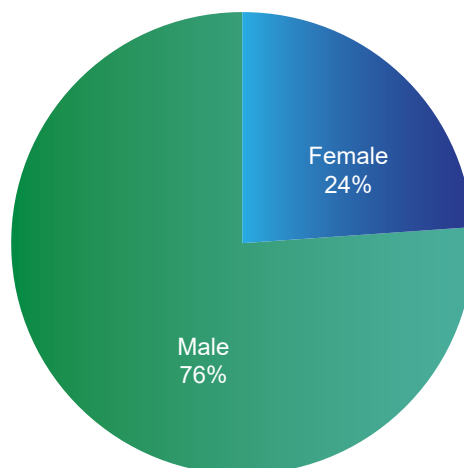
The Group is also committed to fostering an inclusive workplace by providing employment opportunities to persons with disabilities and supporting their integration into the workforce. As at FY2025, the Group employs three (3) individuals with disabilities, representing approximately 0.3% of the total workforce.

## FY2025 Workforce Diversity

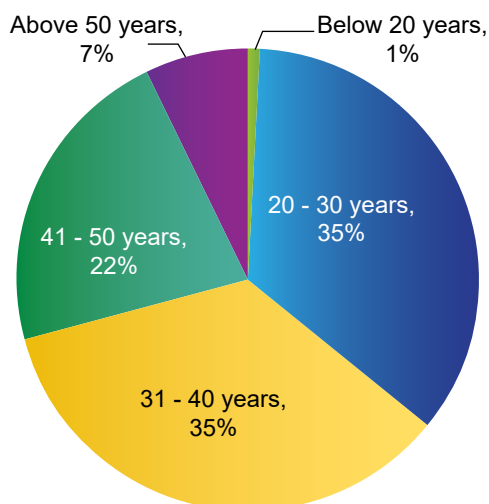
**FY2025 Total Employees by Categories**



**FY2025 Total Employees by Gender**

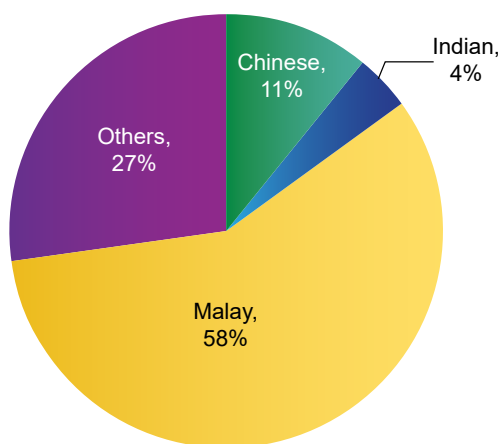


**FY2025 Total Employees by Age**

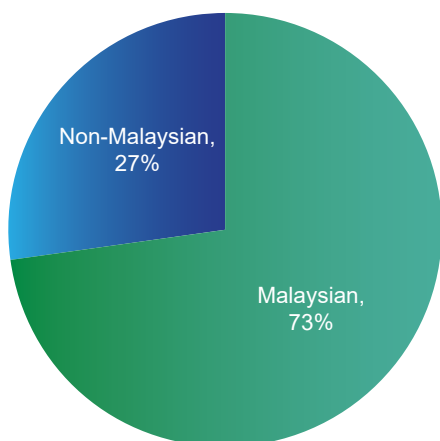


# SUSTAINABILITY STATEMENT (continued)

**FY2025 Total Employees by Ethnicity**



**FY2025 Total Employees by Nationality**



**FY2025 Workforce Diversity by Categories**

Executives	FY2023	FY2024	FY2025
<b>Age</b>			
20 - 30 years	25%	27%	<b>26%</b>
31 - 40 years	25%	31%	<b>27%</b>
41 - 50 years	34%	26%	<b>30%</b>
Above 50 years	16%	16%	<b>17%</b>
<b>Gender</b>			
Male	42%	41%	<b>40%</b>
Female	58%	59%	<b>60%</b>
<b>Nationality</b>			
Malaysian	100%	100%	<b>100%</b>
<b>Ethnic</b>			
Malay	45%	46%	<b>48%</b>
Chinese	54%	53%	<b>52%</b>
Others	1%	1%	<b>0%</b>

Non-Executives	FY2023	FY2024	FY2025
<b>Age</b>			
Below 20 years	2%	2%	<b>1%</b>
20 - 30 years	45%	42%	<b>38%</b>
31 - 40 years	30%	36%	<b>36%</b>
41 - 50 years	19%	16%	<b>20%</b>
Above 50 years	4%	4%	<b>5%</b>
<b>Gender</b>			
Male	83%	84%	<b>83%</b>
Female	17%	16%	<b>17%</b>
<b>Nationality</b>			
Malaysian	67%	67%	<b>67%</b>
Non-Malaysian	33%	33%	<b>33%</b>
<b>Ethnic</b>			
Malay	58%	59%	<b>60%</b>
Chinese	3%	3%	<b>3%</b>
Indian	4%	4%	<b>4%</b>
Others	35%	34%	<b>33%</b>

Note:

Temporary employees engaged for short-term or project-based assignment and employees on temporary contracts who have not yet been offered permanent employment are categorised as temporary employees and thus excluded in this disclosure.

**FY2025 Board Diversity**

	FY2023	FY2024	FY2025
<b>Age</b>			
51 - 60 years	33%	33%	<b>33%</b>
Above 60 years	67%	67%	<b>67%</b>
<b>Gender</b>			
Male	67%	67%	<b>67%</b>
Female	33%	33%	<b>33%</b>
<b>Nationality</b>			
Malaysian	100%	100%	<b>100%</b>
<b>Ethnic</b>			
Chinese	100%	100%	<b>100%</b>

## SUSTAINABILITY STATEMENT (continued)

### (iv) Supply chain management

The Group recognises that its supply chain plays a critical role in operational efficiency, product quality, and long-term business sustainability. Maintaining strong relationships with suppliers ensures a reliable supply of high-quality raw materials and automotive spare parts, supporting uninterrupted production, timely delivery to customers and operational efficiency. At the same time, the Group acknowledges that procurement activities carry potential environmental, social, ethical and operational risk. By working closely with suppliers, the Group aims to promote responsible sourcing, drive sustainability in the supply chain and mitigate risks, ultimately contributing to long-term business success.

The Group has implemented the following procurement and supplier management practices:

- **Supplier due diligence:** Suppliers are carefully assessed during selection to ensure alignment with the Group's standards for quality, reliability, financial stability and ethical conduct. The Purchasing and General Administration Department oversees this process, which is conducted in a fair, transparent and consistent manner. Compliance with applicable regulatory and legal requirements is a key evaluation criterion.
- **Sustainability disclosure:** New supplier applications include a section requiring disclosure of current sustainability practices. This measure encourages suppliers to adopt environmentally and socially responsible practices, reflecting the Group's commitment to a sustainable supply chain.
- **Ongoing supplier engagement and evaluation:** Suppliers undergo annual evaluations to ensure to ensure continued alignment with operational and quality standards. Performance is monitored on product or service quality, delivery reliability and cost competitiveness. The Group collaborates proactively with suppliers to mitigate risks associated with supply disruptions and production downtime.
- **Ethical compliance:** All suppliers are required to comply with the Group's ABC Policy and Procedures. Suppliers are expected to uphold ethical standards and refrain from engaging in any form of bribery, corruption, or improper conduct in their dealings with or on behalf of the Group.

By promoting responsible sourcing and supplier accountability, the Group strengthens supply chain resilience, safeguards its reputation, and ensures compliance with sustainability and anti-corruption standards.

### (v) Data privacy and security

The Group recognises that information system vulnerabilities can pose risks through unauthorised access, disclosure, modification, or destruction of information. With global concerns around data privacy and increasing security, protecting sensitive information and complying with relevant regulations is integral to the Group's operations. Personal data is collected and processed for various purposes, including sales and services, database management, complaint handling and product promotions. Protecting this data is crucial, as it involves a wide range of stakeholders, and it helps prevent unauthorised access, misuse, or breaches that could result in reputational damage, financial loss and regulatory penalties.

The Group is committed to comply with the Personal Data Protection Act 2010 and its amendments. Transparency is maintained through a clear privacy notice informing stakeholders about the types of personal data collected, how it is processed and their rights. This privacy notice is also published on the Group's website for easy access.

To manage data security risks and information system vulnerabilities, the Group also implements other measures that includes:

- **Strong access controls:** Access to sensitive data is restricted to authorised personnel, reducing the risk of unauthorised access or data breaches.
- **Employee training:** Employees receive regular training and advisories on cybersecurity and related best practices. In FY2025, all employees were required to complete a mandatory training module on phishing awareness.
- **Internal policies:** The Group has established Information Technology ("IT") and Artificial Intelligence ("AI") policies to provide clear guidance on the use of technology across its operations. These policies aim to ensure proper handling of company devices, uphold ethical standards, protect data privacy, promote transparency, and establish accountability in the deployment and management of IT and AI systems.
- **Continuous monitoring and improvement:** Data security measures are regularly reviewed and updated to address emerging threats and align with applicable regulations.

In FY2025, the Group received no complaints concerning breaches of customer privacy or losses of customer data, nor were there any substantiated reports from regulatory bodies. Accordingly, no personal data breaches and no customers affected. This reflects the Group's ongoing commitment to maintaining the integrity and confidentiality of personal data entrusted by its stakeholders.

# SUSTAINABILITY STATEMENT (continued)

## Privacy and Data Loss Complaints

	FY2023	FY2024	FY2025
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0
Percentage of personal data breaches	0%	0%	0%
Number of customers affected	0	0	0

### (vi) Community / Society

The Group acknowledges that its operations generate social impacts within the communities in which it operates. Maintaining constructive relationships with local stakeholders is therefore integral to the Group’s long-term sustainability and social license to operate. Community-related initiatives focused on supporting public health, social welfare and vulnerable groups.

To ensure structured and transparent implementation of community initiatives, the Group has adopted a Charitable Cause Policy and Procedures, which governs the selection, approval and monitoring of charitable contributions. The policy aims to ensure that donations are aligned with the Group’s values, managed consistently and transparently.

In FY2025, the Group extended support to 11 charity homes across the Klang Valley, providing assistance to various vulnerable groups, including children, elderly and differently-abled individuals. These contributions amounted to RM48,694 and were aimed at alleviating immediate welfare needs and supporting the well-being of underserved communities.

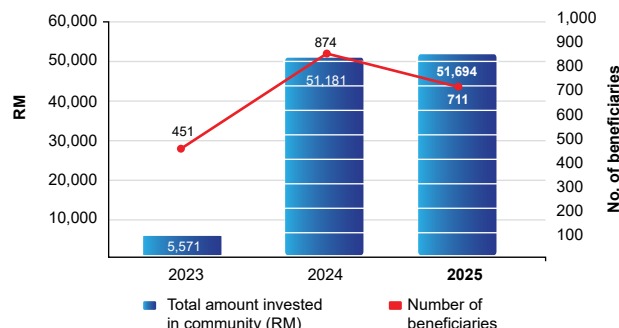
## Community health initiatives

As part of its community health engagement efforts, the Group collaborates annually with Tengku Ampuan Rahimah Hospital, Klang (“HTAR”) to organise a blood donation campaign and health screening programme. This initiative contributes to the replenishment of local blood bank while promoting preventive healthcare awareness among employees and members of the public. Since its inception in 2007, the campaign has recorded more than 1,800 successful blood donors, demonstrating sustained community participation. In FY2025, the campaign recorded 133 successful blood donors, reflecting continued support for public health efforts.

Successful Blood Donors	FY2023	FY2024	FY2025
Total number of successful blood donors	95	123	133

During the FY2025, the Group incurred a total of RM51,694 in community-related contributions and health initiatives which benefitted approximately 711 individuals.

### Investment in Community



Visit to Persatuan Kebajikan Kasih OKU Selangor



17th Annual Blood Donation & Free Health Checks

# SUSTAINABILITY STATEMENT (continued)

## BURSA MALAYSIA PRESCRIBED TABLE

**New Hoong Fatt Holdings Berhad**  
 BMLR Transition Period  
 Date & Time: 2026-04-22\_15:05:24  
 FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Health and safety	Number of work-related fatalities	Number	0	0	No assurance
Health and safety	Lost time incident rate	Rate	1.33	-	No assurance
Health and safety	Number of employees trained on health and safety standards	Number	851	-	No assurance
Energy management	Total energy consumption	Gigajoule	70,554	-	No assurance
Anti-corruption	Percentage of employees trained in anti-corruption programme by employee category: Executive	Percentage	100	-	No assurance
Anti-corruption	Percentage of employees trained in anti-corruption programme by employee category: Non-Executive	Percentage	100	-	No assurance
Anti-corruption	Percentage of operations assessed for corruption-related risks	Percentage	100	-	No assurance
Anti-corruption	Number of confirmed corruption incidents	Number	0	-	No assurance
Labour practices and standard	Total training hours by employee category: Executive	Hours	3,259	-	No assurance
Labour practices and standard	Total training hours by employee category: Non-Executive	Hours	3,963	-	No assurance
Labour practices and standard	Total number of employee turnover by employee category: Executive	Number	14	-	No assurance
Labour practices and standard	Total number of employee turnover by employee category: Non-Executive	Number	106	-	No assurance
Labour practices and standard	Number of substantiated complaints concerning human rights violations	Number	0	0	No assurance
Supply chain management	Proportion of spending on local suppliers	Percentage	73	-	No assurance

# SUSTAINABILITY STATEMENT (continued)

## BURSA MALAYSIA PRESCRIBED TABLE

Date & Time: 2026-04-22\_15:05:24  
FYE 31/12/2025

New Hoong Fatt Holdings Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Data privacy and security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	No assurance
Waste management	Total waste generated	Metric tonne	5,882	-	No assurance
Waste management	Total waste diverted from disposal	Metric tonne	5,697	-	No assurance
Waste management	Total waste directed to disposal	Metric tonne	185	-	No assurance
Waste management	Total waste generated by type: Hazardous waste	Metric tonne	150	-	No assurance
Waste management	Total waste generated by type: Non-hazardous waste	Metric tonne	5,732	-	No assurance
Material sourcing and efficiency	Total weight of materials used in production and packaging	Metric tonne	16,180	-	No assurance
Community / society	Total amount invested in the community where the target beneficiaries are external to the Company	RM	51,694	-	No assurance
Community / society	Total number of beneficiaries of the investment in the communities	Number	711	-	No assurance
Emissions management	Scope 1	tCO2e	1,227	-	No assurance
Emissions management	Scope 2	tCO2e	9,843	-	No assurance
Emissions management	Total Scope 3 - Categories 6 and 7 (Business Travel and Employee Commuting)	tCO2e	892	-	No assurance
Diversity and inclusion	Percentage of female employees	Percentage	24	-	No assurance
Diversity and inclusion	Percentage of female directors	Percentage	33	-	No assurance
Clean water and sanitation	Total volume of water used	Megalitres	66	-	No assurance

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Page 2 of 3

# SUSTAINABILITY STATEMENT (continued)

## BURSA MALAYSIA PRESCRIBED TABLE

Date & Time: 2026-04-22\_15:05:24  
FYE: 31/12/2025

New Hoong Fatt Holdings Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Clean water and sanitation	Total volume of effluents discharged	Megalitres	27	-	No assurance

## FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

	2025	2024	2023	2022	2021
Revenue (RM'000)	<b>252,981</b>	282,257	281,245	290,364	244,225
Profit Before Tax (RM'000)	<b>31,239</b>	46,904	52,638	33,205	25,102
Profit After Tax (RM'000)	<b>29,754</b>	43,962	47,707	26,699	19,584
Total Assets (RM'000)	<b>664,263</b>	655,411	630,825	595,652	607,254
Total Borrowings (RM'000)	-	-	-	2,552	37,219
Share Capital (RM'000)	<b>82,672</b>	82,672	82,672	82,672	82,672
Number of Shares Issued ('000)	<b>165,344</b>	165,344	82,672	82,672	82,672
Shareholders' Fund (RM'000)	<b>590,037</b>	574,718	549,159	509,482	489,115
Basic Earnings Per Share (sen)	<b>18.0</b>	26.6	28.9*	16.1*	11.8*
Net Assets Per Share (RM)	<b>3.57</b>	3.48	3.32*	3.08*	2.96*
Total Dividend (RM'000)	<b>12,400</b>	14,881	12,401	10,747	7,441

\* Comparative figure for 'Basic Earnings Per Share' and 'Net Assets Per Share' for 2021 - 2023 have been adjusted for the effects of the Share Split involving the subdivision of every one (1) existing ordinary share into two (2) subdivided ordinary shares, which was completed on 28 June 2024.

Market Share Price	2025	2024	2023	2022	2021
Highest (RM)	<b>2.00</b>	4.50	3.59	2.99	2.34
Lowest (RM)	<b>1.45</b>	1.80	2.55	2.12	2.10
Last Market Day Closing Price (RM)	<b>1.62</b>	1.90	3.29	2.87	2.26

### REVENUE RM'000

## 252,981

10.4% decrease from FY2024 of RM282,257

### PROFIT BEFORE TAX RM'000

## 31,239

33.4% decrease from FY2024 of RM46,904

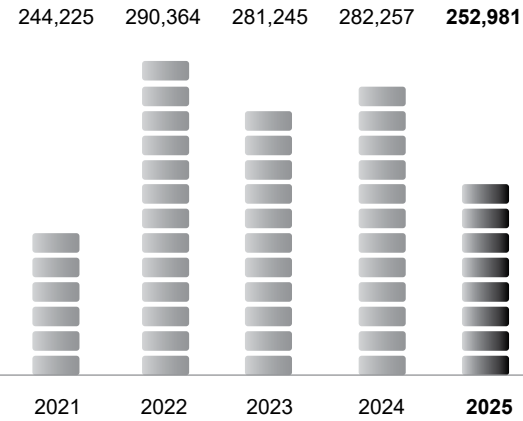
### SHAREHOLDERS' FUND RM'000

## 590,037

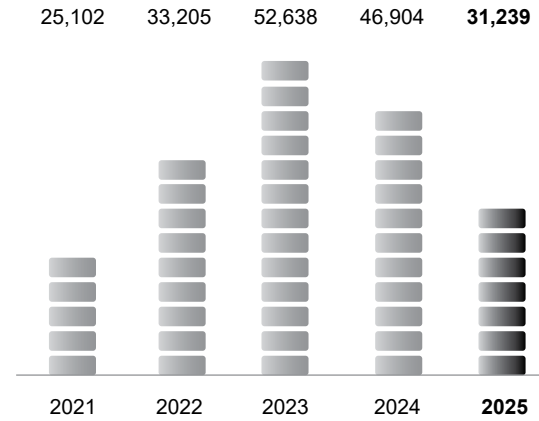
2.7% increase from FY2024 of RM574,718

# FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS (continued)

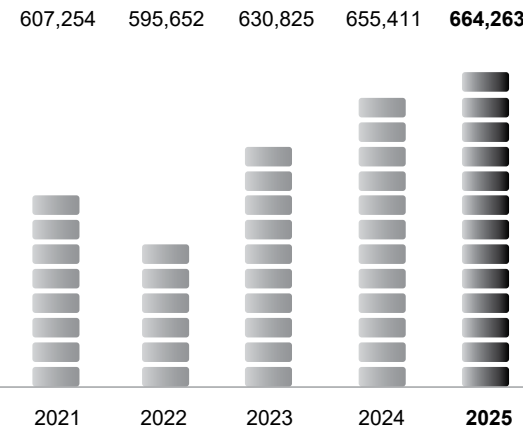
## REVENUE (RM'000)



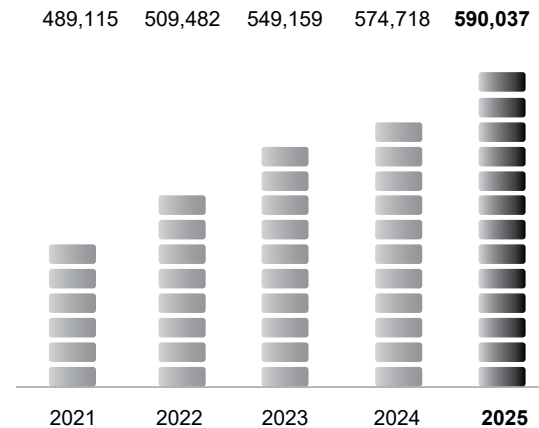
## PROFIT BEFORE TAX (RM'000)



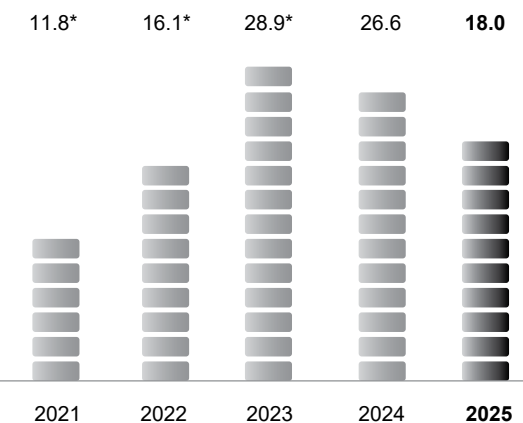
## TOTAL ASSETS (RM'000)



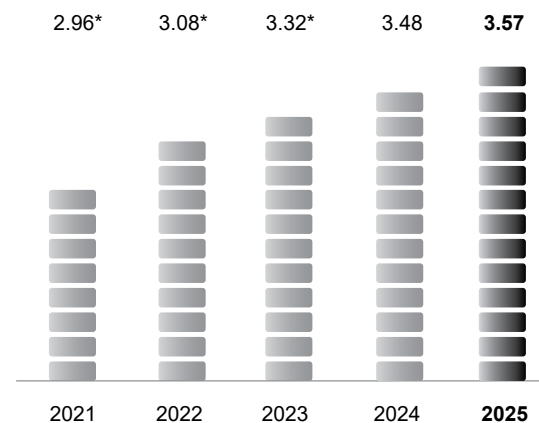
## SHAREHOLDERS' FUND (RM'000)



## BASIC EARNINGS PER SHARE (SEN)



## NET ASSETS PER SHARE (RM)



\* Comparative figure for 'Basic Earnings Per Share' and 'Net Assets Per Share' for 2021 - 2023 have been adjusted for the effects of the Share Split involving the subdivision of every one (1) existing ordinary share into two (2) subdivided ordinary shares, which was completed on 28 June 2024.

# CALENDAR OF EVENTS 2025

## FINANCIAL CALENDAR

DATE	EVENT
27 February	Announcement of the Fourth Quarter Ended 31 December 2024 Unaudited Results
8 April	Payment of the Third Interim Dividend for the Financial Year Ended (“FYE”) 31 December 2024
25 April	Issuance of Annual Report 2024
27 May	Announcement of the First Quarter Ended 31 March 2025 Unaudited Results
4 June	Twenty-Eighth (28 <sup>th</sup> ) Annual General Meeting
30 June	Payment of the First Interim Dividend for FYE 31 December 2025
27 August	Announcement of the Second Quarter Ended 30 June 2025 Unaudited Results
10 October	Payment of the Second Interim Dividend for FYE 31 December 2025
12 November	Announcement of the Third Quarter Ended 30 September 2025 Unaudited Results
23 December	Payment of the Third Interim Dividend for FYE 31 December 2025
26 February 2026	Announcement of the Fourth Quarter Ended 31 December 2025 Unaudited Results
8 April 2026	Payment of the Fourth Interim Dividend for FYE 31 December 2025

## EVENT CALENDAR

DATE	EVENT
21 February	100% Attendance Certificate Presentation Ceremony
17 April - 19 May	30-Day Weight Loss Challenge
30 April	Launch of NHF SmartGrow Project - Deployment of the Organic Regenerative Vegetable Terrarium “Hope Box” to promote sustainable agriculture and food independence
9 May	Fruit Party
13 - 16 May	Health Week: Pre-Work Workout Sessions, Breakfast Day, Road Safety and Health Talks
18 May	17 <sup>th</sup> Annual Blood Donation and Free Health Checks
17 July	360° Feedback Action Learning Workshop under NHF’s Leadership Credos
27 July	Sports Day 2025: Piala Kam Lang Fatt Football Tournament and Badminton Tournament
7 September	Bowling Tournament
17 September	Plant Visit by Heriot-Watt University Malaysia
5 November	Plant Visit by INTI International College Subang
8 November	Annual Dinner 2025 and Long Service Awards Presentation
26 - 29 November	Participation in the 2025 Automechanika Shanghai Exhibition, China

## DIRECTORS' PROFILE

**KAM FOONG KENG**  
Executive Chairman  
Aged 62, Female

Madam Kam was appointed to the Board of Directors ("Board") of New Hoong Fatt Holdings Berhad ("NHF") as Executive Director on 8 April 1998, and was later appointed as Executive Chairman on 15 May 2008. She holds a Bachelor's Degree in Business from the South Australia Institute of Technology (now known as the University of South Australia), Australia.

Madam Kam has been a key person in NHF's management and organisation since joining the Group. As the Executive Chairman of NHF, she oversees the Group's strategic direction, overall performance and business development, both in Malaysia and overseas operations. She ensures that operations are aligned with the Group's mission and vision. Currently, she serves as a Director on the boards of all NHF subsidiaries. She does not hold any directorships in other public companies or listed issuers.

Madam Kam is the spouse of Mr Chin Jit Sin, sibling of Ms Kam Foong Sim, both are Directors of the Company, and the daughter of Madam Wong Ah Moy @ Wong Yoke Len, a major shareholder of the Company.

Madam Kam is the major shareholder of the Company. She has no material conflict of interest or potential conflict of interest, including interest in any competing business with the Group, other than what has been disclosed to the Board and shareholders in the audited financial statements.

Madam Kam attended all five (5) Board meetings held during the financial year.

**CHIN JIT SIN**  
Managing Director  
Aged 64, Male

Mr Chin is the Group Managing Director of NHF. He was first appointed to the Board of NHF as Executive Director on 8 April 1998 and was re-designated as Managing Director on 25 October 2007. As the Group Managing Director, he acts as the Chief Executive Officer of the Group. He holds a Bachelor of Economics (Hons) Degree (major in Business Administration) from the University of Malaya.

Mr Chin was attached to a banking institution prior to joining NHF. His experience covers a variety of industries, including banking and financial institutions, manufacturing and trading. As the Group Managing Director of NHF, he oversees the Group's strategic planning, talent management and operational management, particularly in operational effectiveness, efficiency, and adherence to the Group's policies and procedures. Currently, he serves as a Director on the boards of all NHF subsidiaries.

Mr Chin is also a director of another public company, the Malaysian Automotive Component Parts Manufacturers ("MACPMA"), where he has served as the President since August 2022. Additionally, he is the Vice Chairman of the Automotive Federation Malaysia (AFM) and serves as an Exco member of the Selangor Human Resource Development Centre (SHRDC).

Mr Chin is the spouse of Madam Kam Foong Keng, a Director and major shareholder of the Company, and is therefore related to members of her family. He has no direct conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

Mr Chin attended all five (5) Board meetings held during the financial year.

## DIRECTORS' PROFILE (continued)

**KAM FOONG SIM**  
**Non-Independent Executive Director**  
**Aged 61, Female**

Ms Kam was appointed to the Board of NHF as Executive Director on 17 May 2001. She holds a Bachelor's Degree in Economics (major in Accounting) from the University of Adelaide, Australia. She is an accountant by profession and a member of the Certified Practising Accountant (CPA) Australia and the Malaysian Institute of Accountants ("MIA").

Ms Kam had several years of experience in accounting firms and in the commercial sector before joining the NHF Group in 1991, where she is responsible for overseeing the Group's finance and accounting functions. Currently, she serves as a Director on the boards of several NHF subsidiaries. She does not hold any directorships in other public companies or listed issuers.

Ms Kam is the sibling of Madam Kam Foong Keng, a Director and major shareholder of the Company, and the daughter of Madam Wong Ah Moy @ Wong Yoke Len, a major shareholder of the Company.

Ms Kam has no material conflict of interest or potential conflict of interest, including interest in any competing business with the Group, other than what has been disclosed to the Board and shareholders in the audited financial statements.

Ms Kam attended all five (5) Board meetings held during the financial year.

**OEI KOK EONG**  
**Senior Independent Non-Executive Director**  
**Aged 72, Male**

Mr Oei was appointed to the Board of NHF as Independent Non-Executive Director on 1 January 2019 and was re-designated as the Senior Independent Non-Executive Director on 8 November 2019. He also serves as the Chairman of the Nomination Committee and is a member of the Audit and Risk Management and Remuneration Committees.

Mr Oei holds a Bachelor's Degree in Mechanical Engineering from the University of Singapore.

In 1977, Mr Oei started his career in Jardine Parrish, Singapore as a Project and Maintenance Engineer. He later returned to Malaysia and joined Tobacco Importers & Manufacturers Sdn. Bhd. (Rothmans).

Mr Oei has more than 30 years of experience in the automotive components industry. In 1983, he joined Kayaba (Malaysia) Sdn. Bhd., a joint venture between an international Japanese public listed company and UMW Berhad, as Operations Manager and was later promoted to General Manager cum Director of the company in 1989.

In 2004, he joined Autoliv (Malaysia) Sdn. Bhd. as Chief Operating Officer, whereby he was responsible for two (2) subsidiaries of the group, which were involved in the manufacturing of safety restraint systems and steering wheels. He was subsequently appointed as Executive Director of APM Holdings Berhad in 2006 where he was responsible for the overseas operations of the group until his retirement in 2011.

Over the years, Mr Oei had served in various positions in MACPMA and working/technical committees of SIRIM. He also initiated and headed the Toyota Suppliers' Club's lean manufacturing activities for several years. He was also the founding Chair of the Malaysian Chapter of the Society of Automotive Engineers in 2000. Mr Oei previously served as a business coach, mentoring a group of business owners and chief executive officers in association with Vistage Malaysia Sdn. Bhd. He is currently engaged as a Lean consultant with a company.

Mr Oei holds directorships in three (3) other public listed companies, namely SMIS Corporation Berhad, HPMT Holdings Berhad and Rhone Ma Holdings Berhad.

Mr Oei has no family relationship with any Director and/or major shareholders of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

Mr Oei attended all five (5) Board meetings held during the financial year.

## DIRECTORS' PROFILE (continued)

**CHIA SWEE YUEN**  
Independent Non-Executive Director  
Aged 68, Male

Mr Chia was appointed to the Board of NHF as Independent Non-Executive Director on 1 January 2019. He also serves as the Chairman of the Remuneration Committee and is a member of the Audit and Risk Management and Nomination Committees.

Mr Chia graduated from the University of Malaya with a Bachelor of Accounting (1st Class Hons). He is a member of MIA and an Associate Fellow of the Asian Institute of Chartered Bankers (AICB).

Mr Chia started his career in 1980 with SGV-Kassim Chan Sdn. Bhd., a management consultancy firm. From 1984 to 1987, he was with Malaysian Resources Corporation Berhad, a diversified listed group with businesses in manufacturing, trading, credit and leasing, credit card, construction and property development. He was in charge of corporate planning, accounting and tax, information technology and general administration.

From 1988 until his retirement in 2015, he was working in the banking sector, heading varied areas of marketing, branch management, credit evaluation, credit operations and risk management with Overseas Union Bank (M) Bhd and AmBank (M) Bhd.

Mr Chia does not hold any directorships in other public companies or listed issuers.

Mr Chia has no family relationship with any Director and/or major shareholders of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

Mr Chia attended all five (5) Board meetings held during the financial year.

**NG CHEE KIET**  
Independent Non-Executive Director  
Aged 56, Male

Mr Ng was appointed to the Board of NHF as Independent Non-Executive Director on 3 January 2022. He also serves as the Chairman of the Audit and Risk Management Committee and is a member of the Nomination and Remuneration Committees.

Mr Ng graduated with a Bachelor of Economics (Accounting) from Monash University, Australia and he is currently a member of MIA.

Mr Ng started his career in tax consultancy with Arthur Andersen HRM (Tax Services) Sdn. Bhd. before moving into corporate finance and investment banking with Aseambankers Malaysia Berhad (now known as Maybank Investment Bank Berhad), PM Securities Sdn. Bhd. and later MIMB Investment Bank Berhad ("MIMB"). After leaving MIMB in 2012 as the Head of Investment Banking, he joined Malton Berhad as the Director of Corporate Finance and later joined WCT Holdings Berhad as the Director of Corporate Strategy from 2016 to 2020. In January 2021, he joined WYNCORP Advisory Sdn. Bhd., a licensed corporate finance advisory firm, as the Director of Corporate Finance.

Mr Ng currently sits on the Board of a public listed company, namely SAM Engineering & Equipment (M) Berhad as an Independent Non-Executive Director.

Mr Ng has no family relationship with any Director and/or major shareholders of the Company. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Group.

Mr Ng attended all five (5) Board meetings held during the financial year.

### Notes to Directors' Profile:

- (1) All of the Directors of the Company are Malaysians.
- (2) None of the Directors of the Company has any conviction for offences within the past five (5) years other than traffic offences, if any, or any public sanction or penalty imposed by relevant regulatory bodies during the financial year.
- (3) The details of the Directors' shareholdings in the Company are disclosed on page 150 of this Annual Report.

## KEY SENIOR MANAGEMENT'S PROFILE

**AARON CHIN JUN MIN**  
**Chief Operating Officer**  
**Aged 33, Male**

Aaron Chin joined the Group on 5 December 2016 as Senior Executive, Sales. He progressed through several senior management positions, becoming General Manager in 2022 for the trading divisions in Malaysia and Indonesia. In 2024, he was appointed Director of Business and subsequently assumed the role of Chief Operating Officer of certain subsidiaries. He also serves as a Director on the boards of several NHF subsidiaries.

Aaron graduated with a Bachelor's Degree in Business, Management, Marketing and Related Support Services from the Wrexham Glyndwr University, United Kingdom.

Prior to joining NHF Group, Aaron worked as Business Manager at Advanced Aquatics Sdn. Bhd. from 2014 to 2016. He was involved in business development, profitability assessments of business programs and business centers, as well as specialised coaching for individuals.

Aaron is a son of Madam Kam Foong Keng and Mr Chin Jit Sin, a nephew of Ms Kam Foong Sim, all of whom are Directors and shareholders of the Company, and a grandson of Madam Wong Ah Moy @ Wong Yoke Len, a major shareholder of the Company.

**MARK NG BOON FATT**  
**Chief Strategy Officer**  
**Aged 59, Male**

Mark Ng joined the Group on 28 January 2020 as Director of Business Strategy and later transitioned to Director of Corporate Strategy in early 2024. In 2025, he was promoted to Chief Strategy Officer. He also serves as a Director on the boards of several NHF subsidiaries.

Mark holds a Bachelor's Degree in Applied Physics with Honors from Universiti Sains Malaysia and a Master of Business Administration from the University of Hull, United Kingdom.

Mark began his career as a Production Engineer at S.E.H. (M) Sdn. Bhd. from 1991 to 1993. He then progressed to the position of Sales Engineer and subsequently Marketing Manager at Castrol (M) Sdn. Bhd., until 2000. From 2000 to 2002, he joined ATM Holdings, Inc. (Asiatravelmart), an e-commerce online travel business, as Senior Vice President of the Business Strategy Department.

From 2002 to 2019, Mark was attached to BP Castrol Lubricants Asia Pacific, overseeing strategy and business operations across Malaysia, Singapore, the Philippines, ASEAN and Greater China. His last position with the company was Executive Director.

## KEY SENIOR MANAGEMENT'S PROFILE (continued)

**LOO LING HONG**  
**Chief Financial Officer**  
**Aged 55, Female**

Ms Loo joined the Group on 2 January 2025 as Finance Director and was subsequently redesignated as Chief Financial Officer on 27 February 2025.

Ms Loo holds a Bachelor of Business Administration (Honors) major in Finance from Universiti Utara Malaysia and professional qualification from the Association of Chartered Certified Accountants ("ACCA"). She is a Fellow Member of ACCA and a member of the Malaysian Institute of Accountants.

Ms Loo brings with her 29 years of extensive experience in corporate and finance functions in several public listed entities. She began her career in 1995 at Hong Leong Finance Berhad as Credit Executive, before moving to Bina Puri Holdings Berhad in 1997 as Manager, Corporate Development. She later joined Equine Capital Berhad as Senior Manager, Corporate Affairs, overseeing accounting and finance, strategic planning and corporate development.

Prior to joining NHF Group, Ms Loo was with Ann Joo Resources Berhad from 2007, where she advanced to several senior management roles, including General Manager and Group Financial Controller. In 2021, she was promoted to Corporate Director. In this role, she was responsible for corporate development and strategic planning, investment appraisal and corporate finance, financial planning and management, tax planning and compliance, industry development and liaison, banker and investor relations, legal services as well as corporate social responsibility initiatives.

**HO KOK LEONG**  
**Director of Supply Chain and Manufacturing**  
**Aged 52, Male**

Mr Ho joined the Group on 2 October 2018 as General Manager, Plastic Operations. He was promoted to Senior General Manager, Plastic Operations in 2021, Chief Operating Officer of the Manufacturing Division in 2022, Director of Manufacturing in 2024, and in 2025 was redesignated as Director of Supply Chain and Manufacturing, overseeing both functions.

Mr Ho holds a Master's Degree in Engineering (Material Science) from the University of Manchester Institute of Science and Technology, United Kingdom.

Mr Ho has more than 20 years of experience in manufacturing and production operations. He began his career in 1998 as a Quality Assurance Executive at George Kent (M) Sdn. Bhd., and in 2000, he joined Flextronics Technology (Shah Alam) Sdn. Bhd. as a Procured Material Quality Assurance Executive.

In 2002, Mr Ho moved to V.S Technology Industry Park (Zhuhai) Co. Ltd. as Quality Assurance Manager before joining May-Plastics Manufacturers Sdn. Bhd. From 2004 to 2018, he held various positions at May-Plastics, including Quality Manager, Operations Manager and General Manager of Manufacturing.

### Notes to Key Senior Management's Profile:

- (1) All of the Key Senior Management personnel of the Group are Malaysians.
- (2) Save for Aaron Chin Jun Min, none of the Key Senior Management personnel has any family relationship with any Director and/or major shareholders of the Company.
- (3) None of the Key Senior Management:
  - (a) hold any directorship in other public companies or listed issuers;
  - (b) has conflict of interest or potential conflict of interest, including interest in any competing business with the Group; and
  - (c) has any conviction for offences within the past five (5) years other than traffic offences, if any, or any public sanction or penalty imposed by relevant regulatory bodies during the financial year.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of New Hoong Fatt Holdings Berhad (“NHF” or “the Company”) and its subsidiaries (collectively “the Group”) is committed to upholding the high standards of corporate governance throughout the organisation with the ultimate objective of sustaining long-term business success and realising long-term shareholder value and the interests of other stakeholders.

This Corporate Governance Overview Statement sets out an overview of the Company’s application of the principles and practices of the Malaysian Code on Corporate Governance (“MCCG”) for the financial year ended 31 December 2025 (“FY2025”). This Statement should be read in conjunction with the Corporate Governance (“CG”) Report, which provides details on how the Company has implemented each of the MCCG practices for FY2025. The CG Report is available on Bursa Malaysia Securities Berhad (“Bursa Securities”)’s website and the Company’s website at [www.newhoongfatt.com.my](http://www.newhoongfatt.com.my).

## Summary of Adoption of MCCG Practices

In FY2025, the Company has adopted all MCCG recommended practices throughout the financial year, except for the following:

- (1) Practice 8.2 – Disclosure of the top five (5) senior management’s remuneration in bands of RM50,000 on a named basis; and
- (2) Practice 13.3 – Leveraging technology to facilitate voting, including voting in absentia and remote shareholders’ participation at general meetings.

The explanation for the departure from the above practices and the adoption of alternative practices to achieve the Intended Outcome are explained in the CG Report.

In order to protect the interests of shareholders and other stakeholders, the Board is committed to and will continue to strengthen its application of best corporate governance practices from time to time.

## PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

### I. Board Responsibilities

#### Board Duties and Responsibilities

The Board represents and serves the interests of the shareholders. The Board is responsible for reviewing the Group’s performance and business strategies, as well as monitoring its operations to ensure the highest possible value creation over time. The duties and responsibilities of the Board include, but are not limited to:

- (a) Reviewing and monitoring the strategic plan;
- (b) Overseeing the conduct of the business;
- (c) Overseeing the risk management and internal control systems;
- (d) Promoting good corporate governance and sound sustainability practices;
- (e) Ensuring a succession plan is in place for the Board and key positions; and
- (f) Ensuring proper investor relations and shareholder communications.

The Board has formed three (3) Board Committees, namely:

- (a) Audit and Risk Management Committee (“ARMC”);
- (b) Nomination Committee (“NC”); and
- (c) Remuneration Committee (“RC”).

The Board Committees are assigned specific responsibilities and authorities to support the Board in fulfilling its duties and to provide the Board with recommendations and advice. The delegation of authority to the Board Committees enables the Board to achieve operational efficiency, by empowering each Committee to review, report and make recommendations to the Board on matters within their respective roles and responsibilities.

Besides the Board Charter, each Board Committee is also governed by its Terms of Reference (“TOR”), which sets out its functions, duties, composition, rights and meeting procedures. These TORs are reviewed annually in accordance with the Company’s requirements, taking into account the changes in the business, governance and legal environments that might affect the Committees’ roles. The updated TORs are accessible for reference on the Company’s website.

The Board aims to strike a balance between its advisory role in shaping the Group’s strategic decisions and granting the Management the necessary autonomy to run the Group’s operations. Thus, the Board has delegated specific authorities to the Management, as outlined in the Group’s Limit of Authority manual. This delegation encompasses capital and operational expenditures, procurement, accounting, financial, administration and legal matters. The Management reports to the Board on any significant issues affecting the Group, even if they fall within the delegated mandate.

These delegations of authority do not absolve the general responsibilities of the Board, as the Board maintains collective oversight over both the Board Committees and the Management at all times.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

## Separation of the Chairman and Managing Director Positions

The positions of Chairman and Managing Director are held by two (2) different individuals. A clear segregation of their roles and responsibilities is outlined in the Company's Board Charter. This clear demarcation of roles between the Chairman and Managing Director not only ensures a balanced distribution of power and authority but also fosters an open exchange of views and opinions between the Board and the Management in their deliberations of the Group's business, strategies and key operations.

### Chairman

The Chairman of the Board ("the Chairman") is not an Independent Director and she holds an executive position. Nonetheless, the Board is of the view that the Chairman has the ability to lead the Board effectively based on her entrepreneurial leadership and extensive experience in the Group's operations over many years. As one of the pioneer members of the Group, the Chairman plays a critical role in providing leadership to the Board and steering the vision, strategic direction and business development of the Group. At the same time, she is guided by the independent advice and perspectives of the Independent Directors, who provide the necessary checks and balances in the Board's decision-making process.

The Chairman's roles include, but are not limited to:

- (a) Providing leadership to the Board in all aspects of the Board's roles and responsibilities;
- (b) Leading Board meetings and discussions, facilitating the Directors' effective participation and performance at such meetings;
- (c) Leading the Board in the adoption and implementation of good corporate governance practices in the Group;
- (d) Presiding over general meetings of shareholders and working with the Company Secretaries to set the meeting agenda;
- (e) Facilitating communication and understanding between the Board and the Management, and between the Board and stakeholders;
- (f) Acting as an advisor to the Managing Director and the Management in all matters concerning the interests and management of the Group;
- (g) Monitoring the vision, strategic direction and business development of the Group; and
- (h) Ensuring that the Group's operations conform with the Board's strategic directions, views and corporate policies.

Recognising that the central issue in maintaining a well-governed Board lies in achieving a balance of power and influence among its members, the Executive Directors, including the Chairman, do not hold a majority vote as the Board is composed of an equal number of Executive Directors and Independent Non-Executive Directors. Additionally, the Chairman does not possess a casting vote in the event of an equality of votes. This composition of the Board is structured as such to prevent any individual or group of individuals from exerting undue influence over the Board's decision-making process. Moreover, the appointment of the Senior Independent Non-Executive Director provides an important channel for stakeholders to communicate any concerns relating to any matters that have not been satisfactorily resolved or are inappropriate to be communicated through the normal channels of the Chairman or Managing Director.

### Managing Director

The Managing Director is responsible for providing leadership and business judgement to the Management, as well as providing a strategic vision for the Group. His other responsibilities include, but are not limited to:

- (a) Developing and implementing strategic business plan and policies of the Group;
- (b) Managing the Group's resources within the budget guidelines approved by the Board;
- (c) Managing the Group's human resources according to authorised personnel policies and procedures;
- (d) Ensuring that risk management and internal control systems are operating effectively;
- (e) Promoting good governance in all material aspects of the Group; and
- (f) Leading the Group's sustainability agenda by promoting sustainable practices, monitoring overall sustainability performance and reporting, and overseeing the management of related risks including climate change, health and safety and human rights.

The Managing Director and the Management update the Board quarterly on the Group's financial performance and the progress of key business areas during the Board meetings. In these sessions, the Managing Director highlights strategic issues impacting the Group and presents other relevant matters to the attention of the Board, including critical risks that have implications for the Group's strategic objectives and business plans.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

## Company Secretaries

The Board is supported by qualified and competent Company Secretaries who play a crucial role in facilitating the effective functioning of the Board. The Company Secretaries have specific duties to advise the Board on its roles and responsibilities, good governance and board policies and procedures. The main responsibilities of the Company Secretaries are outlined in the Company's Board Charter.

### The Company Secretaries are responsible for:

- (a) Advising the Board on matters related to compliance with the Companies Act 2016, the Main Market Listing Requirements ("Listing Requirements") of Bursa Securities and other applicable laws and regulations;
- (b) Keeping the Board informed on corporate governance developments that affect Directors' duties and responsibilities and the Company's status as a public listed company;
- (c) Advising the Board on new and revised statutory and regulatory requirements and relevant guidelines;
- (d) Attending all shareholders', Board and Board Committee meetings, ensuring proper conduct and recording discussions on key deliberations and decisions made at these meeting;
- (e) Being directly accountable to the Board for the proper functioning of the Board;
- (f) Maintaining proper statutory and other important documents of the Company, as well as those of the Board and Board Committees; and
- (g) Facilitating communication within the Board and monitoring the implementation of the Board's decisions, where appropriate.

All Directors have full and unrestricted access to the advice and services of the Company Secretaries, and decisions regarding the appointment and removal of the Company Secretaries are matters of the Board as a whole.

The Company Secretaries attend appropriate conferences and training programmes to stay abreast of relevant developments in laws, regulations and corporate governance practices, enabling them to effectively fulfil their advisory role to the Board.

The Board is satisfied with the performance and services provided by the Company Secretaries in assisting the Board in the discharge of its functions, duties and responsibilities.

## Board Meeting and Meeting Materials

The Board convenes quarterly meetings, with additional meetings scheduled as necessary. To facilitate planning and ensure optimal attendance, the dates of Board meetings for the upcoming financial year are set a year in advance. A total of five (5) Board meetings were held during the financial year under review. The attendance of each Board member at the meetings is as follows:

Name of Director	No. of Meetings Attended
Kam Foong Keng	5/5
Chin Jit Sin	5/5
Kam Foong Sim	5/5
Ng Chee Kiet	5/5
Chia Swee Yuen	5/5
Oei Kok Eong	5/5

Board meetings serve as a platform for the exchange of views, where Directors contribute their expertise and independent judgment to discuss and make decisions on various issues. During these meetings, the Board reviews, among other matters, the Group's financial position, corporate policies, risk management, major acquisitions or disposals and reports from the Board Committees, management performance against budget, as well as operational updates from prior meetings. The Board is also briefed on any disclosures or announcements submitted to or issued by Bursa Securities since the last Board meeting. Sufficient time is allotted for the Board to thoroughly address key agenda items, allowing all members to ask questions or provide input.

The conduct of the Board meetings in relation to notice, quorum and voting rights is regulated by the Constitution of the Company. Adequate notice of Board meetings and the agenda for the business to be conducted are circulated via electronic mail to all Directors at least five (5) working days prior to each meeting. Concurrently, the Board papers that provide both financial and non-financial information such as minutes of previous meetings, management reports and financial reports are also circulated together with the notice. This ensures that Directors have sufficient time to review the papers and seek additional clarifications if needed, facilitating informed decision-making and expediting the business proceedings during the meeting. At the Board meetings, the Management is invited to present and brief the Board on the Group's financial and operational matters.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

The minutes of meetings are circulated to all Directors for their review or comments within a reasonable timeframe after each meeting. This practice ensures that the minutes accurately capture the deliberations and decisions of the Board, including whether any Director had abstained from voting or deliberating on a particular matter. The minutes are then tabled for confirmation at the subsequent Board meeting and signed by the Chairman. Any outstanding matters arising from the previous meetings are tracked and reviewed by the Board until resolved.

In between Board meetings, matters requiring the Board's approval are addressed by way of circular resolutions. Relevant information pertaining to the subject matter is enclosed and distributed to the Board members for their consideration. All circular resolutions approved by the Board are tabled for notation at the next Board meeting.

## Information and Support for Directors

All Directors have the right to access the Company's relevant information and communicate with the Management regarding the Group's business and operations. To fulfill their duties and responsibilities, the Directors may seek independent professional advice at the Company's expense, subject to prior consultation with the Chairman. The Board receives regular updates from the Company Secretaries and External Auditors on recent significant developments in applicable laws, regulations and other corporate matters affecting the Group's businesses or operations.

## Board Charter

The Board, in the discharge of its duties, adheres to the guidelines set forth in the Company's Board Charter. The charter delineates various aspects, including the roles and responsibilities of the Board, the Chairman, the Managing Director, the Senior Independent Non-Executive Director, the Board Committees and the Company Secretaries. It also outlines the Board's structure, rights, and procedures governing its meetings. The Board Charter incorporates key governance principles to regulate the Board's conduct and assist in establishing effective operating procedures for the Board. The Board reviews and updates the Board Charter from time to time to ensure alignment with changes in the Company's policies and procedures and adherence to the latest regulations and legislation. The Board Charter was reviewed and updated during the financial year and is accessible for reference on the Company's website.

The Board Charter also references a formal schedule of matters reserved exclusively for the Board's decisions and approvals. These include, but not limited to, the appointment and removal of Directors and Key Senior Management, approval of their remuneration, establishment of Board Committees and appointment and removal of Company Secretaries, corporate proposals, major acquisitions, disposals and divestments, approval of new investments, business strategies and annual budget, quarterly and

annual financial reports, declaration and recommendation of dividends, entry into a legally binding memorandum of understanding, involvement in material litigation and approval of key corporate policies. These responsibilities underscore the Board's pivotal role in overseeing critical aspects of the Company's operations, strategic decisions and governance framework.

## Code of Conduct and Ethics

The Board is committed to establishing a corporate culture that promotes and upholds ethical conduct across the organisation and ensuring that the Group's business is conducted with integrity, transparency and fairness.

In discharging its fiduciary duties, the Board is obligated to act in good faith and in the best interests of the Group, while fulfilling its obligations to shareholders and other stakeholders. All Board members must avoid any conflicts of interest with the Group and promptly disclose any material facts that may potentially influence their actions or decisions. In cases where a Director has a conflict of interest, whether direct or indirect, concerning any matter related to the Company or the Group, they are required to abstain from participating in discussions or making decisions on the matter. Each Director declares their interests, if any, on a quarterly basis at Board meetings. During the financial year, a new self-declaration of conflict of interest was received from a Director in relation to a related party transaction, which was duly disclosed to and noted by the Board.

The Board and all employees are guided by the Group's core values, encapsulated in the acronym R.E.C.I.P.E. (Respect, Excellence, Customer Focus, Integrity, Perseverance and Ever-Ready). These values, along with relevant policies and procedures serve as guiding principles for appropriate conduct to all employees within the Group and relevant third parties. The following policies and procedures address key matters such as conflict of interest, corruption, confidentiality, insider trading and competition:

- (a) Board Charter;
- (b) Corporate Disclosure and Investor Relations Policy;
- (c) Financial Management Policy and Strategy;
- (d) Investment Policy;
- (e) Whistleblowing Policy and Procedures;
- (f) Anti-Bribery and Corruption ("ABC") Policy and Procedures;
- (g) Related Party Transactions Policy and Procedures;
- (h) Conflict of Interest Policy;
- (i) Human Resource manual, policies, regulations, and procedures; and terms and conditions of employment;
- (j) Quality Policy;
- (k) Information Technology ("IT") Policy;
- (l) Limit of Authority Manual;
- (m) International Organisation for Standardisation (ISO) Quality Manual;
- (n) Safety, Health and Environment Policy;
- (o) External Auditors Policy; and
- (p) Sustainability Policy.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

The policies and manuals are periodically reviewed and updated in accordance with the needs of the Group and to reflect changes in the relevant laws and regulations.

The Group upholds a zero-tolerance stance towards bribery and corruption, affirming its commitment to conducting business professionally, fairly and with integrity in all dealings and relationships. The Board has established the ABC Policy and Procedures to provide practical guidance for all employees and relevant third parties in identifying and addressing bribery and corruption in all business dealings and relationships with the Group. The policy is accessible for reference on the Company's website.

To further mitigate bribery and corruption risks, the Group adopts control measures in accordance with the Guidelines on Adequate Procedures issued pursuant to Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009. These measures encompass annual corruption risk assessments, ABC training and communication, proper documentation of all business transactions, establishment of reporting channels and due diligence on suppliers and contractors.

## Whistleblowing Policy and Procedures

The Board has established the Whistleblowing Policy and Procedures, which provide a dedicated channel for employees and other stakeholders to report any suspected violation of laws or regulations or any observed illegal acts within the Group. This includes but is not limited to financial malpractice, fraud, bribery or corruption, conflict of interest incidents, non-compliance with regulatory requirements, danger to health, safety, or the environment, criminal activity, and verbal, physical or sexual abuse. This policy outlines the procedures for reporting genuine concerns about any misconduct that is currently occurring, has occurred or may occur in the future. Reports can be submitted orally or in writing to either the Senior Independent Non-Executive Director or the Chairman of the ARMC.

The Group handles all reports with strict confidentiality and ensures protection for individuals who report such concerns in good faith. The Whistleblowing Policy and Procedures was reviewed and updated during the financial year and is accessible for reference on the Company's website.

During the financial year, a whistleblowing report relating to employee misconduct was received and appropriately handled under the Group's established policies, with no material impact on the Group's operations or financial position.

## Sustainability Governance

The Group integrates sound sustainability practices into its business strategies and operations. Sustainability matters are prioritised based on their potential operational or financial implications to ensure that both risks and opportunities are effectively managed. The Board provides overall oversight of sustainability matters, ensuring that material sustainability-related risks and opportunities, including those related to climate change, are considered in the Group's strategy and long-term direction. The Board also ensures that appropriate governance structures, resources, and internal controls are in place to support the effective management of sustainability matters, and that sustainability-related risks are incorporated into the Group's Enterprise Risk Management framework.

ARMC supports the Board in overseeing the Group's sustainability agenda by reviewing the adequacy and effectiveness of the Group's sustainability frameworks, policies, and processes for identifying, assessing and managing sustainability-related risk and opportunities, including climate change. The ARMC monitors emerging sustainability risks, regulatory development and evolving standards and evaluates their potential impact on the Group's operations, strategy or reputation. It also reviews sustainability-related disclosures, including the Sustainability Statement, and provides recommendations to the Board to enhance transparency, governance, and compliance with applicable requirements.

The Group's Sustainability Committee is responsible for developing programmes, setting targets, tracking progress and integrating sustainability practices into operations. The Sustainability Committee also identifies, evaluates, monitors and manages the Group's key sustainability-related risks and opportunities, as well as managing data collection, monitoring and reporting of sustainability data. Regular updates on sustainability performance and key initiatives are reported to the ARMC and the Board at each quarterly meeting.

The Sustainability Committee is chaired by the Managing Director and comprises Key Senior Management and various department heads, who are responsible for the day-to-day implementation of sustainability activities and initiatives. These leaders drive sustainability efforts within their respective functions, guide their respective teams toward achieving sustainability targets, reviewing sustainability-related risks and opportunities and are accountable for the collection and reporting of relevant performance data. The Corporate & Sustainability Department coordinates the Groups' sustainability initiatives and reporting, promote awareness across the Group and monitor emerging sustainability trends and regulations to provide recommendations to the Sustainability Committee.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

In formulating sustainability agendas, the Group recognises its employees, customers, suppliers, shareholders, regulators and local communities as key stakeholders. The Group engages in a variety of initiatives with both internal and external stakeholders to address their interests, concerns and expectations. Looking ahead, the Board aims to further strengthen its management of sustainability risks and ensure alignment with the Group’s overall business objectives.

A comprehensive overview of the Group’s sustainability initiatives and performance for FY2025 is set out in the Sustainability Statement of this Annual Report.

## II. Board Composition

### Composition of the Board and Key Senior Management

The Board consists of six (6) members, including the Executive Chairman, the Managing Director, one (1) Executive Director and three (3) Independent Non-Executive Directors. Based on the annual review of the Board’s composition conducted by the NC, the Board is satisfied that the current size and composition reflect an appropriate balance of Executive and Non-Executive Directors, which is adequate for the size, scope and nature of the Group’s business and operations.

The Board comprises individuals with diverse expertise, skills, and well-rounded experience in different fields relevant to overseeing the Group’s business. The Board is committed to ensuring that its members are suitably qualified to contribute effectively to the Board’s oversight and stewardship functions. The Board believes that the current mix and composition of its members are appropriate and contribute to the overall effectiveness of the Board. Based on the Directors’ self-assessment in FY2025, the areas of expertise, skills, and experience of each Board member are as follows:

	KFK	CJS	KFS	NCK	CSY	OKE
<b>Industry knowledge/ experience</b>						
Industry experience	•	•	•		•	•
Knowledge of sector	•	•	•		•	•
Global/ Regional exposure	•	•	•		•	•
Understanding of legal and regulatory requirements	•	•	•	•	•	•
CEO/ Senior management experience	•	•	•	•	•	•
<b>Background</b>						
Strategy development	•	•	•	•	•	•
General business and economics	•	•	•	•	•	•
Law	•	•	•	•	•	•
Corporate governance	•	•	•	•	•	•
Risk management	•	•	•	•	•	•

	KFK	CJS	KFS	NCK	CSY	OKE
Accounting and finance	•	•	•	•	•	•
Human resource or talent management	•	•	•		•	•
Sales and marketing	•	•	•		•	•
Information technology or digital strategy	•	•	•		•	•
Product and quality assurance	•	•	•		•	•
Sustainability/ Environmental, Social & Governance (“ESG”)	•	•	•	•	•	•

Notes:

KFK - Kam Foong Keng

CJS - Chin Jit Sin

KFS - Kam Foong Sim

NCK - Ng Chee Kiet

CSY - Chia Swee Yuen

OKE - Oei Kok Eong

As of the date of this Statement, the Key Senior Management members of the Group comprise:

- (a) the Chief Strategy Officer;
- (b) the Chief Operating Officer;
- (c) the Chief Financial Officer; and
- (d) the Director of Supply Chain and Manufacturing.

The Key Senior Management team is composed of individuals with suitable qualifications, skills, attributes and well-rounded experience in their respective fields pertinent to the effective management of the Group’s day-to-day operations.

The profiles of the Key Senior Management personnel are set out in the Key Senior Management’s Profile of this Annual Report.

The diversity composition of the current Board and Key Senior Management with regard to their gender, age, ethnicity and nationality is as follows:

	Board	Key Senior Management
<b>Gender</b>		
Male	4	3
Female	2	1
<b>Age Group</b>		
30 - 39 years	0	1
50 - 59 years	1	3
60 years and above	5	0
<b>Ethnicity</b>		
Chinese	6	4
<b>Nationality</b>		
Malaysian	6	4

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

The Board is committed to maintaining an appropriate balance in terms of diversity in experience, skills, competence, caliber, ethnicity, age, and gender. This commitment extends throughout all levels of the organisation, aiming to achieve balanced, comprehensive, and thorough decision-making that contributes to the Group's overall success and effectiveness.

The Board acknowledges the importance of gender diversity as an important element contributing to its effective functioning. The Company is committed to maintaining at least one-third (1/3) of female Directors on the Board. In line with this commitment, NHF's Board currently comprises two (2) female Directors, representing 33% of the Board. In the Key Senior Management team, women represent 25% of the team.

This commitment extends to creating an inclusive environment where employees at other levels within the organisation are valued for their unique contributions. The Group is dedicated to providing fair and equal employment opportunities, ensuring that career progression and pay equity are based on individual ability, potential and merit. Promotions, compensation and professional development decisions are made without bias. These practices ensure that all employees, regardless of gender, have the opportunity to thrive, succeed and reach their full potential.

## Independent Directors

The Independent Non-Executive Directors are independent of the Management and major shareholders, and free from any business, relationship or circumstance that could materially interfere with their ability to exercise independent judgment or act in the best interest of the Company. The Independent Directors are expected to exercise their oversight responsibilities in the decision-making processes of the Board independently and objectively. They act as a safeguard against the concentration of power and serve to protect the minority shareholders' interests. Each of the Independent Non-Executive Directors has satisfied the independence criteria and other requirements stipulated by the Listing Requirements of Bursa Securities.

The Company currently has no Independent Director whose tenure exceeds a cumulative term limit of nine (9) years. The Group had adopted a policy limiting the tenure of an Independent Director to a maximum of nine (9) years, with no further extensions permitted.

## Sourcing of Directors and Key Senior Management

The Board annually reviews its composition and considers new appointments of Directors as necessary. In sourcing for new Directors, the NC considers the existing composition and diversity of the Board to determine the qualifications and experience required for potential candidates in order for them to effectively fulfill the Board's responsibilities. Suggestions for potential candidates may come from existing Board members, shareholders, senior management or external sources such as recruitment firms or industry associations.

The NC assesses potential candidates based on established recruitment criteria, including qualifications, skills, industry knowledge, expertise, experience and personal attributes. The Directors' Recruitment and Fit and Proper Policy sets out the fit and proper criteria for the appointment and re-election of Directors onto the Board of the Company and the Group. The Policy serves as a reference for the NC and the Board when evaluating potential candidates and Directors seeking re-election. The Directors' Recruitment and Fit and Proper Policy is periodically reviewed by the Board and is accessible for reference on the Company's website.

In selecting Directors, the NC also considers candidates' ability to devote sufficient time and attention to fulfil their responsibilities. Directors are expected to attend Board and Board Committees meetings, shareholder meetings, major company events, and continuing training programmes. For the position of Independent Non-Executive Directors, the NC also assesses their ability to discharge the required responsibilities and ensure they meet the independence criteria set out in the Listing Requirements of Bursa Securities.

To safeguard the independence, integrity and objectivity of the Board's decision-making, Directors are required to disclose the nature and scope of their appointments on other Boards, as well as any direct or indirect interests in the Group and any potential conflicts of interest. Directors are expected to notify the Chairman at least one (1) week before accepting any external directorship, whether in listed or non-listed companies. This is to ensure that multiple directorships do not impair their ability to discharge their duties effectively and independently. Currently, none of the Directors holds more than five (5) directorships in public listed companies.

The procedures for the nomination and appointment of new Directors are summarised below:

- (1) The NC identify candidates from a diverse pool, including any recommendation from various sources.
- (2) The NC evaluates potential candidates against criteria approved by the Board.
- (3) The NC conducts discussions with the shortlisted candidates.
- (4) The NC recommends suitable candidates to the Board.
- (5) The Board approves the appointment of the new Director.

The formal procedure for identifying and evaluating potential candidates for directorship is outlined in the Director's Recruitment and Fit and Proper Policy.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

Newly appointed Directors must complete the Mandatory Accreditation Programmes (MAP) as required by Bursa Securities, if they have not already done so. In addition, the new Director needs to undergo a Director Induction Programme to familiarise themselves with the Group's operations, its products and industry. The Company Secretaries ensure that all appointments are properly effected, that new Directors receive all necessary information to discharge their duties effectively and that the requisite declarations and undertakings under the Listing Requirements of Bursa Securities are duly made.

The Chairman and the Managing Director are jointly responsible for the identification and development of Key Senior Management personnel, as well as reviewing their succession plan from time to time. The process involves searching for suitable candidates internally within the Group or externally through avenues such as public advertisements, direct approaches or recruitment agencies. Candidates are assessed based on their skills, knowledge, expertise, experience, compatibility with the Group's core values and their capability to meet the Group's Leadership and Management Expectations. Once a suitable candidate is identified, the recommendation is forwarded to the NC, who will review and subsequently recommend the candidate to the Board for final approval. Following the Board's approval, newly appointed Key Senior Management personnel will undergo induction training and any other relevant programmes in the manner stipulated in the Group's Human Resource Manual.

## **Evaluation of Board, Board Committees and Individual Directors**

The NC evaluates annually the effectiveness and performance of the Board, Board Committees and individual Directors to assess that the Board is functioning appropriately as a whole. The evaluation is done through internally facilitated assessments, whereby the results of the assessments are collated and submitted to the NC, who subsequently reviews, reports and makes recommendations to the Board.

### **(a) Self- and Peer-Performance Evaluation**

In the evaluation of Directors, all Directors completed a detailed questionnaire covering topics relevant to their individual performance on the Board, such as contribution to interactions, quality of input, understanding of roles, personal disclosure and developments, as well as on the effectiveness of the Chairman of the Board. An evaluation of the Board and each Board Committee was also conducted, assessing elements such as structure, interaction, members' development, meeting procedures, roles and responsibilities and performance of the respective chairman.

The Directors' Performance Evaluation also included a self-assessment of their current knowledge, skills and experience. The skills matrix drawn up from this assessment is presented in the Diversity on Board and Key Senior Management section above, offering insights into potential skills or competency gaps within the Board. Additionally, the NC reviewed the Directors' fit and proper declarations for 2025 made by each Director and concluded that all of them are fit and proper to carry out their roles. The NC also leveraged the assessment to recommend Directors scheduled to retire at the forthcoming AGM.

In addition, the NC conducted an evaluation of the independence of all the Independent Non-Executive Directors. Each Independent Director had completed an independence assessment to verify their adherence to the required independence and other necessary criteria. Among the criteria considered in the assessment is the ability of each Independent Non-Executive Director to exercise objectivity in discharging his or her responsibilities in the best interest of the Company. The Board also assessed them in terms of their relationships and dealings with the Company or the Group, ensuring they could continue contributing independent and objective judgment in the Board's deliberations. Additionally, all of them provided an annual written confirmation of their independence pursuant to the Listing Requirements of Bursa Securities.

Based on the results of the assessment and disclosures made during the financial year, the NC concluded that all the Independent Directors have met the independence criteria outlined in the Listing Requirements of Bursa Securities. The NC was also satisfied with the level of independence demonstrated by each of them and concluded that they bring valuable expertise to the Board and consistently act in the best interest of the Company.

### **(b) Evaluation of the ARMC**

The NC had reviewed and evaluated the effectiveness of the ARMC and each of its members through evaluation forms completed by each ARMC and NC member. The ARMC was assessed based on several aspects including composition, skills, competencies, as well as meeting administration and conduct. For ARMC members, the evaluation covered aspects such as quality of contribution, skills, competencies (including financial literacy), personal development and understanding of the Group's financial risks. In addition, the Chairman of the ARMC had completed a checklist to assess whether the ARMC and its members had carried out their duties in accordance with the ARMC's TOR. The NC was satisfied with the current composition of the ARMC and both the ARMC and its members had discharged their duties effectively and in accordance with the TOR.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

## (c) Re-election of Directors

The NC had assessed the Directors who are subject to retirement by rotation pursuant to Article 101 of the Constitution of the Company at the forthcoming 29th AGM, namely Madam Kam Foong Keng and Mr Chia Swee Yuen. Both Directors had expressed their consent to continue serving on the Board. Following a satisfactory assessment by the NC based on their fit and proper criteria, performance during the financial year, experience, and ability to continue contributing, the Board had recommended their re-election as Directors for shareholders' approval at the upcoming AGM.

## (d) Position of Senior Independent Non-Executive Director

Based on the recommendation of the NC, the Board retained Mr Oei Kok Eong as the Company's Senior Independent Non-Executive Director. Mr Oei serves as the focal point through whom shareholders' and stakeholders' concerns may be conveyed.

## Board Training and Development

Directors are expected to participate in ongoing training programmes to enhance their skills and knowledge, staying abreast with the relevant industry developments, changes in the regulatory environment, and other pertinent areas. During the financial year, all Directors had participated in various training programmes. The particulars of the seminars and courses attended are as follows:

Name of Directors	Seminar / Training Course Title	Date
Kam Foong Keng	• Empowering Women, Energizing ASEAN: Pioneering Economic Integration for a Resilient Tomorrow	24 - 25 May 2025
	• The Real Deal: Addressing Issues and Challenges of IFRS S1 and S2 Reporting in Malaysia	5 June 2025
	• Unlocking Forum Magic - Go Deeper, Elevate & Reignite with CFF Ahal Besorai	1 October 2025
	• Update on National Budget 2026	11 November 2025
	• From Standards to Practice: ESG Reporting for Bursa Malaysia and IFRS Compliance	18 - 19 November 2025
Chin Jit Sin	• The Real Deal: Addressing Issues and Challenges of IFRS S1 and S2 Reporting in Malaysia	5 June 2025
	• Update on National Budget 2026	11 November 2025
	• MTC CEO Summit 2025 - Forging ASEAN's Next Chapter: Malaysian Mid-Tier Companies Driving Resilient and Inclusive Growth	13 November 2025
	• From Standards to Practice: ESG Reporting for Bursa Malaysia and IFRS Compliance	18 - 19 November 2025
	• International Automotive Industry Conference 2025 CEO Summit • Automotive Aftermarket Summit 2025	25 November 2025 27 November 2025
Kam Foong Sim	• The Real Deal: Addressing Issues and Challenges of IFRS S1 and S2 Reporting in Malaysia	5 June 2025
	• Managing Risks in Artificial Intelligence	18 September 2025
	• Financial Reporting on Impact of Climate Change Effects	25 September 2025
	• Update on National Budget 2026 • From Standards to Practice: ESG Reporting for Bursa Malaysia and IFRS Compliance	11 November 2025 18 - 19 November 2025
Oei Kok Eong	• The Real Deal: Addressing Issues and Challenges of IFRS S1 and S2 Reporting in Malaysia	5 June 2025
	• Decoding Budget 2026: Capital Market and Business Outlook	14 October 2025
	• Dynamics of Family Businesses - Growth and Opportunities; Challenges and Successions	15 October 2025

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

Ng Chee Kiet	• Webinar on E-Invoicing Essentials for Board Directors: Navigating the New Compliance Landscape	17 February 2025
	• Talk on Boards Leadership in Industry Disruption: Steering Companies Through Market Shifts	12 March 2025
	• ASEAN Investment Conference	8 - 9 April 2025
	• Burning Tax Issues in 2025 Webinar	29 May 2025
	• The Real Deal: Addressing Issues and Challenges of IFRS S1 and S2 Reporting in Malaysia	5 June 2025
	• Virtual Talk on Tackling Cyber Threats in the Financial Sector	11 June 2025
	• Dialogue - Future-Ready Boards: Implementing Strategies with Skills	7 July 2025
	• AI-Powered Frontiers	10 July 2025
	• Strategic Oversight in Strategy Implementation	28 July 2025
	• Navigating The National Sustainability Reporting Framework & Latest Bursa Listing Requirements	4 August 2025
	• Navigating Future of Finance	11 September 2025
	• Factory Futures AI Workshop	17 September 2025
	• Statement of Risk Management and Internal Control (SORMIC) Guide 2025	21 October 2025
	• Independent Directors & Tax Exposure	31 October 2025
	• ASEAN Capital Market Forum	6 November 2025
• Update on National Budget 2026	11 November 2025	
• AOB Conversation with Audit Committee - SORMIC Guide 2025	25 November 2025	
Chia Swee Yuen	• Navigating Compliance: Insights on DCR 2024, STR Reporting and Joint Supervision Audit Webinar	28 April 2025
	• The Real Deal: Addressing Issues and Challenges of IFRS S1 and S2 Reporting in Malaysia	5 June 2025
	• Update on National Budget 2026	11 November 2025

## NOMINATION COMMITTEE

The Board has established the NC to provide advice and support to the Board in matters relating to the appointment of new Directors and Key Senior Management personnel, board composition, Directors' training programme, succession planning for the Board and Key Senior Management, as well as performance evaluation on the effectiveness of the Board, Board Committees, individual Directors, and Key Senior Management. Full details of the NC's duties and responsibilities are stated in its TOR which is accessible for reference on the Company's website.

The NC consists exclusively of three (3) Independent Non-Executive Directors and is chaired by the Senior Independent Non-Executive Director. The composition of the NC is in compliance with Paragraph 15.09 of the Listing Requirements of Bursa Securities. The NC meets as and when required, at least once a year.

The composition of the NC and the attendance of each member at the meeting held during the financial year are as follows:

Members	No. of Meetings Attended
Oei Kok Eong (Chairman)	1/1
Chia Swee Yuen	1/1
Ng Chee Kiet	1/1

During the financial year, the NC had carried out the following activities:

- (a) Reviewed the evaluation results of the performance of the Board, Board Committees and individual Director, including the term of office and performance of the ARMC and each of its members;
- (b) Assessed the independence of the Independent Directors;

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

- (c) Assessed the performance of Madam Kam Foong Keng and Mr Chia Swee Yuen who are retiring by rotation at the upcoming AGM in accordance with Article 101 of the Constitution of the Company, and recommended them to the Board for re-election;
- (d) Reviewed the position of the Senior Independent Director;
- (e) Reviewed the size of the Board against the size of the Group and the complexity of the business, to assess the impact and effectiveness of the Board size;
- (f) Reviewed the redesignation of Finance Director to Chief Financial Officer;
- (g) Reviewed the performance evaluation of the Key Senior Management personnel;
- (h) Review the succession planning for Directors and Key Senior Management personnel;
- (i) Noted the training programmes attended by all Directors in 2025;
- (j) Reviewed and updated its TOR; and
- (k) Reviewed and updated the Succession Planning Policy.

The Managing Director was invited to attend the NC meeting to provide insights into the performance of the Group and Key Senior Management. The NC subsequently reported to the Board all the key issues discussed after the meeting.

### III. Remuneration

#### Remuneration Committee

The RC was established to assist the Board in developing policies and procedures on the remuneration of the Directors and Key Senior Management personnel. Full details of the composition, rights, functions, and duties of the RC are stated in its TOR, which is accessible for reference on the Company's website.

The RC consists exclusively of three (3) Independent Non-Executive Directors. The composition of the RC and the attendance of each member at the meeting held during the financial year are as follows:

Members	No. of Meetings Attended
Chia Swee Yuen (Chairman)	1/1
Oei Kok Eong	1/1
Ng Chee Kiet	1/1

During the financial year, the RC had deliberated on the following matters:

- (a) Reviewed and assessed the remuneration package of the Executive Directors and Key Senior Management personnel;
- (b) Reviewed and assessed the Directors' fees and benefits payable;
- (c) Reviewed and updated the RC's TOR; and
- (d) Reviewed and updated the Remuneration Policy.

The Managing Director was invited to attend the RC meeting to provide insights into the performance of the Group and Key Senior Management, and to make proposals on their remuneration. The RC subsequently reported to the Board all the key issues discussed after the meeting.

#### Remuneration Policy

The RC conducts an annual review and recommends to the Board regarding the remuneration packages for Directors and Key Senior Management. In making its recommendation, the RC considers the principles outlined in the Company's Remuneration Policy, which was established with the objective of guiding the Group in attracting, retaining and motivating highly qualified individuals to serve on the Board and in Key Senior Management roles. The Remuneration Policy is subject to annual review and is accessible for reference on the Company's website.

The remuneration framework for the Directors and Key Senior Management is designed to align rewards with individual and overall Group's performances, ensuring adequate compensation for the inherent risks and complexities of their roles. The RC also considers market competitiveness by obtaining data on similar roles at other comparable companies for comparison, whether in size or industry. The remuneration is aligned with market terms, taking into consideration the individual's experience, performance, responsibility as well as the Group's overall performance.

The RC also reviews the proposed bonuses for the Executive Directors and Key Senior Management personnel, taking into account the achievement of their key performance indicator targets, demonstration of the Group's core values and their ability to meet the Leadership and Management Expectations.

The Board as a whole is responsible for approving the remuneration packages of the Directors, except that Directors' fees and benefits payable to Directors are subject to the approval of shareholders at the AGM.

At the Company level, the affected Directors abstained from all discussions and decisions about their own remuneration packages.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

## Remuneration of Directors

The details of the remuneration of the Directors of the Board (not including Directors of the subsidiaries) for the financial year are as follows:

GROUP	Salaries and Other Emoluments (RM)	Bonus (RM)	Fees (RM)	Attendance Allowance (RM)	Benefits in Kind (RM)	Total (RM)
<b>Executive Directors</b>						
Kam Foong Keng	847,150	136,982	50,000	-	49,305	1,083,437
Chin Jit Sin	794,745	130,500	50,000	-	30,073	1,005,318
Kam Foong Sim	273,600	40,000	6,000	-	8,118	327,718
	<b>1,915,495</b>	<b>307,482</b>	<b>106,000</b>	<b>-</b>	<b>87,496</b>	<b>2,416,473</b>
<b>Non-Executive Directors</b>						
Ng Chee Kiet	-	-	75,000	19,000	-	94,000
Chia Swee Yuen	-	-	75,000	12,000	-	87,000
Oei Kok Eong	-	-	75,000	12,000	-	87,000
<b>Grand Total</b>	<b>1,915,495</b>	<b>307,482</b>	<b>331,000</b>	<b>43,000</b>	<b>87,496</b>	<b>2,684,473</b>

COMPANY	Salaries and Other Emoluments (RM)	Bonus (RM)	Fees (RM)	Attendance Allowance (RM)	Benefits in Kind (RM)	Total (RM)
<b>Executive Directors</b>						
Kam Foong Keng	822,150	135,000	-	-	-	957,150
Chin Jit Sin	794,745	130,500	-	-	-	925,245
Kam Foong Sim	273,600	40,000	-	-	-	313,600
	<b>1,890,495</b>	<b>305,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,195,995</b>
<b>Non-Executive Directors</b>						
Ng Chee Kiet	-	-	75,000	19,000	-	94,000
Chia Swee Yuen	-	-	75,000	12,000	-	87,000
Oei Kok Eong	-	-	75,000	12,000	-	87,000
<b>Grand Total</b>	<b>1,890,495</b>	<b>305,500</b>	<b>225,000</b>	<b>43,000</b>	<b>-</b>	<b>2,463,995</b>

Pursuant to their respective service contracts with the Company, the remuneration packages of the Executive Directors include a compensation payment of up to six (6) months of the Director's last drawn salary in the event of loss of office.

## Remuneration of Key Senior Management

The total remuneration for Key Senior Management personnel for the financial year amounted to RM2,232,480 (2024: RM1,599,550), which included benefits-in-kind of RM76,150 (2024: RM58,750). The remuneration paid to Key Senior Management personnel is structured to reflect individual performance, scope of responsibilities, the Group's overall performance and prevailing market benchmarks. The Board, through the RC, conducts an annual review of the remuneration package for Key Senior Management and is satisfied that the current levels are competitive to attract, motivate and retain these individuals. In conducting its evaluation, the RC is guided by the principles set out in the Remuneration Policy and takes into consideration remuneration practices, market trends and employment conditions in comparable organisations and industries.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

The Company does not disclose the remuneration of Key Senior Management on a named basis and in bands of RM50,000 at this juncture. The Board is of the view that detailed disclosures of individual Key Senior Management's remuneration may pose challenges to the Group's ability to attract and retain key talents. The Company will continue to review the appropriateness of the level and extent of such disclosures in the future reporting periods.

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. Audit and Risk Management Committee

The ARMC consists solely of Independent Directors. The composition of the ARMC and the attendance of each member at the ARMC meetings held during the financial year are as follows:

Composition of Committee	No. of Meetings Attended
Ng Chee Kiet (Chairman)	4/4
Chia Swee Yuen	4/4
Oei Kok Eong	4/4

The ARMC consists of members who are financially literate, competent, and possess relevant qualifications, experience and business acumen necessary to effectively oversee matters falling within their purview. To prevent a concentration of power and to uphold objectivity in the Board's deliberation of the ARMC's findings and recommendations, the Chairman of the ARMC is not the Chairman of the Board. This deliberate separation ensures a balanced and independent review process within the governance structure.

A summary of activities carried out by the ARMC during the reporting period is set out in the Audit and Risk Management Committee Report of this Annual Report. In general, the ARMC's responsibilities encompass financial reporting, internal and external audits, risk management, internal control, compliance, sustainability and corporate governance. The details of the ARMC's duties and responsibilities are set out in its TOR, which is accessible for reference on the Company's website.

The ARMC maintains continuous engagement with the Management, Internal Auditors and External Auditors to address key issues and ensure timely resolution of matters within its purview.

### Oversight of External Auditors

The Board, through the ARMC, maintains a formal and transparent relationship with the Group's External Auditors. The ARMC reviews and makes recommendations to the Board on the appointment, re-appointment, or removal of the External Auditors, as well as determining the terms of their appointment and the appropriate audit fees.

To strengthen audit quality, independence and transparency, the Group has adopted an External Auditors Policy and Procedures, which sets out clear guidelines for the selection, appointment, reappointment and rotation of the external audit firm and the audit engagement partner. The policy also defines procedures to prevent conflicts of interest and undue influence over the audit process, while ensuring compliance with best practices and applicable regulations.

During FY2025, Grant Thornton Malaysia PLT ("Grant Thornton") was appointed as the Group's External Auditors to fill a casual vacancy following the resignation of BDO PLT ("BDO"). In line with the Company's commitment to good corporate governance, the change of External Auditors was considered timely to enhance independence and objectivity, while bringing fresh perspectives to further strengthen the robustness and effectiveness of the audit process.

The External Auditors work in coordination with the component auditors to carry out the audit for the Group's subsidiaries in China and Indonesia. The component auditors are responsible for auditing the financial statements of these entities, in accordance with the relevant local regulations and accounting standards. The External Auditors oversee the overall audit process and ensure that the audit approach is consistent across the Group. This collaborative effort allows them to gather the necessary information from the component auditors, assess the audit results, and form an opinion on the consolidated financial statements of the entire Group.

The ARMC conducts an annual assessment of the performance and effectiveness of the External Auditors through a Performance and Independence Checklist. This checklist encompasses various assessment criteria such as independence and objectivity, the effectiveness of the audit process, the quality of service, audit fees, and the provision of non-audit services. Additionally, the ARMC considers information presented in their Annual Transparency Report.

To safeguard the independence and objectivity of the External Auditors, the External Auditor's Policy and Procedures sets out the nature of permissible non-audit services that can be provided by the External Auditors or their affiliates. It also contains a clause requiring a minimum cooling-off period of three (3) years before a former key audit partner can be appointed to the ARMC. None of the current ARMC members are former key audit partners of the Group.

Upon completion of the audit, the External Auditors report any financial reporting issues to the ARMC and provide reasonable assurance of the true and fair view of the Group's financial statements. They also verify that adequate accounting records are maintained and that appropriate accounting policies are adopted.

To facilitate open communication, the ARMC holds private meetings with the External Auditors without the presence of the Management and Executive Directors. These sessions allow for in-depth discussions on any issues requiring the attention of the ARMC.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

The total audit and non-audit fees incurred for the services rendered by the External Auditors to the Company and the Group are as follows:

	Group		Company	
	FY2025 RM	FY2024 RM	FY2025 RM	FY2024 RM
Statutory and non-statutory audit fees <sup>1</sup>	228,000	220,772	50,000	40,000
Non-audit fees	11,547	47,787	-	7,450
<b>Total</b>	<b>239,547</b>	<b>268,559</b>	<b>50,000</b>	<b>47,450</b>

Note:

<sup>1</sup> Non-statutory audit fees refer specifically to the review of the Statement on Risk Management and Internal Control.

Upon the recommendation of the ARMC, the Board is satisfied with the independence and competence of Grant Thornton in respect of their appointment as the Group's External Auditors for the financial year 2025. Accordingly, the Board recommends their re-appointment for shareholders' approval at the forthcoming AGM.

A summary of activities of the ARMC in relation to the External Auditors is set out in the Audit and Risk Management Committee Report of this Annual Report.

## II. Risk Management and Internal Control Framework

The Board acknowledges its responsibility to maintain good governance and effective risk management and internal control framework to safeguard shareholders' interests and the Group's assets. The Board works with the ARMC, the Management and Internal Auditors to ensure the adequacy and effectiveness of the Group's risk management and internal control practices in achieving the Group's business objectives. At the same time, the Board is responsible for ensuring that the Group complies with applicable legal and regulatory requirements.

The ARMC provides independent oversight of the Group's risk management and internal control systems, ensuring the integrity of the Group's financial reporting and its overall governance framework. To facilitate effective monitoring, the Board receives quarterly updates from the Management regarding risks related to its business activities that have impacted or are likely to impact the Group's ability to achieve its objectives and strategies.

A detailed overview of the Group's risk management and internal control framework are presented in the Statement on Risk Management and Internal Control of this Annual Report.

### Internal Audit Function

The Board has established an independent internal audit function that reports directly to the ARMC. The internal audit function of the Group is performed by Wensen Consulting Asia (M) Sdn. Bhd. ("Wensen" or "Internal Auditors"), an independent outsourced service provider.

The engagement team of the Internal Auditors is headed by two (2) key qualified engagement Directors and supported by a team of four (4) personnel for each audit assignment. None of the engagement members have any relationship or conflict of interest with the Group that could impair their objectivity and independence.

Their audits were conducted in accordance with the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors (IIA) and other internationally recognised framework for internal control and risk management. Wensen's audit methodology encompasses the Internal Control and ERM Frameworks of The Committee of Sponsoring Organisations of the Treadway Commission (COSO). This strategic and risk-based methodology forms the basis for evaluating the effectiveness of internal controls and risk management practices of the Group.

The ARMC assessed the Internal Auditors' performance, considering factors such as overall effectiveness of the audit, including the adequacy of resources, competency, independence, audit methodology, timeliness of deliverable, quality of recommendations, as well as the overall cost reasonableness in relation to the scope of work, audit coverage and expected deliverables. Based on the assessment carried out during the financial year, the ARMC concluded that the internal audit function was effective, with the Internal Auditors consistently demonstrating competence and independence throughout their engagements.

The Internal Auditors provide an independent and objective evaluation of the Group's risk management, internal control and governance processes, based on an agreed-upon scope of work. They also performed follow-up reviews on issues raised in the preceding internal audits to ensure the implementation of proposed action plans by the Management, aiming to mitigate the Group's exposure to risk.

Further details on the scope of work and activities undertaken by the Internal Auditors during the financial year are outlined in the Audit and Risk Management Committee Report of this Annual Report.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

(continued)

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

### I. Engagement with Stakeholders

The Company is committed to providing timely, accurate and complete information about both the Company and the Group to its shareholders, stakeholders and the general public. Timely information is critical for establishing and maintaining the Company's corporate credibility, market integrity and investor confidence.

The Company strives to enhancing shareholders' understanding and facilitating informed investment decisions through various investor relations activities. Apart from general meetings, the Company communicates with its shareholders through the following channels:

- (a) The Annual Report, which contains information such as the Management Discussion and Analysis, financial statements, information on the ARMC, corporate governance, sustainability, and risk management and internal control;
- (b) Various announcements to Bursa Securities, including timely release of quarterly financial results, which are also posted on the Company's website and released to major newspapers and media outlets;
- (c) Meetings with financial analysts and fund managers;
- (d) Attending to shareholders' and investors' inquiries via email and telephone; and
- (e) The Company's website at [www.newhoongfatt.com.my](http://www.newhoongfatt.com.my) under the Investor Relations section that provides shareholders with access the main corporate policies, annual reports, quarterly announcements, press releases, presentation materials from analyst briefings, analyst coverages and other relevant corporate information. The website also provides contact details for shareholders to direct questions or concerns and shareholders may convey their concerns to the Senior Independent Non-Executive Director.

An overview of the engagement activities with other key stakeholders of the Group is presented in the Sustainability Statement of this Annual Report.

### II. Conduct of General Meetings

#### Notice of General Meeting

General meetings, including AGMs or Extraordinary General Meetings, are important platforms for shareholders to exercise their rights in the Company.

Shareholders are invited to these meetings via a notice of meeting that specifies the agenda items. To facilitate an informed decision-making, the notice is accompanied by explanatory notes on the business items, providing additional details or the Board's recommendations.

The notice of AGM is circulated to shareholders at least 28 days before the meeting. This timeframe is established to maximise shareholders' attendance and allow sufficient time for them to consider the agendas. Concurrently, the notice is also released to Bursa Securities, posted on the Company's website, and advertised in a nationally circulated English daily newspaper.

#### Attendance of Directors at General Meetings

The AGM is the main platform for shareholders to engage directly with the Board and gain insights into the Company's business and financial position. In order to address all shareholder queries, the Board ensures that all its members and the Chairmen of the Board's Committees, attend the meeting. They are informed of the proposed date for the AGM well in advance, allowing them to plan their schedule. Additionally, the Engaging Partner of the External Auditors and the Key Senior Management personnel are also expected to be present at the AGM.

The Chairman plays a crucial role during the AGM in fostering constructive dialogue between the Board and the shareholders. Specifically, the Chairman ensures that shareholders are given ample opportunity to comment, pose questions, and discuss matters pertaining to the meeting agenda, the Annual Report, and the Group's strategy or developments.

#### Voting

The Company may hold its general meetings either physically at a convenient location in the city that is easily accessible by shareholders or in a hybrid format. In the event that shareholders are unable to attend, they are encouraged to appoint one (1) or up to two (2) proxies to represent them and vote on their behalf. Shareholders can exercise their voting rights in the meeting by completing and returning the proxy form to the Company, providing options for voting regardless of their ability to attend the meeting.

The Company conducts poll voting for each resolution tabled, where each shareholder is entitled to one (1) vote per share. To ensure the accuracy of the counting of votes, an independent scrutineer is appointed to validate the votes cast at the meeting.

The results of the meeting, including the total votes for or against each resolution, are announced to shareholders after the voting process. These results will be also announced to Bursa Securities on the same day and made available on the Company's website. The Company would later post the minutes of the meeting on its website detailing the meeting proceedings, shareholder questions, the Board's responses and the voting results. This disclosure ensures that shareholders and the public are well-informed of the meeting outcomes.

This Corporate Governance Overview Statement is made in accordance with the resolution of the Board dated 26 February 2026.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

The primary role of the Audit and Risk Management Committee (“ARMC”) is to assist and advise the Board in fulfilling its oversight responsibilities on matters relating to the Group’s financial reporting, internal and external audit functions, risk management, internal control, compliance, sustainability and corporate governance.

## DUTIES, RESPONSIBILITIES AND RIGHTS

The ARMC is governed by its Terms of Reference (“TOR”), which is accessible on the Company’s website at [www.newhoongfatt.com.my](http://www.newhoongfatt.com.my).

The ARMC’s TOR guides the ARMC in the fulfilment of its roles and responsibilities as well as regulates the conduct of the ARMC and its members. The TOR sets out the composition, functions and duties, rights and meeting procedures of the ARMC. The ARMC reviews its TOR annually, taking into account relevant changes to the regulatory requirements that may affect the ARMC’s responsibilities and recommended best practices and thereafter recommends updates and changes to the Board for endorsement.

## COMPOSITION AND MEETINGS

The ARMC consists of three (3) members, all of whom are independent non-executive directors. All members of the ARMC are financially literate, competent and possess relevant experience and extensive business acumen, which is vital to support the ARMC in the effective discharge of its functions and duties. The Chairman of the ARMC, Mr Ng Chee Kiet, is a member of the Malaysian Institute of Accountants (“MIA”) and he possesses relevant financial experience and expertise to effectively fulfill the role of ARMC Chairman. The composition of the ARMC complies with Paragraphs 15.09 and 15.10 of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”).

Further information on the ARMC members is set out in the Directors’ Profile of this Annual Report.

The ARMC met four (4) times during the financial year and believes that the frequency of its meetings is appropriate for monitoring key issues. The composition of the ARMC and the attendance of each member at the meetings are as follows:

Members	No. of Meetings Attended
Ng Chee Kiet Chairman, Independent Non-Executive Director	4/4
Chia Swee Yuen Independent Non-Executive Director	4/4
Oei Kok Eong Senior Independent Non-Executive Director	4/4

The Managing Director, Key Senior Management and the Chief Financial Officer are invited to attend the ARMC meetings, where they present the quarterly financial performance and operational updates, as well as provide clarifications on relevant agenda items. External and internal auditors’ representatives also attend certain ARMC meetings to present their audit findings and address any concerns. Following each meeting, the Chairman of the ARMC reports all key issues discussed to the Board.

## REVIEW OF THE EFFECTIVENESS OF THE ARMC

The Board, through the Nomination Committee (“NC”), undertakes an annual evaluation of the effectiveness of the ARMC. During the financial year, the NC reviewed and assessed the term of office and performance of the ARMC as a whole and each of its members through formal self- and peer-evaluation questionnaires completed by each ARMC and NC member. The evaluation assessed individual members’ skills, competencies, financial literacy, independence, attendance and participation in meetings, as well as the ARMC’s composition, functions, duties, oversight of internal and external audits and the meeting administration and conduct. The Chairman of the ARMC also assessed whether the ARMC had performed its duties in accordance with its TOR for the NC’s review. Based on the results of these assessments, the NC concluded that the ARMC and its members had discharged their functions effectively and performed their duties in accordance with its TOR.

In addition, all ARMC members had attended relevant training programmes during the financial year to keep themselves abreast of the latest developments in law, regulations, and business practices, as well as current and emerging issues that may enhance the fulfilment of their roles and responsibilities. The list of training programmes attended by the ARMC members is disclosed in the Corporate Governance Overview Statement of this Annual Report.

## SUMMARY OF ACTIVITIES

During the financial year, the ARMC had carried out the following activities:

### (1) Financial Reporting

- (a) Reviewed the quarterly financial results of the Group against the preceding quarter as well as preceding financial year;
- (b) Reviewed the quarterly financial results of the Group against the budget; and
- (c) Reviewed the audited financial statements of the Company and of the Group with the External Auditors.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(continued)

In reviewing the financial reports, the ARMC assessed the reports and discussed with the Management to ensure the use of proper accounting policies and judgments to reflect a true and fair view of the Group's financial position and performance. The ARMC was satisfied that appropriate accounting policies and financial reporting standards had been applied consistently throughout the financial reports and accordingly recommended the same to the Board for approval.

## (2) External Audit

- (a) Reviewed the draft External Auditors' Policy and Procedures and recommended its adoption to the Board for approval.
- (b) Met with previous External Auditors, BDO PLT ("BDO") prior to their resignation and was satisfied that there were no contentious issues or unusual circumstances leading to their resignation. In line with the Company's commitment to good corporate governance, it was considered timely to change the Group's External Auditors to enhance independence and objectivity, noting that BDO had served in this role for over 29 years since 1996. The appointment of new external auditors was expected to bring fresh perspectives and further strengthen the robustness and effectiveness of the audit process going forward;
- (c) Reviewed and assessed potential audit firms. After reviewing Grant Thornton Malaysia PLT's ("Grant Thornton") experience, resources, competence, engagement team expertise and independence to act, the ARMC recommended their appointment as the new External Auditors for the financial year under review, which was subsequently approved by the Board;
- (d) Reviewed the external audit plan, scope, and nature of the statutory audit of the Group's financial statements prior to the commencement of audit;
- (e) Reviewed the external audit reports and the auditors' opinion in relation to the financial statements of the Company and the Group;
- (f) Reviewed and discussed the key audit matter identified by Grant Thornton, relating to the recoverability of trade receivables, which is presented in the Independent Auditors' Report of this Annual Report;
- (g) Reviewed the non-audit services provided by an associate company of BDO in the preparation and conversion of the Group's FY2024 financial statements into Extensible Business Reporting Language (XBRL) format.

The ARMC concluded that their independence had not been impaired by the provision of the non-audit service;

- (h) Reviewed the audit and non-audit fees and recommended to the Board for approval. The total fees incurred for both audit and non-audit services are set out in the Corporate Governance Overview Statement of this Annual Report;
- (i) Received a briefing from Grant Thornton on updates to Malaysian Financial Reporting Standards (MFRS) and the latest amendments to sustainability reporting requirements, in line with the alignment to the National Sustainability Reporting Framework and Bursa Securities' Listing Requirements;
- (j) Met once with Grant Thornton without the presence of the Management, except for the Company Secretaries, to discuss any issue arising from the external audit. No significant issues were highlighted to the ARMC and Grant Thornton expressed their satisfaction with the working relationship they had with the Management;
- (k) Obtained written assurance from Grant Thornton confirming their professional independence in relation to the audit engagement of the Company and of the Group;
- (l) Reviewed Grant Thornton's performance upon completion of the audit for the financial year and was satisfied with their independence, competence and overall performance. Accordingly, the ARMC recommended their re-appointment for the ensuing financial year, subject to the approval of the Company's shareholders at the next Annual General Meeting. Grant Thornton had confirmed their willingness to continue in office.

## (3) Internal Audit

- (a) Reviewed the internal audit plan and processes to ensure that the scope of work covers key risk areas;
- (b) Reviewed the internal audit reports and the adequacy of the internal controls of the Group, together with the audit issues and recommendations arising from the audit and the Management's responses thereto;
- (c) Reviewed the follow-up reports on the status of implementation of action plans by the Management in addressing the areas for improvement as reported from the previous audit reviews; and

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(continued)

- (d) Assessed the effectiveness of the internal audit function and Internal Auditors' performance through a formal evaluation, which covered their independence, competence, performance, adequacy of resources, audit methodology and audit fees. The ARMC concluded that the internal audit function for the financial year was effective and that the Internal Auditors remained independent and competent during their tenure in office. Additionally, the ARMC was satisfied that the Head of the Internal Auditors possesses the relevant qualifications and that the internal audit activities were conducted in accordance with a recognised framework.

## (4) Risk Management

- (a) Reviewed the Enterprise Risk Management ("ERM") reports of the Group quarterly to assess the effectiveness of its risk management strategies and ensure that key risks, including sustainability risks and opportunities, including those related to climate change, are appropriately identified, monitored, mitigated, and reported to the Board. The ARMC also monitored the performance of relevant Key Risk Indicators and Risk Indicators and recommended improvements to enhance risk management processes and implementation of more robust risk mitigation actions to reduce the potential impact on the Group's operations;
- (b) Reviewed the Group's sustainability performance on a quarterly basis, discussed improvements to the sustainability framework and strategies, ensured continuous assessment of current and emerging sustainability trends, applicable standards and regulatory requirements and evaluated their potential impact on the Group's operations, strategy and reputation;
- (c) Reviewed the annual Anti-Bribery and Corruption risk assessment report of the Group, which includes the identification of corruption risks and the appropriate mitigation controls. The ARMC was satisfied that the Group's ABC risk management activities were appropriate and that appropriate mitigating actions were in place to reduce the exposure to corruption risks;
- (d) Reviewed the Whistleblowing Policy and Procedures and recommended changes to the Board for approval; and
- (e) Reviewed the assessment report from the Managing Director and the Chief Financial Officer relating to the risk management and internal control system of the Group. The ARMC was satisfied that the Group's risk management and internal control systems for the financial year were operating adequately and effectively.

## (5) Corporate Governance and Others

- (a) Reviewed and updated the Related Party Transactions ("RPTs") Policy and Procedures and recommended to the Board for approval;
- (b) Reviewed the Recurrent RPTs ("RRPTs") on a quarterly basis and conducted an annual assessment of the nature of the relationships, transactions, as well as the terms and pricing thereof. During the financial year, the ARMC reviewed a new RRPT and was satisfied that the terms and conditions were fair and reasonable to the Group, not more favourable to the related party than those generally available to the public, and were conducted on arm's length terms. The ARMC was of the view that the transactions were in the best interest of the Group and were not detrimental to the interests of minority shareholders. Accordingly, the ARMC recommended the transactions to the Board for approval. The ARMC concluded that all RRPTs were transacted based on normal commercial terms and on an arm's length basis. The details of the related parties are set out in the Notes to the Financial Statements of this Annual Report;
- (c) Reviewed the summary of declarations of conflict of interest ("COI") and interests in contracts, property and offices by the Directors and Key Senior Management on quarterly basis and reported the findings to the Board;
- (d) Reviewed and updated the COI Policy and recommended it to the Board for approval;
- (e) Reviewed the ARMC Report, Statement on Risk Management and Internal Control and Sustainability Statement for inclusion in this Annual Report and ensured that these reports were prepared in accordance with the applicable requirements;
- (f) Completed self-assessment evaluation to identify the ARMC members' skills or knowledge gaps for consideration of the NC;
- (g) Completed self-assessment on its performance against ARMC's TOR for consideration of the NC;
- (h) Reviewed the draft Sustainability Policy and recommended its adoption to the Board for approval; and
- (i) Reviewed and updated the ARMC's TOR and recommended it to the Board for approval.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## (continued)

### INTERNAL AUDIT FUNCTION

The Group's internal audit function is performed by Wensen Consulting Asia (M) Sdn. Bhd. ("Wensen" or "Internal Auditors"), an independent outsourced service provider. Wensen is not involved in the activities it audits and does not conduct the statutory audit for the Group.

The engagement team of Wensen is headed by two (2) key qualified engagement Directors. Mr Edward Yap, the Partner and Executive Director of Wensen, is a Practising Member of the Institute of Singapore Chartered Accountants (ISCA), a member of MIA, a Fellow Member of the Association of Chartered Certified Accountants (ACCA) of the United Kingdom and a Chartered Member of the Institute of Internal Auditors Malaysia (IIAM). He is supported by Mr Shawn Lee, the Engagement Director, who has over 12 years of experience in conducting and leading internal audit reviews for both public and private companies or organisations. The engagement team is supported by a team of four (4) personnel for each audit assignment. None of the engagement members have any relationship or COI with the Group, which could impair their objectivity and independence.

The Internal Auditors perform internal audit review in accordance with the International Professional Practices Framework (IPPF) issued by the Institute of Internal Auditors (IIA), which includes the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics. Wensen's audit methodology encompasses the Internal Control and ERM Frameworks of The Committee of Sponsoring Organisations of the Treadway Commission ("COSO"). The frameworks established by COSO form the basis of the Internal Auditors' strategic and risk-based methodology and approach for evaluating the effectiveness of internal controls and risk management practices of the Group.

The Internal Auditors report directly to the ARMC and provide the ARMC with an independent and objective assurance that the internal controls and systems implemented by the Group are adequate, relevant and operational in managing key financial, operational and compliance risks. Their review approach and procedures are also designed to identify opportunities to enhance the effectiveness of the Group's control environment. To perform their duties effectively, the Internal Auditors have direct and unrestricted access to the Group's information, records, physical properties and personnel, as necessary for their internal audit work and processes.

The internal audit reviews cover various high-risk business processes of the Group within the internal audit scope of work. The Internal Auditors perform audit reviews on areas outlined in the audit plan, which is approved by the Board upon the recommendation of the ARMC.

In 2025, the Internal Auditors conducted two (2) internal audit reviews to assess the adequacy and effectiveness of key processes and controls of the Metal Division of the Manufacturing Section and the Export Division in Klang as well as the subsidiary in China. The scope of the reviews covered the following key business processes:

- Production and material control
- Inventory storage and warehouse
- Mould making and evaluation process
- Machinery maintenance management
- Sales management of the exports
- Purchasing and payment
- Financial reporting and closing
- Information technology
- Human Resources and administration

The Internal Auditors concluded that the overall control assessment for the business processes was generally rated as 'Effective' or 'Moderate'. Areas rated as Moderate highlighted opportunities for improvement, including production floor markings, storage of tools and dies, post-launch performance reviews for new items, and the critical spare parts requisition. For the subsidiary in China, several improvements were recommended, including addressing inconsistencies in purchasing approvals, updating inventory procedures, and strengthening information technology security controls. Observations in the human resources function also highlighted areas where governance, internal controls and compliance could be further strengthened. Recommendations were provided to the Management, and appropriate measure have been taken to address these weaknesses.

The Internal Auditors also reviewed the implementation status of follow-up actions from previous audit findings to ensure that the Management had implemented corrective actions within the appropriate timeframe. Based on the review, management action plans have been implemented where appropriate, with outstanding items in progress are subject to ongoing monitoring to ensure timely completion.

During each audit presentation, the ARMC met with the Internal Auditors without the presence of the Management. No major concerns were raised and the Internal Auditors confirmed that the Management had provided sufficient resources and full cooperation throughout the audit process.

The total cost incurred for the internal audit function of the Group for the financial year amounted to RM58,300 (2024: RM57,300).

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## BOARD RESPONSIBILITIES

The Board of Directors (“Board”) acknowledges its primary duty to maintain a robust and effective framework for risk management and internal control to safeguard shareholders’ investments and the Group’s assets, as well as to review the adequacy and effectiveness of these systems to support the Group in achieving its business objectives and goals.

The Audit and Risk Management Committee (“ARMC”) assists the Board in carrying out its oversight duties, which include reviewing internal control systems in general and assessing the adequacy and effectiveness of the Group’s governance, risk management and internal control practices.

The Management supports the Board and the ARMC in implementing processes for identifying, evaluating, monitoring, and reporting strategic, financial, regulatory and operational risks. This includes ensuring that appropriate corrective actions are taken and providing reasonable assurance to the Board that risk management and internal control practices are effectively implemented and adhered to across the Group.

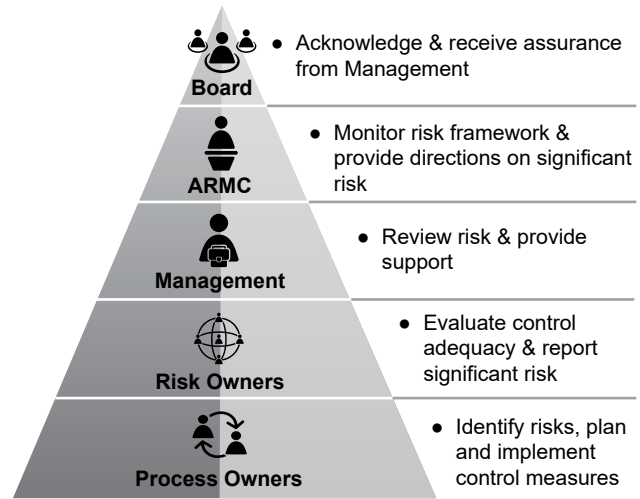
Given the inherent limitations of any internal control system, the Board acknowledges that these systems are designed to manage the Group’s key risks within an acceptable risk appetite rather than eliminate the risks of failure to achieve the Group’s business objectives. Thus, the processes can only provide reasonable but not absolute assurance against material misstatement, fraud, or loss.

## RISK MANAGEMENT

The Group adopted the Enterprise Risk Management (“ERM”) framework to systematically identify, assess, mitigate and monitor existing and potential risks that are critical to its strategic targets and business plans. The framework is guided by ISO 31000 and encompasses all key business areas, such as strategic, financial and operational, as well as compliance with applicable laws, regulations, rules and guidelines.

The ARMC, composed exclusively of Independent Directors, is responsible for overseeing the Group’s risk management framework and policies. The ARMC reviews the Group’s ERM reports on a quarterly basis. Following these reviews, the Committee reports its findings and assessments to the Board, which holds the ultimate oversight and provides strategic direction for the Group’s risk management initiatives.

The Group’s risk management reporting process is summarised below:



Every quarter, risk owners, consisting of key management personnel, assess the effectiveness of controls and monitor all existing and emerging risks associated with their unit or department. They are supported by process owners, who are responsible for identifying and assessing risks, developing and implementing controls, and putting in place action plans to eliminate or reduce the negative impact of risks relating to their areas of responsibility through a combination of preventive, detective and corrective measures. The risk owners then submit their reports to the Management, including any new risks identified at the conclusion of each quarter.

All key risk issues are highlighted to the ARMC, which reviews the risk-mitigating actions and assesses the adequacy of existing controls to ensure that risks are managed within acceptable levels. Emerging risks are also deliberated during Management’s strategic review discussions, where external developments and industry trends that may affect the Group’s business model, operating environment and long-term objectives are considered. These include regulatory developments, technological advancements and digitalisation, cybersecurity threats, supply chain and market uncertainties, as well as evolving sustainability expectations. Material emerging matters are escalated to the ARMC and the Board as appropriate. Additionally, the ARMC plays a role in identifying key risk areas that may have arisen due to the Group’s strategic plans, as well as changes in the business environment, industry trends, regulatory developments or other factors impacting the Group.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

The Group integrates its risk assessments process with its ISO 9001:2015 quality management system, ensuring that potential risks are systematically considered throughout all key processes. This integration facilitates continuous monitoring of control effectiveness and enhances the possibility of achieving the Group's quality objectives, resulting in more consistent product outputs that meet customer requirements.

Identified risks are evaluated based on their potential impact on operations and business objectives, along with their likelihood of occurrence. These risks are categorised as high, medium or low. To facilitate clear and concise reporting of the risks to the ARMC and the Board, the Management utilises a risk matrix, enabling a quick understanding of which risks require immediate attention. Comprehensive documentation and tracking are maintained for all the Group's risks and their associated controls. Additionally, significant new risks and changes in existing risks are updated and incorporated into the quarterly ERM reports.

The Group's risk tolerance is currently operationalised through the use of Key Risk Indicators ("KRIs") and Risk Indicators ("RIs") to systematically monitor risk associated with key business operations. Annual targets are established for each KRI and RI, with performance reviewed on a quarterly basis. Any deviations from the set targets are highlighted for the ARMC's attention. These targets serve as Management's reference points for assessing whether risk exposures remain within acceptable levels. Indicators currently monitored include customer complaints, raw material prices, frequency of information system failures and staff attrition rates. Quarterly performance that falls short of the established targets may signal an increased likelihood of a risk event or potential weaknesses in existing controls, prompting the Management to reassess and strengthen the relevant mitigating strategies. Other escalation triggers, such as material control failures, or incidents with potential reputational or financial impact, prompt immediate reporting to the ARMC and, where necessary, the Board.

The Group's ERM framework is consistently applied across all operations, including overseas subsidiaries in China and Indonesia. During the financial year, Management continued to monitor existing operational and market-related risks for these overseas operations and implemented several new control measures to address evolving customer expectations and ensure alignment with market readiness and demand.

The Group had also undertaken a preliminary, high-level assessment of both physical and transition risks arising from climate change, evaluating their potential impact on the Group's long-term strategy and business operations. This initial assessment forms the basis for further detailed reviews and scenario analysis to enhance the robustness of the Group's climate-related risk evaluation over time, while also identifying opportunities associated with the adoption of sustainable practices. These climate-related risks and opportunities are disclosed in the Sustainability Statement of this Annual Report, with all identified risks incorporated in the Group's risk registers for active management under the ERM framework.

To strengthen sustainability governance, the ARMC's Terms of Reference and Board Charter were enhanced during the financial year to define clear accountability for sustainability and climate-related risk oversight at both Board and ARMC levels. The Board retains overall responsibility for sustainability governance and strategic direction, while the ARMC provides dedicated oversight of climate-related risks as part of its risk management mandate. At the management level, the Sustainability Committee is responsible for implementing sustainability initiatives, monitoring performance against key sustainability targets and reporting climate-related developments and emerging risks to the ARMC and the Board on a periodic basis.

The other key risks currently facing the Group and the mitigating actions are outlined in the Management Discussion and Analysis of this Annual Report.

## INTERNAL CONTROL SYSTEM

The key internal control activities of the Group are as follows:

### 1. Standard Operating Procedures

The fundamental operational guidelines for the Group's main work processes are documented in the Standard Operating Procedures ("SOPs"). These SOPs outline processes, workflows, and standardised approaches for various business activities. The SOPs play a crucial role in ensuring the Group's compliance with applicable laws, regulations and standards. In addition to guiding employees in performing their specific tasks, these SOPs serve as a quality control mechanism. They ensure consistency in work processes, aligning them with the Group's internal policies and predetermined standards. The overarching aim is to minimise the need for corrective actions and reduce unnecessary costs.

The Internal Auditors are engaged to assess the Group's adherence to the SOPs through internal audits. During this process, the Internal Auditors identify any deficiencies in the design and implementation of the SOPs and provide recommendations to improve the efficiency and effectiveness of the Group's work processes. These SOPs are regularly updated to reflect changes in the organisational structure, processes or equipment and to ensure that the procedures remain relevant and accurate. They are stored in a database and communicated to the relevant individuals within the organisation to foster a shared understanding of the established procedures. The maintenance of the SOPs is entrusted to the Quality Assurance Department.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

## 2. Financial Reporting

The Finance Department holds the responsibility of establishing and maintaining robust internal control measures for the financial reporting processes in order to provide reasonable assurance of the reliability of the Group's financial reporting. In addition to adhering to established accounting and reporting procedures, the Limits of Authority ("LOA") Manual is used consistently throughout the Group.

The LOA Manual clearly outlines the Management's limits and authorities for various key processes and decision-making. Stringent adherence to these guidelines ensures that all transactions are properly authorised, recorded, and executed in accordance with the stipulated procedures. The Finance Department also maintains other rigorous internal policies and procedures, including segregation of duties, access controls, standardised documentation and periodic reconciliations. These measures safeguard the accuracy, authenticity, security and reliability of the Group's financial information.

To complement these internal controls, the ARMC oversees the integrity of financial reporting and the internal controls system within finance and accounting. The ARMC conducts thorough reviews of both quarterly and annual financial reports of the Company and the Group. Following these reviews, the ARMC recommends them to the Board for approval prior to their filing with the relevant regulatory bodies and subsequent publication.

The Group has a comprehensive planning and budgeting process, with both the annual budget and any subsequent revisions subject to the Board's approval. These approved budgets serve as instrumental tools for the Management in controlling income and expenditure, as well as strategically planning the utilisation of available funds and resources to achieve the Group's business objectives. In its oversight capacity, the ARMC reviews the business plans, the annual budget and actual performance against the budget and subsequently reports its findings to the Board.

## 3. Information and Communication Systems

Reporting mechanisms are in place to provide the Management and the Board with regular updates on performance against business objectives and related risks, supporting management review and decision-making. The Group has established a robust information and communication system to ensure that risk, control and operational information is captured, validated and communicated to relevant parties in a timely manner. Key risk and risk indicators are reported through ERM reports, while critical issues and recommendations from internal and external audits are formally escalated, with follow-up tracked to ensure closure. Internal communication channels, such as emails and regular meetings, keep staff at all levels informed of their responsibilities in managing risks and maintaining effective controls. Management monitors and reports to the Board on risk and control matters, including actual or suspected fraud, other illegal or irregular acts, and any issues that could adversely affect the Group's reputation or financial position.

To support the early detection of potential risk, the Group has established formal whistleblowing channels under the Whistleblowing Policy and Procedures, enabling employees and third parties to report suspected violations or breaches of conduct, specifically related to fraud, misconduct or wrongdoings observed within the Group. All reports are handled confidentially and securely, with whistleblowers protected from retaliation for reporting in good faith. Concerns or reports may be escalated to the Senior Independent Director or the Chairman of the ARMC, ensuring that material risk or control issues identified through whistleblowing are integrated into the Group's risk management and internal control reporting framework.

The Group also maintains a Corporate Disclosure and Investor Relations Policy that provides guidelines for handling and disclosing the Group's material information to the financial markets. Under this Policy, all material information must be verified and approved by the authorised person(s) before reported to the relevant regulatory authorities or public release. By ensuring accuracy, timeliness, and completeness of the disclosures, the Policy complements the Group's internal information and communication systems, supporting transparency, investor confidence and compliance with regulatory requirements.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

## 4. Strategic Business Planning

The Group's strategic business plan outlines its future goals and strategic objectives, serving as a roadmap for resource allocation, identification of areas for growth and anticipation of potential challenges in achieving long-term business objectives. The Board oversees the business planning process, with particular emphasis on assessing the risks associated with each strategic option. The Management monitors the Group's progress against established targets through key performance indicators. The plan is regularly reviewed, typically during quarterly business review meeting with departmental heads, to ensure alignment with prevailing market and economic conditions, as well as the Group's evolving needs and capabilities. Risks associated with the strategic planning process are identified, discussed and addressed during these sessions. The business plan is communicated across all levels within the Group, fostering collective effort to work cohesively toward the achievement of the established objectives.

### Other Internal Control Activities

- **Organisational Structure**

The organisational structure of the Group provides well-defined authorities and accountabilities for each individual, offering clear guidance for the day-to-day conduct and operations. It delineates official reporting lines that govern the workflow and outlines the responsibilities and authority levels for each role within the organisation. This structured framework aids in facilitating efficient operations by providing employees with a comprehensive understanding of their roles and how they contribute to the broader organisational goals.

- **Shared Core Values**

The Group's core values, encapsulated in the acronym R.E.C.I.P.E. (Respect, Excellence, Customer Focus, Integrity, Perseverance, and Ever-Ready) serve to foster cohesiveness, shape the organisational culture, promote ethical conduct and instill positive morale within the organisation. These values represent the expected behaviours for all employees in carrying out their duties and in making decisions. By embodying these values, the Group establishes a foundation for a harmonious and ethical work environment, reinforcing a shared commitment to these core values across all levels of the organisation.

- **Conduct and Ethics**

The behaviours and performance of employees within the organisation are governed by the Group's policies, procedures, relevant regulatory requirements, and ethical standards. These guidelines collectively shape and regulate the conduct of employees to ensure alignment with organisational values and industry standards.

At the Board level, the Board, Board Committees and individual Directors adhere to the principles outlined in the Board Charter and the respective Board Committees' Terms of Reference while discharging their duties and responsibilities. The Chairman of the Board plays a pivotal role in upholding good corporate governance practices and promoting the highest standard of integrity throughout the organisation at all levels. This commitment to governance excellence ensures that the Group operates ethically, transparently, and in accordance with established standards and principles.

- **Anti-Bribery and Corruption ("ABC") Policy and Procedures**

The ABC Policy and Procedures provides information and guidelines aimed at mitigating the Group's exposure to bribery and corruption risks. The Policy outlines clear guidelines for employees and third parties to act ethically, professionally, fairly and with integrity in all aspects of their work, business dealings and relationships with the Group. In case of suspected bribery or corruption, the Policy stipulates that incidents be reported via the designated whistleblowing channel. This process supports the Group's commitment to transparency and accountability and ensures that unethical conduct is promptly addressed.

- **Business Continuity Plan ("BCP")**

The Group's BCP outlines the strategies and actions to be taken in the event of major disruptions, including but not limited to incidents such as fires, floods, technological failures and health crises. This plan describes the roles and responsibilities of employees, specifying essential activities to be carried out to mitigate the risk of business loss and ensure business continuity with minimal disruption during such catastrophic events. The BCP is intricately linked with the Group's Emergency Response Plan, forming a cohesive framework for managing various facets of crisis situations. To ensure effective implementation, the BCP has been communicated to relevant individuals within the Group, fostering awareness and preparedness.

- **Succession Planning Policy**

The Succession Planning Policy provides guidelines for identifying and preparing suitable candidates for critical positions within the Group. This involves identifying and developing potential successors for critical roles, ensuring that there are well-prepared individuals ready to step into key positions when needed. The primary objective is to minimise disruptions, maintain organisational continuity and sustain effective leadership in the event of unforeseen changes or departures of key personnel.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

- **Confidentiality Agreement and Privy List**  
 Directors, employees and key individuals from service providers who have access to the Group's confidential and price-sensitive information are included in the Group's privy list. Directors and employees are required to sign a confidentiality agreement, which formalises their commitment to maintaining the confidentiality of all price sensitive information. This agreement mandates that individuals take all reasonable precautions to prevent unauthorised access or disclosure of confidential information. This approach helps protect the integrity of the Group's price sensitive information and aligns with best practices for confidentiality and regulatory compliance.
- **Prohibition of Insider Trading**  
 Any person in possession of the Group's confidential and price-sensitive information is prohibited from engaging in insider trading. Such individuals may only deal in the Company's securities in compliance with Paragraph 14.08 of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"). The Company Secretary will notify Directors and employees on the privy list before the commencement of a closed period in order to keep them informed of every closed period in relation to the dealing of the Company's securities.
- **Personal Data Protection**  
 The Group ensures that personal data privacy and confidentiality are protected in accordance with the Personal Data Protection Act 2010. All personal data collected, used, handled, processed and stored by the Group is safeguarded through appropriate measures to prevent unauthorised access, disclosure or misused to third parties. Access to personal data is limited to authorised personnel on a need-to-know basis. This commitment underscores the Group's dedication to complying with data protection regulations and maintaining the trust and confidence of individuals whose personal information is in its possession.
- **Information Technology**  
 The Group employs comprehensive computerised systems to perform various operational functions, encompassing enterprise resource planning, accounting and financial reporting, personnel management and payroll processing. These systems integrate diverse business functions across the Group and facilitate seamless information sharing. Continual efforts are implemented to manage the inherent threats and risks associated with the IT systems. These risks may stem from human errors, sabotage, natural disasters and cyber-attacks. Appropriate security measures are in place to prevent unauthorised access to computer programmes and databases, ensuring the authenticity of information. Employees are regularly reminded to practice good security habits, including the use of strong passwords, safe internet usage and proper handling of sensitive and confidential data, in order to reduce the risk associated with cyberattacks or cybercrimes.

Furthermore, the Group has established recovery plans to be implemented in the event of an information system or critical IT infrastructure failure. These plans are designed to minimise downtime and facilitate swift and effective responses to any disruptions in IT services. Penetration tests on the Group's network and computer systems are conducted periodically to identify and address vulnerabilities across its external, internal, and E-platform environments, thereby bolstering its overall cybersecurity readiness and resilience.

- **Workplace Safety and Health**  
 The Group is committed to providing a safe working environment and prohibits practices that could pose harm to its employees. The Group reports safety and health incidents promptly and makes continuous efforts to improve its workplace safety and health performance. The Safety and Health Officer ensures that all employees adhere to safety procedures and relevant legal requirements. Further details on the Group's workplace safety and health measures are outlined in the Sustainability Statement of this Annual Report.

## INTERNAL AUDIT

The Internal Auditors help assess the effectiveness of the Group's governance, risk management and internal control systems that address financial, operational and compliance risks. Their assessments provide improvement opportunities to enhance the overall effectiveness of the Group's control environment.

The internal audit reviews cover various business units and are determined based on the risk priorities consistent with the Group's objectives. During the financial year, the Internal Auditors had performed risk-based audit reviews on the audit areas outlined in the audit plan, which was approved by the Board following the ARMC recommendation. The Internal Auditors operate independently and report directly to the ARMC on findings from each review, provide recommendations to address identified issues, report on the Management's responses and monitor the implementation of agreed-upon action plans. The ARMC subsequently reports its findings to the Board.

Further details of the internal audit activities carried out during the financial year are provided in the Audit and Risk Management Committee Report of this Annual Report.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (continued)

## REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Listing Requirements of Bursa Securities, the External Auditors had reviewed this Statement on Risk Management and Internal Control for inclusion in this Annual Report. Their limited assurance review was performed in accordance with 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.

AAPG 3 does not require the External Auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group. Based on their review, the External Auditors reported to the Board that nothing had come to their attention that caused them to believe that this Statement had not been prepared, in all material respects, in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies (SORMIC Guide 2025), nor is factually inaccurate.

## CONCLUSION

The Board had appraised the adequacy, effectiveness and integrity of the risk management and internal control systems of the Group that had been in place during the financial year and up to the date of approval of this Statement. The ARMC had reviewed this annual assessment and reported it to the Board. The Board had also received assurances from the Managing Director and Chief Financial Officer that the Group’s risk management and internal control systems had been operating adequately and effectively in all material aspects throughout the financial year under review up to the date of this Statement. Accordingly, the Board is of the view that the current risk management and internal control systems of the Group are operating adequately and effectively to support the achievement of its business objectives.

This Statement has been prepared in accordance with the Listing Requirements of Bursa Securities, the requirements of the MCCG, and the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies (SORMIC Guide 2025).

This Statement is made in accordance with the resolution of the Board dated 26 February 2026.

# ADDITIONAL COMPLIANCE INFORMATION

## 1. Statement of Directors' Responsibility in respect of the Financial Statements

The Board is committed to ensuring the reliability of the Company's and the Group's financial statements. It is responsible for presenting annual financial statements that provide a true and fair view of the Company's and the Group's state of affairs and operational results for the financial year then ended. As required by the Companies Act 2016 and the Listing Requirements of Bursa Securities, the financial statements have been prepared in accordance with applicable and approved financial accounting standards and policies in Malaysia.

In preparing the financial statements, the Board has applied appropriate accounting policies on a consistent basis and made judgements and estimates that are reasonable and prudent. The financial statements of the Group had been prepared on a going-concern basis.

The Board is responsible for maintaining accurate accounting records that reasonably represent the financial position of both the Company and the Group.

The Board is also responsible for taking reasonable measures to safeguard the assets of the Company and the Group, and to prevent and detect any instances of fraud or other irregularities.

## 2. Material Contracts involving Directors and/or Major Shareholders

Other than those disclosed in the financial statements of the Company and of the Group, there were no material contracts entered into or subsisting between the Company and/or its subsidiaries involving Directors and/or major shareholders' interests during the financial year.

## 3. Disclosure of Financial Data for Shariah Screening

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

### (a) Group Total Income and Total Assets

	Remarks	Group	
		2025 RM'000	2024 RM'000
<b>Total Income</b>			
Revenue		252,981	282,257
Other income		14,413	26,424
Interest/Finance income		4,128	2,351
<b>Total</b>		<b>271,522</b>	<b>311,032</b>
<b>Total Assets</b>		<b>664,263</b>	<b>655,411</b>

### (b) Business Activities

	Remarks	Group	
		2025 RM'000	2024 RM'000
<b>Shariah Non-Compliant Activities</b>			
Interest income		907	843
<b>Total</b>		<b>907</b>	<b>843</b>

**ADDITIONAL COMPLIANCE INFORMATION** (continued)**3. Disclosure of Financial Data for Shariah Screening (continued)****(c) Component of Financial Position****(i) Cash Component**

Islamic Account/ Instruments	Remarks	Group	
		2025 RM'000	2024 RM'000
Money market instruments		127,030	87,616
<b>Total Cash</b>		<b>127,030</b>	<b>87,616</b>

Conventional Account/ Instruments	Remarks	Group	
		2025 RM'000	2024 RM'000
Cash and bank balances (exclude cash in hand)		40,831	38,330
<b>Total Cash</b>		<b>40,831</b>	<b>38,330</b>

**(ii) Debt Component**

Islamic Financing	Remarks	Group	
		2025 RM'000	2024 RM'000
Current		N/A	N/A
Non-Current		N/A	N/A
<b>Total Financing</b>		<b>N/A</b>	<b>N/A</b>

Conventional Borrowing	Remarks	Group	
		2025 RM'000	2024 RM'000
Current		N/A	N/A
Non-Current		N/A	N/A
<b>Total Debt</b>		<b>N/A</b>	<b>N/A</b>

# **DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS**

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# DIRECTORS' REPORT

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

## PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding and provision for management services. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements.

There have been no significant changes in the nature of the principal activities of the Company and its subsidiaries during the financial year.

## RESULTS

	Group RM'000	Company RM'000
Profit/(Loss) for the financial year	29,754	(1,238)

## DIVIDENDS

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

	RM'000
<u>In respect of the financial year ended 31 December 2024</u>	
Third interim single tier dividend of RM0.04 per ordinary share, paid on 8 April 2025	6,614
<u>In respect of the financial year ended 31 December 2025</u>	
First interim single tier dividend of RM0.015 per ordinary share, paid on 30 June 2025	2,480
Second interim single tier dividend of RM0.015 per ordinary share, paid on 10 October 2025	2,480
Third interim single tier dividend of RM0.015 per ordinary share, paid on 23 December 2025	2,480
	<u>14,054</u>

On 26 February 2026, the Directors declared a fourth interim single tier dividend of RM0.03 per ordinary share amounted to RM4,960,336 in respect of the financial year ended 31 December 2025, which is payable on 8 April 2026.

The financial statements for the current financial year do not reflect this declared dividend. Upon declaration, the dividend payment will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year.

## ISSUE OF SHARES AND DEBENTURES

There were no changes in the issued and paid-up capital of the Company and no issuance of debentures during the financial year.

## DIRECTORS' REPORT (continued)

### OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued ordinary shares of the Company during the financial year.

### DIRECTORS

The name of the Directors of the Company in office during the financial year and during the period commencing from the end of the financial year to the date of this report are as follows:-

Kam Foong Keng\*  
Chin Jit Sin\*  
Kam Foong Sim\*  
Chia Swee Yuen  
Oei Kok Eong  
Ng Chee Kiet

\* Directors of the Company and its subsidiaries

The Director of the subsidiaries in office during the financial year and during the period commencing from the end of the financial year to the date of this report, not including those Directors listed above are as follows:-

Djaiman  
Ng Boon Fatt  
Chin Jun Min

### DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 in Malaysia, the interests and deemed interests in the ordinary shares of the Company and its related corporations of those who were Directors as at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) are as follows:-

	Number of ordinary shares			Balance as at 31.12.2025
	Balance as at 1.1.2025	Bought	Sold	
<b>The Company</b>				
<b>Direct interests</b>				
Kam Foong Keng	56,366,072	-	-	56,366,072
Chin Jit Sin	2,044,040	-	-	2,044,040
Kam Foong Sim	3,976,334	-	-	3,976,334
<b>The Company</b>				
<b>Indirect interests</b>				
Kam Foong Keng*	995,260	55,000	-	1,050,260
Chin Jit Sin*	995,260	55,000	-	1,050,260

\* Deemed interested in the ordinary shares held by Chin & Kam Holdings Sdn. Bhd. ("Chin & Kam") pursuant to Section 8(4) of the Companies Act 2016 by virtue of their absolute control over Chin & Kam.

By virtue of Madam Kam Foong Keng's substantial interests in the ordinary shares of the Company, she is deemed to be interested in the ordinary shares of all the subsidiaries to the extent that the Company has an interest.

None of the other Directors holding office at the end of the financial year held any interest in ordinary shares and options over ordinary shares in the Company and of its related corporations during the financial year.

# DIRECTORS' REPORT (continued)

## DIRECTORS' BENEFITS

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit (other than those benefits included in the aggregate amount of remuneration received or due and receivable by the Directors) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than those disclosed in Notes 24 and 25 to the financial statements.

There were no arrangements made during and at the end of the financial year, to which the Company is a party, which had the object of enabling Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 31 December 2025 were as follows:-

	Group RM'000	Company RM'000
Fees	331	225
Other remuneration	1,903	1,876
	2,234	2,101

The estimated monetary value of benefits-in-kind received by the Directors other than in cash from the Group amounted to RM87,496.

## INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

The Group and the Company effected Directors' and officers' liability insurance during the financial year to protect the Directors of the Group and of the Company against potential costs and liabilities arising from claims brought against the Directors.

During the financial year, the insurance premium paid for the Directors and the officers of the Group and of the Company amounted to RM15,401.

There were no indemnity given to or insurance effected for the auditors of the Group and of the Company during the financial year.

## OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company have been written down to an amount which they might be expected so to realise.

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

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

## **DIRECTORS' REPORT (continued)**

### **OTHER STATUTORY INFORMATION (continued)**

At the date of this report, the Directors are not aware of any circumstances:- (continued)

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

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

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

In the opinion of the Directors:-

- (a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
- (b) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Group and of the Company for the current financial year in which this report is made.

### **AUDITORS**

The amount of audit and other fees paid or payable to the auditors by the Group and the Company for the financial year ended 31 December 2025 amounted to RM228,000 and RM50,000 respectively. Further details are disclosed in Note 20 to the financial statements.

The auditors, Grant Thornton Malaysia PLT, have expressed their willingness to continue in office.

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

**KAM FOONG KENG**  
Director

**CHIN JIT SIN**  
Director

31 March 2026

## STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 89 to 145 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

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

**KAM FOONG KENG**

31 March 2026

**CHIN JIT SIN**

## STATUTORY DECLARATION

I, Loo Ling Hong, being the Officer primarily responsible for the financial management of New Hoong Fatt Holdings Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 89 to 145 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by            )  
the abovenamed at Kuala Lumpur in            )  
the Federal Territory this day of                )  
31 March 2026                                        )

**LOO LING HONG**  
(MIA No.: 18362)

Before me:

**MOHD OMAR NATHAN BIN ABDULLAH**  
No. W924  
Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEW HOONG FATT HOLDINGS BERHAD

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of New Hoong Fatt Holdings Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 89 to 145.

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

### Basis for Opinion

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

### *Independence and Other Ethical Responsibilities*

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

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year.

These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### *Recoverability of trade receivables*

#### The risk

Referring to Note 9 to the financial statements, the Group has significant trade receivables that amounted to RM32,814,647 as at the reporting date and is subject to credit risk exposures. We focus on this area as deriving the expected credit losses of receivables involves management's judgement and estimates in determining the probability of default occurring by considering the ageing of receivables, historical loss experience and forward-looking information.

#### Our response

We have obtained an understanding of the Group's control over the trade receivables' collection process, how the Group identifies and assesses the loss allowance of trade receivables and how the Group makes the accounting estimates for loss allowance.

We have reviewed and challenged the management's assumptions in the application of the Group's policy for calculating the expected credit loss, considered the ageing of the trade receivables and testing the reliability thereon. In doing so, we have evaluated techniques and methodology applied for the expected credit loss approach and examined the historical collection records, historical loss rate of receivables, evidence of subsequent settlements and other relevant information.

There are no key audit matters to be communicated in respect of the audit of the financial statements of the Company.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEW HOONG FATT HOLDINGS BERHAD (continued)

## Report on the Audit of the Financial Statements (continued)

### Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

### Responsibilities of the Directors for the Financial Statements

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

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

### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEW HOONG FATT HOLDINGS BERHAD (continued)**

## **Report on the Audit of the Financial Statements (continued)**

### **Auditors' Responsibilities for the Audit of the Financial Statements (continued)**

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

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Directors, we determined those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 6 to the financial statements.

### **Other Matters**

1. This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.
2. The financial statements of the Group and of the Company as at 31 December 2024 were audited by another firm of Chartered Accountants whose report dated 7 April 2025, expressed an unmodified opinion on the financial statements.

**GRANT THORNTON MALAYSIA PLT**  
(201906003682 & LLP0022494-LCA)  
CHARTERED ACCOUNTANTS (AF 0737)

**ALEX KINGSLEY CHUA**  
(NO: 03629/12/2027 J)  
CHARTERED ACCOUNTANT

Kuala Lumpur  
31 March 2026

# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	3	317,767	328,430	-	-
Right-of-use assets	4	52,574	58,325	-	-
Investment properties	5	24,100	24,100	-	-
Investment in subsidiaries	6	-	-	76,549	107,109
Other investment	7	130	130	-	-
Intangible assets	8	53	43	-	-
Other receivables	9	-	-	-	320
Deferred tax assets	10	762	340	-	-
Total non-current assets		395,386	411,368	76,549	107,429
<b>Current assets</b>					
Inventories	11	56,514	70,136	-	-
Trade and other receivables	9	41,860	45,735	1,065	151
Current tax assets		2,617	2,200	6	160
Cash and cash equivalents	12	167,886	125,972	8,619	2,499
Total current assets		268,877	244,043	9,690	2,810
<b>TOTAL ASSETS</b>		<b>664,263</b>	<b>655,411</b>	<b>86,239</b>	<b>110,239</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital	13	82,672	82,672	82,672	82,672
Reserves	14	507,365	492,046	2,874	18,166
<b>TOTAL EQUITY</b>		<b>590,037</b>	<b>574,718</b>	<b>85,546</b>	<b>100,838</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Lease liabilities	4	-	146	-	-
Employment benefits obligation	15	331	280	-	-
Other payable	16	-	-	-	7,039
Deferred tax liabilities	10	50,564	53,935	-	-
Total non-current liabilities		50,895	54,361	-	7,039
<b>Current liabilities</b>					
Lease liabilities	4	142	215	-	-
Trade and other payables	16	22,402	24,982	693	2,362
Contract liabilities	17	96	102	-	-
Current tax liabilities		691	1,033	-	-
Total current liabilities		23,331	26,332	693	2,362
<b>TOTAL LIABILITIES</b>		<b>74,226</b>	<b>80,693</b>	<b>693</b>	<b>9,401</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>664,263</b>	<b>655,411</b>	<b>86,239</b>	<b>110,239</b>

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

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	18	252,981	282,257	4,336	9,437
Cost of sales		(179,998)	(199,532)	-	-
Gross profit		72,983	82,725	4,336	9,437
Other operating income		14,413	26,424	7	4
Net losses on impairment of financial assets		(286)	(330)	-	-
Selling and distribution expenses		(14,319)	(17,924)	-	-
Administrative expenses		(45,675)	(46,334)	(6,593)	(5,853)
Finance income		4,128	2,351	1,422	1,771
Finance costs	19	(5)	(8)	(169)	(39)
Profit/(Loss) before tax	20	31,239	46,904	(997)	5,320
Tax expense	21	(1,485)	(2,942)	(241)	(256)
Profit/(Loss) for the financial year		29,754	43,962	(1,238)	5,064
<b>Other comprehensive loss:-</b>					
<b>Item that may be reclassified subsequently to profit or loss</b>					
Foreign currency translations		(365)	(223)	-	-
<b>Item that will not be reclassified subsequently to profit or loss</b>					
Remeasurement of employment benefits obligation, net of tax		(16)	8	-	-
Total other comprehensive loss for the financial year, net of tax		(381)	(215)	-	-
Total comprehensive income/(loss) for the financial year		29,373	43,747	(1,238)	5,064
<b>Profit attributable to:-</b>					
Owners of the Company		29,754	43,962		
<b>Total comprehensive income attributable to:-</b>					
Owners of the Company		29,373	43,747		
<b>Earnings per ordinary share attributable to owners of the Company (sen)</b>					
Basic and diluted	22	18.00	26.59		

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

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

Group	Note	Non-distributable				Distributable		Total equity RM'000
		Share capital RM'000	Revaluation reserve RM'000	Fair value reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000		
Balance as at 1 January 2024		82,672	142,216	47	(345)	324,569	549,159	
Profit for the financial year		-	-	-	-	43,962	43,962	
Other comprehensive (loss)/income for the financial year		-	-	-	(223)	8	(215)	
Total comprehensive (loss)/income for the financial year		-	-	-	(223)	43,970	43,747	
<b>Transaction with owners:-</b>								
Dividends	23	-	-	-	-	(18,188)	(18,188)	
Balance as at 31 December 2024		82,672	142,216	47	(568)	350,351	574,718	
Profit for the financial year		-	-	-	-	29,754	29,754	
Other comprehensive loss for the financial year		-	-	-	(365)	(16)	(381)	
Total comprehensive (loss)/income for the financial year		-	-	-	(365)	29,738	29,373	
<b>Transaction with owners:-</b>								
Dividends	23	-	-	-	-	(14,054)	(14,054)	
Balance as at 31 December 2025		<b>82,672</b>	<b>142,216</b>	<b>47</b>	<b>(933)</b>	<b>366,035</b>	<b>590,037</b>	

## STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (continued)

	Note	Share capital RM'000	Distributable Retained earnings RM'000	Total equity RM'000
<b>Company</b>				
Balance as at 1 January 2024		82,672	31,290	113,962
Total comprehensive income for the financial year		-	5,064	5,064
<b>Transaction with owners:-</b>				
Dividends	23	-	(18,188)	(18,188)
Balance as at 31 December 2024		82,672	18,166	100,838
Total comprehensive loss for the financial year		-	(1,238)	(1,238)
<b>Transaction with owners:-</b>				
Dividends	23	-	(14,054)	(14,054)
Balance as at 31 December 2025		<b>82,672</b>	<b>2,874</b>	<b>85,546</b>

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

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>OPERATING ACTIVITIES</b>				
Profit/(Loss) before tax	31,239	46,904	(997)	5,320
<b>Adjustments for:-</b>				
Amortisation of intangible assets	30	273	-	-
Bad debts written off	7	111	-	-
Depreciation of property, plant and equipment	29,079	29,913	-	-
Depreciation of right-of-use assets	1,529	1,713	-	-
Dividend income	-	-	(2,500)	(7,000)
Gain on disposals of property, plant and equipment	(93)	(253)	-	-
Impairment losses on trade receivables	503	415	-	-
Impairment losses on costs of investments in subsidiaries	-	-	4,238	2,600
Interest expense	5	8	169	39
Interest income	(4,128)	(2,351)	(1,422)	(1,771)
Property, plant and equipment written off	16	1	-	-
Provision for employment benefits obligation	87	76	-	-
Reversal of impairment losses on trade receivables	(217)	(85)	-	-
Unrealised loss/(gain) on foreign exchange, net	5,126	2,550	(7)	47
Write down of inventories to net realisable value	609	270	-	-
Write back of inventories previously written down to net realisable value	(8)	(88)	-	-
Operating profit/(loss) before working capital changes	63,784	79,457	(519)	(765)
Changes in working capital:-				
Inventories	12,379	(3,953)	-	-
Receivables	1,876	(1,053)	(5)	8
Payables	(566)	3,444	(460)	(8)
Contract liabilities	(6)	36	-	-
Cash generated from/(used in) operations	77,467	77,931	(984)	(765)
Employment benefits obligation paid	(25)	(28)	-	-
Tax refunded	645	-	150	-
Tax paid	(6,692)	(7,347)	(237)	(608)
Net cash from/(used in) operating activities	71,395	70,556	(1,071)	(1,373)

## STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>INVESTING ACTIVITIES</b>				
Dividend received	-	-	2,500	7,000
Interest received	4,128	2,351	1,422	1,771
Advances to subsidiaries	-	-	(589)	-
Proceeds from disposals of property, plant and equipment	112	268	-	-
Purchase of property, plant and equipment	(18,669)	(26,705)	-	-
Purchase of intangible assets	(40)	(34)	-	-
Net cash (used in)/from investing activities	(14,469)	(24,120)	3,333	8,771
<b>FINANCING ACTIVITIES</b>				
Interest paid	-	-	(169)	(39)
Dividends paid to ordinary shareholders of the Company	(14,054)	(18,188)	(14,054)	(18,188)
Subscription of shares in an existing subsidiary	-	-	(1,000)	-
(Repayment to)/Advances from subsidiaries	-	-	(8,248)	8,449
Repayments of equity loans by subsidiaries	-	-	27,322	600
Repayments of:-				
- bankers' acceptances	-	-	-	-
- lease liabilities	(218)	(240)	-	-
Net cash (used in)/from financing activities	(14,272)	(18,428)	3,851	(9,178)
<b>CASH AND CASH EQUIVALENTS</b>				
Net changes	42,654	28,008	6,113	(1,780)
Effects of foreign exchange difference	(740)	12	7	(47)
Brought forward	125,972	97,952	2,499	4,326
Carried forward	167,886	125,972	8,619	2,499

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

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025

### 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia. It is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at Level 13, Menara 1 Sentrum, Jalan Tun Sambanthan, Brickfields, 50470 Kuala Lumpur. The principal place of business of the Company is located at Lot 5043, Jalan Teratai, Meru, 41050 Klang, Selangor Darul Ehsan.

The Company is principally engaged in investment holding and provision for management services. The principal activities of its subsidiaries are disclosed in Note 6 to the financial statements. There have been no significant changes in the nature of the principal activities of the Company and its subsidiaries during the financial year.

The financial statements of the Group and of the Company for the financial year ended 31 December 2025 were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 31 March 2026.

### 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

#### 2.1 Statement of compliance

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

#### 2.2 Basis of measurement

The financial statements of the Group and of the Company have been prepared under historical cost convention, unless otherwise indicated.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and its measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Group and the Company.

The fair value of an asset or a liability is measured on the assumptions that market participants would act in their economic best interest when pricing the asset or liability. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to their fair value measurement as a whole:-

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to their fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy as explained above.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

#### 2.3 Functional and presentation currency

The financial statements are presented in Ringgit Malaysia (“RM”) which is the Company’s functional currency and all financial information is presented in RM and has been rounded to the nearest thousand unless otherwise stated. Financial statements of foreign subsidiaries with functional currencies other than RM are translated into RM when preparing the financial statements of the Group.

#### 2.4 Basis of consolidation

The Group’s financial statements consolidate those of the parent company and all of its subsidiaries as at 31 December 2025. All subsidiaries have a reporting date of 31 December.

#### 2.5 MFRSs

##### 2.5.1 Adoption of new standards/amendments/improvement to MFRSs

At the beginning of the current financial year, the Group and the Company adopted new standards/ amendments/improvements to MFRSs which are mandatory for the current financial year.

Initial application of the new standards/amendments/improvements to MFRSs did not have a material impact on the financial statements of the Group and of the Company.

##### 2.5.2 Standards issued but not yet effective

The new and amended standards that are issued, but not yet effective, up to the date of issuance of the Group’s and of the Company’s financial statements are disclosed below. The Group and the Company intend to adopt these new and amended standards, if applicable, when they become effective.

##### Amendments to MFRSs effective for annual periods beginning on or after 1 January 2026

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

##### MFRSs and amendments to MFRSs effective for annual periods beginning on or after 1 January 2027

MFRS 18	Presentation and Disclosure in Financial Statements
MFRS 19*	Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 19*	Subsidiaries without Public Accountability: Disclosures
Amendments to MFRS 121	The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency

##### Amendments to MFRSs effective for a date yet to be confirmed

Amendments to MFRS 10 and MFRS 128*	Consolidated Financial Statements and Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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\* Not applicable to the Group’s and the Company’s operations

The initial application of the above standards, amendments and interpretations are not expected to have material financial impact to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

#### 2.6 Significant accounting estimates and judgements

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements except for the following:-

##### 2.6.1 Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their useful life. However, significant judgement is involved in estimating the useful life and residual value of property, plant and equipment which are subject to technological development and level of usage. Therefore, residual values of these assets and future depreciation charges may vary.

##### 2.6.2 Valuation of property, plant and equipment, right-of-use assets and investment properties

The Group measures its freehold land and buildings (under property, plant and equipment), leasehold land (under right-of-use assets) and investment properties at revalued amount with changes in fair value being recognised in other comprehensive income and in profit or loss respectively. The Group and the Company engaged independent valuation specialists and performs internal assessments to determine fair values with sufficient regularity to ensure that the carrying amount or closing balance does not differ materially from the fair value of the freehold land and buildings, leasehold land and investment properties at the reporting date.

The carrying amount or closing balance of the freehold land and buildings, leasehold land and investment properties at the end of the reporting period, the relevant revaluation bases and information regarding the valuation techniques and inputs used in determining the fair value are disclosed in Notes 3, 4 and 5 to the financial statements.

##### 2.6.3 Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash-generating unit exceeds its recoverable amount. To determine the recoverable amount, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present values of those cash flows. In the process of measuring expected future cash flows, management makes assumptions about future operating results. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors.

##### 2.6.4 Provision for expected credit losses (“ECLs”) for trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for grouping of various customer segments that have similar loss patterns such as customer type and rating and other forms of credit insurance.

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

The assessment of the correlation between historical observed rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may not be representative of customers’ actual default rate in the future. The information about the ECLs on the Group’s trade receivables is disclosed in Note 9 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

#### 2.6 Significant accounting estimates and judgements (continued)

##### 2.6.5 Fair value measurement of financial instruments

Significant judgement is involved in determining the appropriate valuation techniques and inputs for fair value measurements where active market quotes are not available.

In estimating the fair value of financial asset or financial liability, the Group uses market-observable data to the extent it is available. The management makes maximum use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in measuring the financial assets and financial liabilities. Where Level 1 inputs are not available, the management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting date.

Information about the valuation techniques and inputs used in determining the fair value of various financial assets and financial liabilities are disclosed in the Note 7 to the financial statements.

##### 2.6.6 Income taxes

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The information about the income taxes is disclosed in Note 21 to the financial statements.

##### 2.6.7 Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unabsorbed business losses, unabsorbed capital allowances and unabsorbed reinvestment allowances to the extent that it is probable that taxable profit will be available against which they can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised and unrecognised deferred tax assets of the Group are disclosed in Note 10 to the financial statements.

##### 2.6.8 Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, the management considers the most reliable evidence available at the time the estimates are made. The realisation of these inventories may be affected by market-driven changes that may occur in the future. The carrying amount of the Group's inventories at the end of the reporting period is disclosed in Note 11 to the financial statements.

##### 2.6.9 Defined benefit plan

The defined benefit liability is determined based on an actuarial valuation. An actuarial valuation involves making various assumptions regarding the discount rate, future salary growth and attrition rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit liability is highly sensitive to changes in these assumptions. Further details of the assumptions used are disclosed in Note 15 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

#### 2.6 Significant accounting estimates and judgements (continued)

##### 2.6.10 Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group "would have to pay", which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The information about the leases is disclosed in Note 4 to the financial statements.

##### 2.6.11 Determining the lease term of contracts with renewal options

The Group determines the lease term with any periods covered by an option to extend the lease if it is reasonably certain to be exercised. The Group has lease contracts that include extension options. The Group applies judgement in evaluating whether to exercise the option to renew the lease. It considers all relevant factors that create an economic incentive for it to exercise the renewal option. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew. The Group includes the renewal period as part of the lease term for such leases.

The Group typically exercises its option to renew for leases with renewal option. The information about the leases is disclosed in Note 4 to the financial statements.

##### 2.6.12 Classification between investment properties and owner-occupied properties

The Group has developed certain criteria based on MFRS 140 Investment Property in making judgement as to whether a property qualifies as an investment property. Investment property is a property held to earn rentals or for capital appreciation or both and are not occupied by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as investment property.

##### 2.6.13 Climate-related matters

The potential impact of climate-related matters has been considered in the preparation of financial statements, including environmental legislation and commitments made by the Group and the Company which may affect the value of financial assets and financial liabilities.

The Directors estimate that there is no potential adverse impact of climate-related matters on the financial statements of the Group and of the Company.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2025 (continued)

#### 3. PROPERTY, PLANT AND EQUIPMENT

2025

Group	Balance as at 1.1.2025 RM'000	Additions RM'000	Depreciation charge for the financial year RM'000	Disposals RM'000	Written off RM'000	Reclassifications RM'000	Exchange differences RM'000	Balance as at 31.12.2025 RM'000
<b>Carrying amount</b>								
Freehold land	109,201	-	-	-	-	-	-	109,201
Buildings	82,585	769	(2,959)	-	-	-	(182)	80,213
Plant and machinery	19,730	1,692	(4,098)	(5)	(2)	495	-	17,812
Tools, equipment and air-conditioners	2,028	178	(490)	-	(2)	-	(56)	1,658
Renovation	3,939	866	(724)	-	-	-	(32)	4,049
Moulds and dies	89,604	5,174	(19,780)	-	-	7,862	-	82,860
Motor vehicles	2,104	-	(633)	-	-	-	(3)	1,468
Furniture, fittings and office equipment	1,186	1,041	(454)	(14)	(12)	-	55	1,802
Construction-in-progress	18,053	9,008	-	-	-	(8,357)	-	18,704
	<b>328,430</b>	<b>18,728</b>	<b>(29,138)</b>	<b>(19)</b>	<b>(16)</b>	<b>-</b>	<b>(218)</b>	<b>317,767</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2025 (continued)

#### 3. PROPERTY, PLANT AND EQUIPMENT (continued)

2024

Group	Balance as at 1.1.2024 RM'000	Additions RM'000	Depreciation charge for the financial year RM'000	Disposals RM'000	Written off RM'000	Reclassifications RM'000	Exchange differences RM'000	Balance as at 31.12.2024 RM'000
<b>Carrying amount</b>								
Freehold land	109,201	-	-	-	-	-	-	109,201
Buildings	85,673	-	(2,968)	-	-	-	(120)	82,585
Plant and machinery	20,884	985	(4,595)	(14)	-	2,470	-	19,730
Tools, equipment and air-conditioners	2,495	33	(498)	-	-	-	(2)	2,028
Renovation	2,712	1,792	(544)	-	-	-	(21)	3,939
Moulds and dies	95,303	4,045	(20,419)	-	-	10,675	-	89,604
Motor vehicles	1,814	877	(583)	-	-	-	(4)	2,104
Furniture, fittings and office equipment	801	759	(366)	(1)	(1)	-	(6)	1,186
Construction-in-progress	12,924	18,274	-	-	-	(13,145)	-	18,053
	331,807	26,765	(29,973)	(15)	(1)	-	(153)	328,430

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2025 (continued)

#### 3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	At 31.12.2025				
	Cost RM'000	Valuation RM'000	Accumulated depreciation RM'000	Exchange differences RM'000	Carrying amount RM'000
<b>2025</b>					
Freehold land	-	109,201	-	-	109,201
Buildings	-	86,551	(5,927)	(411)	80,213
Plant and machinery	140,137	-	(122,325)	-	17,812
Tools, equipment and air-conditioners	9,270	-	(7,529)	(83)	1,658
Renovation	11,705	-	(7,545)	(111)	4,049
Moulds and dies	316,070	-	(233,210)	-	82,860
Motor vehicles	6,954	-	(5,499)	13	1,468
Furniture, fittings and office equipment	9,097	-	(7,396)	101	1,802
Construction-in-progress	18,704	-	-	-	18,704
	<b>511,937</b>	<b>195,752</b>	<b>(389,431)</b>	<b>(491)</b>	<b>317,767</b>

Group	At 31.12.2024				
	Cost RM'000	Valuation RM'000	Accumulated depreciation RM'000	Exchange differences RM'000	Carrying amount RM'000
<b>2024</b>					
Freehold land	-	109,201	-	-	109,201
Buildings	-	85,782	(2,968)	(229)	82,585
Plant and machinery	139,968	-	(120,238)	-	19,730
Tools, equipment and air-conditioners	10,127	-	(8,072)	(27)	2,028
Renovation	10,839	-	(6,821)	(79)	3,939
Moulds and dies	304,343	-	(214,739)	-	89,604
Motor vehicles	7,027	-	(4,939)	16	2,104
Furniture, fittings and office equipment	10,275	-	(9,135)	46	1,186
Construction-in-progress	18,053	-	-	-	18,053
	<b>500,632</b>	<b>194,983</b>	<b>(366,912)</b>	<b>(273)</b>	<b>328,430</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 3. PROPERTY, PLANT AND EQUIPMENT (continued)

(a) Reconciliation of depreciation charge for the financial year is as follows:-

	Group	
	2025 RM'000	2024 RM'000
Recognised in profit or loss	29,079	29,913
Capitalised under moulds and dies	59	60
	<b>29,138</b>	<b>29,973</b>

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

	Group	
	2025 RM'000	2024 RM'000
Purchase of property, plant and equipment	18,728	26,765
Less non-cash items:-		
Depreciation of property, plant and equipment	(59)	(60)
	<b>18,669</b>	<b>26,705</b>

(c) The Group performs revaluation of the freehold land and buildings undertaken by professionally qualified valuers every 5 years or when deemed necessary by the management and internal assessments are carried out annually during the intervening period. The carrying amounts of the Group's freehold land and buildings located in Malaysia and Indonesia were based on internal assessments performed by the management. The fair value measurement of the freehold land and buildings was based on existing use basis that made reference to recent sales of similar properties in the vicinity on a price per square feet basis. For freehold land and buildings where no valuations were performed during the financial year, the Directors have concluded that based on the assessment performed by the management, the carrying amounts of the freehold land and building were not materiality different from their fair values.

Had the Group's freehold land and buildings been measured on a historical cost basis, their carrying amounts would have been as follows:-

	Group	
	2025 RM'000	2024 RM'000
Freehold land	29,243	29,243
Buildings	34,734	36,269
	<b>63,977</b>	<b>65,512</b>

(d) The fair value of freehold land and buildings (at valuation) of the Group are categorised as follows:-

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>2025</b>				
Freehold land	-	-	109,201	109,201
Buildings	-	-	80,213	80,213
	-	-	<b>189,414</b>	<b>189,414</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 3. PROPERTY, PLANT AND EQUIPMENT (continued)

(d) The fair value of freehold land and buildings (at valuation) of the Group are categorised as follows:- (continued)

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>2024</b>				
Freehold land	-	-	109,201	109,201
Buildings	-	-	82,585	82,585
	-	-	191,786	191,786

(i) Level 3 fair value of freehold land and buildings (at valuation) was based on the highest and best use. The freehold land and buildings (at valuation) of the Group are for own use.

(ii) Freehold land and buildings at Level 3 fair value measurements were recommended by the Directors as at the end of the reporting period based on internal assessments performed by the management as at 31 December 2025 and 31 December 2024. There were no transfers between levels during the financial years ended 31 December 2025 and 31 December 2024.

(e) The following table shows a reconciliation of Level 3 fair values:-

	Group	
	2025 RM'000	2024 RM'000
Balance as at 1 January	191,786	194,874
Additions	769	-
Depreciation during the financial year	(2,959)	(2,968)
Exchange differences	(182)	(120)
Balance as at 31 December	189,414	191,786

### Material accounting policy information

#### (i) Recognition and measurement

All property, plant and equipment, except for freehold land and buildings, are measured at cost less accumulated depreciation and less any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefit associated with the item will flow to the Group and the cost of the item can be measured reliably.

Freehold land and buildings are measured at fair value less accumulated depreciation on buildings and impairment loss recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the fair value of the freehold land and buildings at the end of the reporting period.

As at the date of revaluation, accumulated depreciation, if any, is eliminated against the gross carrying amount of the assets and the net amount is restated to the revalued amount of the asset. Any revaluation surplus arising upon appraisal is recognised in other comprehensive income and credited to the "revaluation reserve" in equity. To the extent that any revaluation decreases or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in the equity on disposal of the asset is transferred to retained earnings.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 3. PROPERTY, PLANT AND EQUIPMENT (continued)

#### Material accounting policy information (continued)

##### (ii) Depreciation

Depreciation is calculated to write down the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The estimated useful lives represent common life expectancies applied in the various business segments of the Group.

The principal depreciation periods and annual rates for property, plant and equipment are as follows:-

Buildings	up to 50 years
Plant and machinery	up to 20%
Tools, equipment and air-conditioners	10%
Renovation	10%
Moulds and dies	up to 33%
Motor vehicles	20%
Furniture, fittings and office equipment	up to 33%

Freehold land has unlimited useful life and is not depreciated. Construction-in-progress represents buildings, moulds and dies as well as plant and machinery under development for future production purposes and are stated at cost. Construction-in-progress is not depreciated until such time when the asset is available for use.

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## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2025 (continued)

#### 4. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

##### The Group as a lessee

##### Right-of-use assets

	Balance as at 1.1.2025 RM'000	Depreciation RM'000	Exchange differences RM'000	Balance as at 31.12.2025 RM'000
<b>2025</b>				
<b>Carrying amount</b>				
Leasehold land	57,928	(1,383)	(4,204)	52,341
Buildings	397	(146)	(18)	233
	<b>58,325</b>	<b>(1,529)</b>	<b>(4,222)</b>	<b>52,574</b>
<b>2024</b>				
<b>Carrying amount</b>				
Leasehold land	61,960	(1,495)	(2,537)	57,928
Buildings	62	(218)	(46)	397
	<b>62,022</b>	<b>(1,713)</b>	<b>(2,583)</b>	<b>58,325</b>

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2025 (continued)

### 4. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

The Group as a lessee (continued)

#### Lease liabilities

	Balance as at 1.1.2025 RM'000	Modifications RM'000	Lease payments RM'000	Accretion of interest RM'000	Exchange differences RM'000	Balance as at 31.12.2025 RM'000
2025 Carrying amount	361	-	(218)	5	(6)	142
Buildings						

	Balance as at 1.1.2024 RM'000	Modifications RM'000	Lease payments RM'000	Accretion of interest RM'000	Exchange differences RM'000	Balance as at 31.12.2024 RM'000
2024 Carrying amount	23	599	(240)	8	(29)	361
Buildings						

Represented by:-

Current liabilities  
Non-current liabilities

	2025 RM'000	2024 RM'000
Current liabilities	142	215
Non-current liabilities	-	146
	142	361
Lease liabilities owing to non-financial institutions	142	361

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 4. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

- (a) The Group performs revaluation of the leasehold land undertaken by professionally qualified valuers every 5 years or when deemed necessary by the management and internal assessments carried out annually during the intervening period. The carrying amounts of leasehold land located in Malaysia and Indonesia were based on internal assessments performed by the management. The fair value measurement of the leasehold land was based on existing use basis that made reference to recent sales of similar properties in the vicinity on a price per square feet basis. For leasehold land where no valuations were performed during the financial year, the Directors have concluded that based on the assessment performed by the management, the carrying amounts of the leasehold land were not materially different from their fair values.

Had the Group's leasehold land been measured on a historical cost basis, the carrying amount would have been RM35,256,577 (2024: RM36,025,335).

- (b) The fair value of leasehold land (at valuation) of the Group is categorised as follows:-

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>2025</b>				
Leasehold land	-	-	52,341	52,341
<b>2024</b>				
Leasehold land	-	-	57,928	57,928

- (i) Level 3 fair value of leasehold land (at valuation) was based on the highest and best use. The leasehold land (at valuation) of the Group is for own use.
- (ii) Leasehold land at Level 3 fair value measurements were recommended by the Directors as at the end of reporting period based on internal assessments performed by the management as at 31 December 2025 and 31 December 2024. There were no transfers between levels during the financial years ended 31 December 2025 and 31 December 2024.
- (c) The following table shows a reconciliation of Level 3 fair values:-

	Group	
	2025 RM'000	2024 RM'000
Balance as at 1 January	57,928	61,960
Depreciation during the financial year	(1,383)	(1,495)
Exchange differences	(4,204)	(2,537)
Balance as at 31 December	52,341	57,928

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 4. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(d) The following are the amounts recognised in profit or loss:-

	Group	
	2025 RM'000	2024 RM'000
Depreciation charge of right-of-use assets (included in cost of sales)	1,391	1,510
Depreciation charge of right-of-use assets (included in administrative expenses)	138	203
Interest expense on lease liabilities (included in finance costs)	5	8
Expense relating to short-term leases (included in cost of sales)	278	300
Expense relating to short-term leases (included in selling and distribution expenses)	38	29
Variable lease payments (included in cost of sales)	72	17
Variable lease payments (included in administrative expenses)	4	52
	1,926	2,119

(e) The following are total cash outflows for leases as a lessee:-

	Group	
	2025 RM'000	2024 RM'000
<b>Included in net cash from/(used in) operating activities:-</b>		
Payments relating to short-term leases	316	329
Payments relating to variable lease payments not included in the measurement of lease liabilities	76	69
<b>Included in net cash used in financing activities:-</b>		
Payments of lease liabilities	218	240
Total cash outflows for leases	610	638

(f) The Group has lease contracts for office equipment that contains variable payments based on the usage of the office equipment. Variable payment terms are for office equipment that are used by the Group for its day-to-day operations and the usage is not fixed. Variable lease payments are recognised in profit or loss when the condition that triggers those payments occur. An amount determined based on usage of the office equipment at the agreed rate will be charged to the profit or loss.

A 10% increase in usage would increase the total lease payment by 1.26% (2024: 1.08%).

(g) The currency exposure profile of lease liabilities is as follows:-

	Group	
	2025 RM'000	2024 RM'000
Ringgit Malaysia	-	8
Chinese Renminbi	142	353
	142	361

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 4. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

- (h) The following table sets out the carrying amounts, the weighted average incremental borrowing rates and the remaining maturities of the lease liabilities of the Group that are exposed to interest rate risk:-

Group	Weighted average incremental borrowing rate per annum %	Within 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000	Total RM'000
<b>31 December 2025</b>						
<b>Lease liabilities</b>						
Fixed rates	2.13	142	-	-	-	142
<b>31 December 2024</b>						
<b>Lease liabilities</b>						
Fixed rates	2.13	215	146	-	-	361

- (i) Sensitivity analysis of interest rate risk for lease liabilities as at the end of the reporting period is not presented as fixed rate instruments are not affected by change in interest rates.
- (j) Information on financial risks of lease liabilities is disclosed in Note 30 to the financial statements.

#### The Group as a lessor

The Group has entered into lease agreements on investment properties and renewable at the end of the lease period subject to an increase clause. The Group has aggregate future minimum lease receivable as at the end of each reporting period as follows:-

	Group	
	2025 RM'000	2024 RM'000
Less than one (1) year	552	550
One (1) to two (2) years	485	-
	<b>1,037</b>	<b>550</b>

#### Material accounting policy information

##### (i) Recognition and measurement

The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets except for leasehold land are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities. Leasehold land is stated at revalued amount, which is the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 4. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

#### Material accounting policy information (continued)

#### (ii) Depreciation

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:-

Leasehold land	Up to 60 years
Buildings	Up to 4 years

#### (iii) Recognition exemption

The Group has certain leases of machineries and premises with lease term of twelve (12) months or less. The Group applies the "short-term lease" exemptions for these leases.

### 5. INVESTMENT PROPERTIES

2025	Balance as at 1.1.2025/ 31.12.2025 RM'000
<b>Group</b>	
<b>At fair value</b>	
Long-term leasehold land	21,394
Buildings	2,706
	24,100
2024	Balance as at 1.1.2024/ 31.12.2024 RM'000
<b>Group</b>	
<b>At fair value</b>	
Long-term leasehold land	21,394
Buildings	2,706
	24,100

- (a) On 31 December 2025, the carrying amount of the investment properties was based on internal assessments performed by the management. The fair value measurement of the properties was based on existing use basis that made reference to recent sales of similar properties in the vicinity on a price per square feet basis. For investment properties where no valuations were performed during the financial year, the Directors have concluded that based on the assessment performed by the management, the carrying amounts of the freehold land and building were not materiality different from their fair values.

On 31 December 2024, the carrying amount of one of the investment properties was based on valuation carried out by an external independent valuer. The fair value measurement of the property was based on existing use basis that made reference to recent sales of similar properties in the vicinity on a price per square feet basis.

The carrying amount of another investment property was based on internal assessment performed by the management via making reference to a valuation carried out by an external independent valuer on the Group's investment property in the vicinity and the unobservable input is as disclosed above.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 5. INVESTMENT PROPERTIES (continued)

- (b) The Group has entered into commercial property leases on its investment properties portfolio. The Group has determined that it retains all the significant risks and rewards of ownership of these properties, which are leased out as operating leases due to the immateriality of the lease period over the investment properties' economic life.
- (c) The fair value of investment properties of the Group are categorised as follows:-

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>2025</b>				
Long-term leasehold land	-	-	21,394	21,394
Buildings	-	-	2,706	2,706
	-	-	24,100	24,100
<b>2024</b>				
Long-term leasehold land	-	-	21,394	21,394
Buildings	-	-	2,706	2,706
	-	-	24,100	24,100

Investment properties at Level 3 fair value measurements were recommended by the Directors as at the end of the reporting period based on internal assessment performed by the management (2024: based on internal assessment performed by the management and valuation exercise carried out by an independent property valuer). There were no transfers between levels during the financial years ended 31 December 2025 and 31 December 2024.

- (d) The following table shows a reconciliation of Level 3 fair values:-

	Group	
	2025 RM'000	2024 RM'000
Balance as at 1 January/31 December	24,100	24,100

- (e) Rental income generated from rental of investment properties of the Group during the financial year amounted to RM936,000 (2024: RM889,100).
- (f) Direct operating expenses arising from investment properties generating rental income during the financial year amounted to RM73,430 (2024: RM73,469).

#### Material accounting policy information

Investment properties are initially measured at cost, including transaction costs. After initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period and changes in fair value are included in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 6. INVESTMENTS IN SUBSIDIARIES

	Company	
	2025 RM'000	2024 RM'000
Unquoted shares, at cost	48,192	47,192
Equity loans to subsidiaries	36,030	63,352
	<b>84,222</b>	110,544
Less: Impairment losses of investments in unquoted shares	(7,673)	(3,435)
	<b>76,549</b>	107,109

(a) Equity loans to subsidiaries are unsecured, subject to floating interest rates of 2.10% to 2.70% (2024: 2.70%) per annum and the subsidiaries have the unconditional right to avoid settlement of the loan in cash and are considered to be part of the investments of the Company in providing the subsidiaries with a long-term source of additional capital.

(b) Movements in equity loans to subsidiaries are as follows:-

	Company	
	2025 RM'000	2024 RM'000
Balance as at 1 January	63,352	63,952
Repayments of equity loans	(27,322)	(600)
Balance as at 31 December	<b>36,030</b>	63,352

(c) Movement in impairment losses is as follows:-

	Company	
	2025 RM'000	2024 RM'000
Balance as at 1 January	3,435	835
Charge for the financial year	4,238	2,600
Balance as at 31 December	<b>7,673</b>	3,435

(d) Management reviews the investments in subsidiaries for impairment when there is an indication of impairment. Recoverable amounts of the investments in subsidiaries are assessed by reference to the fair value less cost to sell of the underlying assets or the value-in-use of the respective subsidiaries. Value-in-use is the net present value of the projected future cash flows derived from business operations of the respective subsidiaries discounted at an appropriate pre-tax discount rate. This discounted cash flows method involves the use of estimated future results and a set of assumptions to support their income and cash flows. Impairment losses are made when the carrying amount of the investments in subsidiaries exceed its recoverable amount.

During the financial year, the Company recognised impairment losses amounting to RM4,237,494 (2024: RM2,600,271) on the costs of investments in subsidiaries due to reduction in fair value less cost to sell of certain subsidiaries of the Company.

The impairment losses on investment in subsidiaries is included in administrative expenses.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 6. INVESTMENTS IN SUBSIDIARIES (continued)

(d) (continued)

For subsidiaries with impairment losses recognised, details of the Level 3 fair value method used in obtaining the recoverable amounts are as follows:-

Valuation method and key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Adjusted net asset method which derives the fair value of an investee's equity instruments by reference to the fair value of its assets and liabilities	Fair value of individual assets and liabilities	The higher the net assets, the higher the fair value

(e) Impairment for equity loans to subsidiaries are recognised based on the general approach within MFRS 9 using the forward-looking expected credit loss model as disclosed in Note 9(i) to the financial statements. No expected credit loss is recognised arising from the equity loans to subsidiaries as it is negligible.

(f) On 17 September 2025, the Company subscribed for an additional 999,990 newly allotted and issued ordinary shares for a total cash consideration of RM990,990 in the New ReGen Ventures Sdn. Bhd. (formerly known as AG Advanced Tech Sdn. Bhd.). The existing percentage of shareholdings remain unchanged.

(g) The details of the subsidiaries are as follows:-

Name of companies	Country of incorporation/ Principal place of Business	Interest in equity held by				Principal activities
		Company 2025	Company 2024	Subsidiaries 2025	Subsidiaries 2024	
New Hoong Fatt Auto Supplies Sdn. Bhd.	Malaysia	100%	100%	-	-	Marketing, distribution and trading of automotive parts and accessories
Auto Global International Sdn. Bhd.	Malaysia	100%	100%	-	-	Exporting, distribution and marketing of automotive parts and accessories
New ReGen Ventures Sdn. Bhd. (formerly known as AG Advanced Tech Sdn. Bhd.)	Malaysia	100%	100%	-	-	Inactive
NJ Manufacturing Industries Sdn. Bhd.	Malaysia	100%	100%	-	-	Investment holding company
Jhi Soon Manufacturing Industries Sdn. Bhd.	Malaysia	100%	100%	-	-	Investment holding company
New Hoong Fatt Industries Sdn. Bhd.	Malaysia	100%	100%	-	-	Investment holding company
MJ Manufacturing Industries Sdn. Bhd.	Malaysia	100%	100%	-	-	Manufacturing of moulds and dies
Auto Global Parts Industries Sdn. Bhd.	Malaysia	100%	100%	-	-	Manufacturing and marketing of automotive parts and provision of injection services
NHF Ventures Sdn. Bhd.	Malaysia	100%	100%	-	-	Investment holding company

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 6. INVESTMENTS IN SUBSIDIARIES (continued)

(g) The details of the subsidiaries are as follows:- (continued)

Name of companies	Country of incorporation/ Principal place of Business	Interest in equity held by				Principal activities
		Company 2025	Company 2024	Subsidiaries 2025	Subsidiaries 2024	
<b>Subsidiary of New Hoong Fatt Auto Supplies Sdn. Bhd.</b>						
PT. NHF Auto Supplies Indonesia*	Indonesia	-	-	100%	100%	Importing, exporting and trading of automotive parts and accessories
<b>Subsidiaries of NHF Ventures Sdn. Bhd.</b>						
Ampire Auto Parts (Shanghai) Co. Ltd*	People's Republic of China	-	-	100%	100%	Importing, exporting and trading of automotive parts and accessories
PT. Auto Global Parts Indonesia*	Indonesia	-	-	95%	95%	Inactive
<b>Investment of New Hoong Fatt Industries Sdn. Bhd.</b>						
PT. Auto Global Parts Indonesia *	Indonesia	-	-	5%	5%	Inactive

\* Subsidiaries not audited by Grant Thornton Malaysia PLT

(h) Sensitivity analysis of interest rate risk for equity loans to subsidiaries at the end of the reporting period, assuming that all other variables remain constant, is as follows:-

	Company	
	2025 RM'000	2024 RM'000
<b>Equity loans to subsidiaries</b>		
Increase/(Decrease) of 100 basis point		
- Profit after tax/Equity	274/(274)	481/(481)

### Material accounting policy information

Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 7. OTHER INVESTMENT

	Group	
	2025 RM'000	2024 RM'000
Fair value through other comprehensive income		
- Club membership	130	130

(a) The fair value of the investment of the Group is categorised as follows:-

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>2025</b>				
Club membership	-	130	-	130
<b>2024</b>				
Club membership	-	130	-	130

Level 2 fair value measurement of club membership is estimated by reference to current available quotation of the same investment. There were no transfers between levels during the financial years ended 31 December 2025 and 31 December 2024.

#### Material accounting policy information

Club membership, which is not held for trading for which the Group has irrevocably elected to recognise at fair value through other comprehensive income. This is strategic investment for which the Group considers this classification to be appropriate and relevant.

### 8. INTANGIBLE ASSETS

2025	Balance as at 1.1.2025 RM'000	Additions RM'000	Amortisation charge for the financial year RM'000	Balance as at 31.12.2025 RM'000
<b>Group</b>				
<b>Carrying amount</b>				
Computer software	43	40	(30)	53
Sales order platform	-	-	-	-
	43	40	(30)	53
----- At 31.12.2025 -----				
	Cost RM'000	Accumulated amortisation RM'000	Exchange differences RM'000	Carrying amount RM'000
Computer software	2,179	(2,127)	1	53
Sales order platform	1,142	(1,142)	-	-
	3,321	(3,269)	1	53

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 8. INTANGIBLE ASSETS (continued)

2024

Group	Balance as at 1.1.2024 RM'000	Additions RM'000	Amortisation charge for the financial year RM'000	Balance as at 31.12.2024 RM'000
<b>Carrying amount</b>				
Computer software	28	34	(19)	43
Sales order platform	254	-	(254)	-
	282	34	(273)	43

----- At 31.12.2024 -----

	Cost RM'000	Accumulated amortisation RM'000	Exchange differences RM'000	Carrying amount RM'000
Computer software	2,268	(2,226)	1	43
Sales order platform	1,142	(1,142)	-	-
	3,410	(3,368)	1	43

#### Material accounting policy information

##### (a) Recognition and measurement

Intangible assets are initially measured at cost. After initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

Computer software and sales order platform are treated as intangible assets as they do not form integral parts of the related hardware of the Group and can be separately identified.

##### (b) Amortisation

Amortisation is calculated to write down the cost of the computer software and sales order platform to their residual values over the estimated useful life of three (3) years using straight-line method. The estimated useful life represent common life expectancies applied in the various business segments of the Group.

### 9. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Non-current</b>				
<b>Other receivable</b>				
Amount owing by a subsidiary	-	-	-	320
<b>Current</b>				
<b>Trade receivables</b>				
Third parties	33,725	42,066	-	-
Less: Impairment losses	(910)	(628)	-	-
	32,815	41,438	-	-

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 9. TRADE AND OTHER RECEIVABLES (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Other receivables</b>				
Amounts owing by subsidiaries	-	-	1,058	149
Third parties	154	880	-	-
Refundable deposits	381	447	3	2
	<b>535</b>	1,327	<b>1,061</b>	151
<b>Total receivables (current)</b>	<b>33,350</b>	42,765	<b>1,061</b>	151
Prepayments	8,510	2,970	4	-
<b>Total trade and other receivables (current)</b>	<b>41,860</b>	45,735	<b>1,065</b>	151
<b>Total trade and other receivables (non-current and current)</b>	<b>41,860</b>	45,735	<b>1,065</b>	471

- (a) Total receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by the Group ranged from 30 days to 90 days (2024: 30 days to 90 days). They are recognised at their original invoice amounts, which represent their fair values on initial recognition.
- (c) In the previous financial year, included in trade receivables of the Group were amounts of RM21,500 owing by companies in which a family member of the Executive Directors of the Company has substantial financial interests. These amounts were non-interest bearing and the normal trade credit terms granted by the Group ranged from 30 days to 60 days.
- (d) In the previous financial year, non-current amount owing by a subsidiary represented non-trade advances and payments on behalf, which were unsecured, bore interest at a rate of 2.70% per annum. These advances together with the interest receivable thereon were not receivable within the next twelve (12) months.

Current amounts owing by subsidiaries of the Company represent non-trade advances and payments on behalf, which are unsecured, receivable within next twelve (12) months in cash and cash equivalents and bear interest at a rate of 2.10% to 2.70% (2024: 2.70%) per annum except for amount owing by subsidiaries of RM691,990 (2024: RM49,990), which is interest free.

- (e) The currency exposure profile of total receivables is as follows:-

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	25,792	30,807	1,061	471
United States Dollar	5,549	8,936	-	-
Indonesian Rupiah	1,131	1,854	-	-
Chinese Renminbi	655	861	-	-
New Taiwan Dollar	223	307	-	-
	<b>33,350</b>	42,765	<b>1,061</b>	471

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 9. TRADE AND OTHER RECEIVABLES (continued)

- (f) Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

The Group uses an allowance matrix to measure the expected credit loss of trade receivables based on grouping of customers sharing the same credit risk characteristics and past due days. Expected loss rates are calculated using the roll rate method separately for exposure in different segments based on geographic region.

The expected loss rates are based on the Group's historical credit losses experience over the three (3) years period prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers. The Group has identified the gross domestic product ("GDP"), lending interest rate and inflation rate as the key macroeconomic factors.

During this process, the probability of non-payment by the trade receivables is adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade receivables. For trade receivables, which are reported net, such impairments are recorded in a separate impairment account with the loss being recognised in the statements of profit or loss and other comprehensive income. On confirmation that the trade receivable would not be collectable, the gross carrying value of the asset would be written off against the associated impairment.

Significant judgement is required in determining the probability of default by trade receivables and appropriate forward-looking information.

Lifetime expected loss provisions for trade receivables of the Group are as follows:-

	Past due					Total RM'000
	Current	1 to 30 days	31 to 60 days	61 to 90 days	More than 90 days	
<b>2025</b>						
Expected loss rate	0.09%	0.87%	15.13%	0%	96.34%	
Gross carrying amount (RM'000)	29,389	3,218	271	-	847	33,725
Impairment (RM'000)	(25)	(28)	(41)	-	(816)	(910)
	<b>29,364</b>	<b>3,190</b>	<b>230</b>	<b>-</b>	<b>31</b>	<b>32,815</b>
<b>2024</b>						
Expected loss rate	0.10%	0.93%	9.49%	0%	91.53%	
Gross carrying amount (RM'000)	38,619	2,687	158	-	602	42,066
Impairment (RM'000)	(37)	(25)	(15)	-	(551)	(628)
	<b>38,582</b>	<b>2,662</b>	<b>143</b>	<b>-</b>	<b>51</b>	<b>41,438</b>

- (g) During the financial year, the Group did not renegotiate the terms of any trade receivables.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 9. TRADE AND OTHER RECEIVABLES (continued)

(h) Movements in the impairment losses for trade receivables are as follows:-

	Group	
	2025 RM'000	2024 RM'000
Balance as at 1 January	628	298
Charge for the financial year	503	415
Reversal of impairment losses	(217)	(85)
Exchange differences	(4)	-
	<hr/>	<hr/>
Balance as at 31 December	910	628

(i) Impairment for other receivables including refundable deposits, amounts owing by subsidiaries and equity loans to subsidiaries are recognised based on the general approach of MFRS 9. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset by comparing the risk of default occurring over the expected life with the risk of default since initial recognition.

For balances in which the credit risk has not increased significantly since initial recognition of the financial asset, 12-month expected credit losses along with gross interest income are recognised. For balances in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while twelve-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the twelve months after the end of the reporting period. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payments trends and past due information.

The Group and the Company consider a receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flow have occurred, which includes receivables who are in significant financial difficulties or have defaulted on payments.

The probability of non-payment by other receivables including refundable deposits, amounts owing by subsidiaries and equity loans to subsidiaries is adjusted by forward-looking information and multiplied by the amount of the expected loss arising from default to determine the twelve-month or lifetime expected credit loss for other receivables including refundable deposits, amounts owing by subsidiaries and equity loans to subsidiaries.

Significant judgement is required in determining the probability of default by other receivables including refundable deposits, amounts owing by subsidiaries and equity loans to subsidiaries as well as the use of appropriate forward-looking information and significant increase in credit risk. The Group has identified the GDP, lending interest rate and inflation rate as the key macroeconomic factors.

No expected credit loss is recognised arising from other receivables including refundable deposits, amounts owing by subsidiaries and equity loans to subsidiaries as it is negligible.

(j) The carrying amounts of current trade and other receivables and non-current other receivable are reasonable approximation of fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 9. TRADE AND OTHER RECEIVABLES (continued)

- (k) The following table sets out the carrying amounts, the weighted average effective interest rates (“WAEIR”) as at the end of the reporting period and the remaining maturities of the amounts owing by subsidiaries that are exposed to interest rate risk:-

Company	WAEIR per annum %	Repayable within 1 year RM'000	1 - 2 years RM'000	Total RM'000
<b>2025</b>				
<b>Floating rates</b>				
Amounts owing by a subsidiary	2.10 to 2.70	366	-	366
<b>2024</b>				
<b>Floating rates</b>				
Amounts owing by subsidiaries	2.70	99	320	419

- (l) Sensitivity analysis of interest rate for amounts owing by subsidiaries at the end of the reporting period, assuming that all other variables remain constant, are as follows:-

	Company	
	2025 RM'000	2024 RM'000
<b>Amounts owing by subsidiaries</b>		
Increase/(Decrease) of 100 basis point		
- Profit after tax/Equity	3/(3)	3/(3)

- (m) Information on financial risks of trade and other receivables is disclosed in Note 30 to the financial statements.

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# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 10. DEFERRED TAX

(a) The deferred tax (assets) and liabilities of the Group are made up of the following:-

	Group	
	2025 RM'000	2024 RM'000
Balance as at 1 January	53,595	57,090
Recognised in other comprehensive income	4	2
Recognised in profit or loss:-		
- current year	(3,347)	(3,275)
- over provision in prior years	(456)	(234)
Exchange differences	(3,803) 6	(3,509) 12
Balance as at 31 December	<b>49,802</b>	53,595
Presented after appropriate offsetting:		
Deferred tax assets	(762)	(340)
Deferred tax liabilities	50,564	53,935
	<b>49,802</b>	53,595

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## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2025 (continued)

#### 10. DEFERRED TAX (continued)

(b) The components and movements of deferred tax liabilities and (assets) of the Group during the financial year are as follows:-

	Property, plant and equipment RM'000	Right-of- use assets RM'000	Investment properties RM'000	Others RM'000	Offsetting RM'000	Total RM'000
<b>Deferred tax liabilities of the Group</b>						
Balance as at 1 January 2024	50,827	6,919	1,458	176	(1,934)	57,446
Recognised in profit or loss	(1,983)	73	-	(175)	(1,426)	(3,511)
	48,844	6,992	1,458	1	(3,360)	53,935
Recognised in profit or loss	(1,012)	(2,800)	-	111	330	(3,371)
Balance as at 31 December 2025	<b>47,832</b>	<b>4,192</b>	<b>1,458</b>	<b>112</b>	<b>(3,030)</b>	<b>50,564</b>
	Property, plant and equipment RM'000	Right-of- use assets RM'000	Unabsorbed capital allowances RM'000	Others RM'000	Offsetting RM'000	Total RM'000
<b>Deferred tax assets of the Group</b>						
Balance as at 1 January 2024	(190)	(132)	(16)	(1,952)	1,934	(356)
Recognised in other comprehensive income	-	-	-	2	-	2
Recognised in profit or loss	28	(73)	(79)	(1,300)	1,426	2
Exchange differences	-	-	-	12	-	12
	(162)	(205)	(95)	(3,238)	3,360	(340)
Recognised in profit or loss	(38)	56	95	(215)	(330)	(432)
Recognised in other comprehensive income	-	-	-	4	-	4
Exchange differences	-	-	-	6	-	6
Balance as at 31 December 2025	<b>(200)</b>	<b>(149)</b>	<b>-</b>	<b>(3,443)</b>	<b>3,030</b>	<b>(762)</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 10. DEFERRED TAX (continued)

- (c) The amount of temporary differences for which no deferred tax assets have been recognised in the statements of financial position is as follows:-

	Group	
	2025 RM'000	2024 RM'000
Unused tax losses		
- Expires by 31 December 2026	278	278
- Expires by 31 December 2027	1,032	1,032
- Expires by 31 December 2029	1,311	1,311
- Expires by 31 December 2030	353	-
	<b>2,974</b>	2,621

Deferred tax assets of certain subsidiaries have not been recognised in respect of this item as it is not probable that future taxable profits of the subsidiaries would be available against which the deductible temporary differences could be utilised.

The unused tax losses of the foreign subsidiaries are allowed to be carried forward to offset future taxable profits up to a maximum of five (5) years.

### 11. INVENTORIES

	Group	
	2025 RM'000	2024 RM'000
<b>At cost</b>		
Raw materials	13,168	18,349
Work-in-progress	6,406	6,660
Finished goods	36,619	44,726
Consumables	120	172
	<b>56,313</b>	69,907
<b>At net realisable value</b>		
Finished goods	201	229
	<b>56,514</b>	70,136

- (a) During the financial year, inventories of the Group recognised as cost of sales amounted to RM179,998,269 (2024: RM199,243,011).
- (b) Certain subsidiaries within the Group reversed RM7,676 (2024: RM87,916) in respect of inventories written down in the previous financial years that were subsequently not required as the subsidiaries were able to sell those inventories above their carrying amounts.
- (c) The subsidiaries within the Group had written down certain inventories by RM609,101 (2024: RM269,869) to their net realisable value.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 11. INVENTORIES (continued)

#### Material accounting policy information

Inventory costs are determined on a weighted average cost basis and stated at the lower of cost and net realisable value. The cost of raw materials and consumables comprises all costs of purchase plus the cost incurred in bringing the inventories to their present location and condition. The cost of work-in-progress and finished goods includes the cost of raw materials, direct labour, other direct cost and a proportion of production overheads based on normal operating capacity of the production facilities.

### 12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Money market funds	-	47,649	-	1,505
Short term funds	127,030	39,967	1,551	-
Cash and bank balances	40,856	38,356	7,068	994
	<b>167,886</b>	<b>125,972</b>	<b>8,619</b>	<b>2,499</b>

- (a) Investments in money market funds in Malaysia represent short term investments in highly liquid money market. These investments are readily convertible to cash and have insignificant risk of changes in value with original maturities of three months or less.
- (b) Short term funds are investments in income fund in Malaysia. The fund invests in highly liquid asset, which is readily convertible to known amount of cash with insignificant changes in value.
- (c) Money market funds and short-term funds are classified as financial assets at fair value through profit or loss, and subsequently remeasured to fair value with changes in fair value being recognised in profit or loss. The fair value of money market funds and short-term funds are measured based on the month end market prices in active market and was fair valued within Level 1 of the fair value hierarchy.
- (d) Cash and bank balances are classified as financial assets measured at amortised cost.
- (e) The currency exposure profile of cash and cash equivalents is as follows:-

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	160,006	111,734	8,619	2,385
United States Dollar	6,195	11,944	-	64
Chinese Renminbi	827	1,460	-	50
Indonesian Rupiah	858	834	-	-
	<b>167,886</b>	<b>125,972</b>	<b>8,619</b>	<b>2,499</b>

- (f) No expected credit loss is recognised arising from the cash and cash equivalents because the probability of default by these financial institutions is negligible.
- (g) For the purpose of the statements of cash flows, cash and cash equivalents comprise money market funds, short term funds and cash and bank balances.
- (h) Information on financial risks of cash and cash equivalents is disclosed in Note 30 to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 13. SHARE CAPITAL

	Group and Company	
	2025	2024
	'000	'000
Number of ordinary shares:-		
At 1 January	165,344	82,672
Share split of existing ordinary shares	-	82,672
At 31 December	165,344	165,344
	Group and Company	
	2025	2024
	RM'000	RM'000
Issued and fully paid ordinary shares with no par value:-		
At 1 January/31 December	82,672	82,672

- (a) On 28 June 2024, the Company had completed a subdivision of every one (1) existing ordinary share into two (2) new ordinary shares in the Company ("share split"). Upon completion of the share split, the total number of ordinary shares of the Company increased to 165,344,520 shares.
- (b) The new ordinary shares issued rank equally in all respects with the existing ordinary shares of the Company. There was no other issuance of shares during the financial year.
- (c) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank equally with regard to the residual assets of the Company.

### 14. RESERVES

	Group		Company	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
<b>Non-distributable</b>				
Revaluation reserve	142,216	142,216	-	-
Fair value reserve	47	47	-	-
Exchange translation reserve	(933)	(568)	-	-
	141,330	141,695	-	-
<b>Distributable</b>				
Retained earnings	366,035	350,351	2,874	18,166
	507,365	492,046	2,874	18,166

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 14. RESERVES (continued)

(a) Revaluation reserve

The revaluation reserve is used to record the changes in the fair value of land and buildings.

(b) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of club membership measured at fair value through other comprehensive income ("FVTOCI").

(c) Exchange translation reserve

Exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items which form part of the net investment of the Group in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operations.

### 15. EMPLOYMENT BENEFITS OBLIGATION

	Group	
	2025 RM'000	2024 RM'000
<b>Non-current liabilities</b>		
Present value of employment benefits obligation	331	280

A foreign subsidiary of the Group, PT. NHF Auto Supplies Indonesia provides post-employment benefits ("Benefits") in accordance with Indonesia's Government Regulation No. 35/2021 that implements the provisions of Perppu No. 2/2022 on Job Creation in 2022 and Law No. 6/2023 on Job Creation in 2022. The number of employees entitled to the Benefits in 31 December 2025 and 31 December 2024 were 37 and 37 people, respectively.

A defined benefit plan is a pension plan that defines an amount of pension benefits to be provided usually as a function of one or more factors such as age, years of service, or compensation.

The liabilities recognised in the statements of financial position are the present value of the defined benefits obligations as at the end of the reporting date.

The defined benefits obligations are calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefits obligations is determined by discounting the estimated future cash outflows using interest rates of government bonds (considering currently there is no deep market for high-quality corporate bonds) that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

The Group recognised all actuarial gains or losses through other comprehensive income and presented as part of equity.

Past service costs are recognised immediately in the profit or loss, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 15. EMPLOYMENT BENEFITS OBLIGATION (continued)

- (a) The movements during the financial year in the amounts recognised in the statements of financial position in respect of the employment benefits obligation are as follows:-

	Group	
	2025 RM'000	2024 RM'000
Balance as at 1 January	280	259
Recognised in profit or loss		
- Current service costs	69	61
- Interest costs	18	15
Employee benefits obligation paid	(25)	(28)
Actuarial gain recognised in other comprehensive income	(20)	(10)
Exchange differences	9	(17)
	<hr/>	<hr/>
Balance as at 31 December	<b>331</b>	280

- (b) The cost of providing post-employment benefits is calculated by an independent actuary and the latest actuarial valuation of the plan was carried out in 2025. The actuarial valuation was carried out using the following key assumptions:-

	Group	
	2025	2024
Discount rate	6.50%	7.10%
Salary increment rate	5%	5%
Mortality rate	<b>Indonesian Mortality Table 4 (2019)</b>	Indonesian Mortality Table 4 (2019)
Disability rate	<b>5% of mortality rate</b>	5% of mortality rate
Normal retirement age	<b>56 years old</b>	56 years old

- (c) Significant assumptions for the determination of the present value of the employment benefits obligation are discount rate and salary increment rate. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, assuming that all other assumptions remain constant.

	Group			
	2025		2024	
	Increase 100 basis point RM'000	Decrease 100 basis point RM'000	Increase 100 basis point RM'000	Decrease 100 basis point RM'000
Impact on the net defined benefits obligations				
- discount rate	(26)	30	(24)	27
- salary increment rate	32	(29)	29	(26)

Sensitivity analysis may not be representative of the actual change in the employee benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 16. TRADE AND OTHER PAYABLES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Non-current</b>				
<b>Other payables</b>				
Amount owing to a subsidiary	-	-	-	7,039
<b>Current</b>				
<b>Trade payables</b>				
Third parties	9,990	8,514	-	-
<b>Other payables</b>				
Third parties	4,792	4,659	-	2
Accruals	7,620	11,809	492	950
Amount owing to subsidiaries	-	-	201	1,410
	12,412	16,468	693	2,362
<b>Total trade and other payables (current)</b>	<b>22,402</b>	<b>24,982</b>	<b>693</b>	<b>2,362</b>
<b>Total trade and other payables (non-current and current)</b>	<b>22,402</b>	<b>24,982</b>	<b>693</b>	<b>9,401</b>

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranged from 30 days to 120 days (2024: 30 days to 120 days) from date of invoice.
- (c) Included in trade payables of the Group are amounts of RM29,852 (2024: RM82,799) owing to companies in which a family member of the Executive Directors of the Company has substantial financial interests.
- (d) In the previous financial year, non-current non-trade amount owing to a subsidiary represented advances and payments on behalf, which were unsecured and bore interest of 2.10% to 2.70% (2024: 2.70%) per annum. The advances together with the interest payable thereon were not payable within the next twelve (12) months.

Current non-trade amounts owing to subsidiaries represent advances and payments on behalf, which are unsecured, payable within the next twelve (12) months in cash and cash equivalents and bear interest ranging of 2.10% to 2.70% (2024: 2.70%) per annum except for amounts owing to certain subsidiaries of RM200,640 (2024: RM166,700), which is interest free.

- (e) The currency exposure profile of trade and other payables is as follows:-

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Ringgit Malaysia	17,868	21,204	693	9,401
Chinese Renminbi	505	394	-	-
United States Dollar	3,258	3,078	-	-
New Taiwan Dollar	343	211	-	-
Indonesian Rupiah	411	95	-	-
Thailand Baht	17	-	-	-
	22,402	24,982	693	9,401

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2025 (continued)

#### 16. TRADE AND OTHER PAYABLES (continued)

(f) The following tables set out the carrying amounts, the weighted average effective interest rates ("WAEIR") as at the end of the reporting period and the remaining maturities of the amounts owing to subsidiaries that are exposed to interest rate risk:-

	WAEIR per annum %	Repayable within					Total RM'000
		1 year RM'000	1 - 2 years RM'000	2 - 3 years RM'000	3 - 4 years RM'000	> 4 years RM'000	
<b>2024</b>							
<b>Floating rates</b>							
Amounts owing to subsidiaries	2.70	1,243	2,000	2,000	2,000	1,039	8,282

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 16. TRADE AND OTHER PAYABLES (continued)

- (g) Sensitivity analysis of interest rate risk for amounts owing to subsidiaries at the end of the reporting period, assuming that all other variables remain constant, is as follows:-

	Company	
	2025 RM'000	2024 RM'000
<b>Amounts owing to subsidiaries</b>		
(Increase)/Decrease of 100 basis point		
- Profit after tax/Equity	-	(63)/63

- (h) For the purpose of statements of cash flows, the reconciliation of liabilities arising from financing activities are as follows:-

	Amounts owing to subsidiaries/ Total RM'000
Balance as at 1 January 2024	-
Cash flows	8,449
Balance as at 31 December 2024	8,449
Cash flows	(8,248)
Balance as at 31 December 2025	<b>201</b>

- (i) Information on financial risks of trade and other payables is disclosed in Note 30 to the financial statements.

### 17. CONTRACT LIABILITIES

	Group	
	2025 RM'000	2024 RM'000
Deferred revenue from customer loyalty points	<b>96</b>	102

- (a) The contract liabilities in relation to deferred revenue from customer loyalty points represent the aggregate amount of transaction price allocated to customer loyalty points outstanding as at the end of each reporting period, which revenue is recognised at a point in time upon redemption or as and when the customer loyalty points lapsed. The validity of the customer loyalty points is one (1) year. The Group applies the practical expedient in MFRS 15 on not disclosing the aggregate amount of the revenue expected to be recognised in the future as the performance obligation is part of a contract that has an original expected duration of less than one (1) year.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 17. CONTRACT LIABILITIES (continued)

(b) A reconciliation of the deferred revenue from customer loyalty points is as follows:-

	Group	
	2025 RM'000	2024 RM'000
Balance as at 1 January	102	66
Additions during the financial year	1,319	1,056
Redemptions during the financial year	(1,064)	(867)
Lapsed during the financial year	(261)	(153)
Balance as at 31 December	<b>96</b>	102

### 18. REVENUE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Revenue from contracts with customers</b>				
- Sale of goods	253,077	282,359	-	-
- Services rendered	-	-	1,836	2,437
- Deferred revenue from customer loyalty points	(96)	(102)	-	-
	<b>252,981</b>	282,257	<b>1,836</b>	2,437
<b>Other revenue</b>				
- Dividend income	-	-	2,500	7,000
	<b>252,981</b>	282,257	<b>4,336</b>	9,437
<b>Timing of revenue recognition</b>				
Recognised at a point in time	252,981	282,257	-	-
Recognised over time	-	-	1,836	2,437
	<b>252,981</b>	282,257	<b>1,836</b>	2,437

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# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 18. REVENUE (continued)

#### Material accounting policy information

#### (a) Revenue from contracts with customers

##### (i) Sale of goods

Revenue from sale of goods is recognised at a point in time when the goods have been transferred to the customers and coincides with the delivery of goods and acceptance by customers.

There is no material right of return and warranty provided to the customers on the sale of goods.

There is no significant financing component in the revenue arising from sale of goods as the sales are made on the normal credit terms not exceeding twelve (12) months.

##### (ii) Services rendered

Revenue in respect of the rendering of management services is recognised when performance obligation is satisfied over time.

##### (iii) Revenue from customer loyalty points

The Group's loyalty points programme allows customers to accumulate points that can be redeemed for products.

The loyalty points give rise to a separate performance obligation as they provide a material right to the customer. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative stand-alone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised at a point in time upon redemption or expiry of the customer loyalty points by the customer.

When estimating the stand-alone selling price of the loyalty points, the Group considers the likelihood that the customer will redeem the points. The Group updates its estimates of the points that will be redeemed on a regular basis and any adjustments to the contract liabilities balances are charged against revenue.

#### (b) Other revenue

##### Dividend income

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

### 19. FINANCE COSTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest expense on:-				
- lease liabilities	5	8	-	-
- amount owing to a subsidiary	-	-	169	39
	<b>5</b>	<b>8</b>	<b>169</b>	<b>39</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 20. PROFIT BEFORE TAX

- (a) Other than those disclosed elsewhere in the financial statements, the following amounts have been included in arriving at profit before tax:-

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before tax is arrived at after charging:-				
Auditors' remuneration:-				
- statutory audits				
- auditors of the Company	180	174	45	40
- other auditors	43	47	-	-
- other services	5	5	5	5
Loss on foreign exchange:-				
- realised	1,519	1,954	8	3
- unrealised	5,134	7,048	-	47
And crediting:-				
Fair value gain on money market funds	-	602	-	4
Fair value gain on short-term funds	705	187	-	-
Gain on foreign exchange:-				
- realised	546	753	-	-
- unrealised	8	4,498	7	-
Interest income from:-				
- short-term placements	4,128	2,351	65	45
- subsidiaries	-	-	1,357	1,726
Sundry income	12,561	19,059	-	-

- (b) Net losses on impairment of financial assets recognised in profit or loss were as follows:-

	Group	
	2025 RM'000	2024 RM'000
Impairment losses on trade receivables	503	415
Reversal of impairment losses on trade receivables	(217)	(85)
Net losses on impairment of financial assets	286	330

### Material accounting policy information

- (a) Interest income

Interest income is recognised as it accrues, using the effective interest method.

- (b) Rental income

Rental income is recognised on a straight-line basis over the lease term of an ongoing lease.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 21. TAX EXPENSE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current tax expense based on profit for the financial year:-				
- current year	5,360	6,407	236	266
- (over)/under provision in prior years	(72)	44	5	(10)
	5,288	6,451	241	256
Deferred tax:-				
- relating to origination and reversal of temporary differences	(3,347)	(3,275)	-	-
- over provision in prior years	(456)	(234)	-	-
	(3,803)	(3,509)	-	-
	1,485	2,942	241	256

- (a) The Malaysian income tax is calculated at the statutory tax rate of 24% (2024: 24%) of the estimated taxable profits for the fiscal year.
- (b) Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.
- (c) The numerical reconciliation between the applicable tax rate and average effective tax rate is as follows:-

	Group		Company	
	2025 %	2024 %	2025 %	2024 %
Applicable tax rate	24.0	24.0	(24.0)	24.0
Tax effects in respect of:-				
Non-taxable income	(3.4)	(1.1)	(60.2)	(19.6)
Non-allowable expenses	3.6	0.9	107.9	0.6
Movement of unrecognised tax losses	0.3	0.9	-	-
Utilisation of tax incentives and allowances	(18.3)	(18.1)	-	-
Tax effects in respect of:-				
Different tax rates in foreign jurisdiction/other authorities	0.2	0.1	-	-
	6.4	6.7	23.7	5.0
Under/(Over) provision in prior years				
- income tax	(0.2)	0.1	0.5	(0.2)
- deferred tax	(1.5)	(0.5)	-	-
Average effective tax rate	4.7	6.3	24.2	4.8

- (d) A subsidiary of the Group is entitled to claim reinvestment allowance under Schedule 7A Income Tax Act 1967. Reinvestment allowance of RM23,767,676 (2024: RM35,413,998) were utilised during the current financial year. At the end of the financial year, the carrying amount of reinvestment allowance amounted to RM41,003,765 (2024: RM54,828,493).

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 21. TAX EXPENSE (continued)

(e) Tax on each component of other comprehensive income is as follows:-

2025	Before tax RM'000	Group Tax effect RM'000	After tax RM'000
<b>Item that may be reclassified subsequently to profit or loss</b>			
Foreign currency translations	(365)	-	(365)
<b>Item that will not be reclassified subsequently to profit or loss</b>			
Remeasurement of employment benefits obligation	20	(4)	16
<b>2024</b>			
	Before tax RM'000	Group Tax effect RM'000	After tax RM'000
<b>Item that may be reclassified subsequently to profit or loss</b>			
Foreign currency translations	(223)	-	(223)
<b>Item that will not be reclassified subsequently to profit or loss</b>			
Remeasurement of employment benefits obligation	10	(2)	8

### 22. EARNINGS PER ORDINARY SHARE

(a) Basic

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

	2025	Group 2024
Profit attributable to owners of the Company (RM'000)	29,754	43,962
Number of ordinary shares in issue at beginning of the year ('000)	165,344	82,672
Share split of shares ('000)	-	82,672
Adjusted weighted average number of ordinary shares applicable to basic earnings per ordinary share ('000)	165,344	165,344
Basic earnings per ordinary share (sen)	18.00	26.59

(b) Diluted

Diluted earnings per ordinary share equals basic earnings per ordinary share as there were no dilutive potential ordinary shares.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 23. DIVIDENDS

	Group and Company	
	2025	2024
	RM'000	RM'000
<u>In respect of the financial year ended 31 December 2023:-</u>		
Second interim single tier dividend of RM0.04 per ordinary share, paid on 5 April 2024	-	3,307
Final single tier dividend of RM0.08 per ordinary share, paid on 15 July 2024	-	6,614
<u>In respect of the financial year ended 31 December 2024:-</u>		
First interim single tier dividend of RM0.02 per ordinary share, paid on 3 October 2024	-	3,307
Second interim single tier dividend of RM0.03 per ordinary share, paid on 23 December 2024	-	4,960
Third interim single tier dividend of RM0.04 per ordinary share, paid on 8 April 2025	<b>6,614</b>	-
<u>In respect of the financial year ended 31 December 2025:-</u>		
First interim single tier dividend of RM0.015 per ordinary share, paid on 30 June 2025	<b>2,480</b>	-
Second interim single tier dividend of RM0.015 per ordinary share, paid on 10 October 2025	<b>2,480</b>	-
Third interim single tier dividend of RM0.015 per ordinary share, paid on 23 December 2025	<b>2,480</b>	-
	<b>14,054</b>	18,188

On 26 February 2026, the Directors declared a fourth interim single tier dividend of RM0.03 per ordinary share amounted to RM4,960,336 in respect of the financial year ended 31 December 2025, which is payable on 8 April 2026.

The financial statements for the current financial year do not reflect this declared dividend. Upon declaration, the dividend payment will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

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# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 24. EMPLOYEES BENEFITS

Total employees benefits recognised in profit or loss are as follows:-

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Salaries, wages, overtime, bonuses, allowances and commissions	<b>41,904</b>	42,402	<b>1,705</b>	2,500
Contributions to defined contribution plan	<b>3,978</b>	4,007	<b>195</b>	254
Social security contributions	<b>624</b>	616	<b>3</b>	3
	<b>46,506</b>	47,025	<b>1,903</b>	2,757

(a) The remuneration of Directors and other key management personnel during the financial year was as follows:-

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Executive Directors:				
- fees	<b>106</b>	106	-	-
- other remuneration	<b>1,860</b>	2,727	<b>1,833</b>	2,697
	<b>1,966</b>	2,833	<b>1,833</b>	2,697
Non-executive Directors:				
- fees	<b>225</b>	216	<b>225</b>	216
- other remuneration	<b>43</b>	40	<b>43</b>	40
	<b>268</b>	256	<b>268</b>	256
Other key management personnel:				
- other remuneration	<b>2,156</b>	1,541	-	-
	<b>2,156</b>	1,541	-	-
	<b>4,390</b>	4,630	<b>2,101</b>	2,953

The estimated monetary value of benefits-in-kind received by the Directors and other key management personnel other than in cash from the Group amounted to RM87,496 and RM76,150 (2024: RM78,583 and RM58,750) respectively.

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# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 25. RELATED PARTY DISCLOSURES

#### (a) Identities of related parties

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

The Company has controlling related party relationship with its direct and indirect subsidiaries.

The relationships between the Group and the related parties, other than those disclosed elsewhere in the financial statements, are as follows:-

Identities of related parties	Relationship with the Group
Pong Codan Marketing Sdn. Bhd. Pong Codan Rubber (M) Sdn. Bhd.	Companies in which a family member of the Executive Directors of the Company has substantial financial interests
Hong Cai Colour Tech Pte. Ltd.	A company in which a Director has interests

#### (b) In addition to the transactions and balances detailed elsewhere in the financial statements, the Group and the Company had the following transactions with related parties during the financial year:-

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Sales to:-				
- Pong Codan Marketing Sdn. Bhd.	14	7	-	-
- Pong Codan Rubber (M) Sdn. Bhd.	98	88	-	-
Purchases from:-				
- Pong Codan Marketing Sdn. Bhd.	(423)	(531)	-	-
- Pong Codan Rubber (M) Sdn. Bhd.	(101)	(170)	-	-
- Hong Cai Colour Tech Pte. Ltd.	(584)	-	-	-
Dividend income received from subsidiaries	-	-	2,500	7,000
Interest income received from subsidiaries	-	-	1,357	1,726
Management fee received from subsidiaries	-	-	1,836	2,437
Interest expense charged by a subsidiary	-	-	169	39

The related party transactions described above were entered in the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties.

#### (c) Compensation of key management personnel

The key management personnel comprise the Executive and Non-Executive Directors and other key management personnel of the Group and their remuneration during the financial year are disclosed in Note 24(a) to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 26. SEGMENT INFORMATION

Operating segment reporting is not separately presented as the Group is principally engaged in the manufacturing and trading of automotive parts and accessories, which are substantially within a single operating segment.

For the purpose of resources allocation and performance assessment, the chief operating decision-maker reviews the profit from operations of the Group as disclosed in the statements of profit or loss and other comprehensive income.

#### (a) Geographical segments

The Group operates mainly in Malaysia, ASEAN and Non-ASEAN (such as Middle East, Central and South America, Europe, Africa and China). The revenue disclosed in geographical segments is based on the geographical location of its customers.

The following table provides an analysis of the Group's segment revenue, non-current assets and capital expenditure by geographical segment:-

	Revenue		Non-current assets		Capital expenditure	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Malaysia	<b>127,002</b>	147,767	<b>352,807</b>	363,011	<b>18,637</b>	26,699
ASEAN	<b>48,982</b>	50,783	<b>42,198</b>	47,803	<b>124</b>	16
Non-ASEAN	<b>76,997</b>	83,707	<b>381</b>	554	<b>7</b>	84
	<b>252,981</b>	282,257	<b>395,386</b>	411,368	<b>18,768</b>	26,799

#### (b) Major customers

There are no major customers, which contributed equal or more than 10% of the Group's revenue. As such, information on major customers is not presented.

### 27. CAPITAL COMMITMENTS

	Group	
	2025 RM'000	2024 RM'000
Capital expenditure in respect of purchase of property, plant and equipment:-		
- Contracted but not provided for	<b>6,232</b>	5,093

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# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 28. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that entities of the Group would be able to continue as going concerns whilst maximising return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of the Group remains unchanged from that in the previous financial year.

The Group manages its capital structure and makes adjustments to it in response to changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2025 and 31 December 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group targets gearing ratio of less than 40% determined as the proportion of net debt to equity. The Group and the Company include within net debt, borrowings, less cash and cash equivalents. Capital represents equity attributable to the owners of the Company.

The gearing ratio was not presented as there were no borrowings as at the end of each reporting period.

Pursuant to the requirements of Practice Note No. 17/2005 of the Bursa Malaysia Securities Berhad, the Group is required to maintain a consolidated shareholders' equity of more than twenty-five per centum (25%) of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40.0 million. The Group has complied with this requirement during the financial year ended 31 December 2025.

The Group and the Company are not subject to any other externally imposed capital requirements.

### 29. FINANCIAL GUARANTEE CONTRACTS

- (a) The carrying amounts of financial guarantee contracts are negligible as at the end of each reporting period.
- (b) Information on financial risks of financial guarantee contracts is disclosed in Note 30 to the financial statements.

### 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Group is to optimise value creation for shareholders whilst minimising the potential adverse impact arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group operates within an established risk management framework and clearly defined guidelines that are regularly reviewed by the Board of Directors and does not trade in derivative financial instruments. Financial risk management is carried out through risk review programmes, internal control system, insurance programmes and adherence to the Group financial risk management policies. The Group is exposed mainly to foreign currency risk, liquidity and cash flow risk, credit risk and interest rate risk. Information on the management of the related exposures is detailed below.

- (i) Foreign currency risk

The Group is exposed to transactional currency risk. Such exposures arise from substantial purchases of raw materials and moulds from Taiwan, China, Thailand and South Korea. These purchases are mainly invoiced in Renminbi ("RMB"), New Taiwan Dollar ("NTD") and United States Dollar ("USD"). The Group's exports to ASEAN and Non-ASEAN regions are mainly denominated in USD, RMB, Indonesian Rupiah ("IDR") and Thailand Baht ("THB").

The Company is exposed to foreign currency risk on bank balances that are denominated in a currency other than the functional currency of the Company.

## NOTES TO THE FINANCIAL STATEMENTS

### 31 DECEMBER 2025 (continued)

#### 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

##### (i) Foreign currency risk (continued)

The Group's and the Company's exposures to foreign currency risk (a currency, which is other than the functional currency of the subsidiaries) arising from foreign currency balances as at the end of the reporting period is represented by the following carrying amounts:-

Group	RM/USD RM'000	RM/NTD RM'000	RM/RMB RM'000	RM/IDR RM'000	RM/THB RM'000	Total RM'000
<b>2025</b>						
Trade and other receivables	5,549	223	655	1,131	-	7,558
Cash and cash equivalents	6,195	-	827	858	-	7,880
Trade and other payables	(3,258)	(343)	(505)	(411)	(17)	(4,534)
Lease liabilities	-	-	(142)	-	-	(142)
	<b>8,486</b>	<b>(120)</b>	<b>835</b>	<b>1,578</b>	<b>(17)</b>	<b>10,762</b>
<b>2024</b>						
Trade and other receivables	8,936	307	861	1,854	-	11,958
Cash and cash equivalents	11,944	-	1,460	834	-	14,238
Trade and other payables	(3,078)	(211)	(394)	(95)	-	(3,778)
Lease liabilities	-	-	(353)	-	-	(353)
	<b>17,802</b>	<b>96</b>	<b>1,574</b>	<b>2,593</b>	<b>-</b>	<b>22,065</b>
<b>Company</b>						
<b>2024</b>						
Cash and cash equivalents				64	50	114

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(i) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and Company's profit after tax and equity and for a 5% (2024: 5%) strengthening of the following functional currencies of the entities of the Group and of the Company against the respective foreign currencies, with all other variables held constant.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Profit after tax/Equity</b>				
RM/USD	(322)	(676)	-	(2)
RM/NTD	5	(4)	-	-
RM/RMB	(32)	(60)	-	(2)
RM/IDR	(60)	(99)	-	-
RM/THB	1	-	-	-

A 5% weakening of the functional currency of the entities of the Group and of the Company against the above foreign currencies at the end of the reporting period would have had equal but opposite effect to the amounts shown above, on the basis that all other variables remained constant.

(ii) Liquidity and cash flow risk

It is the Group's policy to ensure its ability to service its cash obligation in the future by way of measures and forecasts of its cash commitments, monitoring and maintaining a level of cash and cash equivalents deemed adequate to the Group's operations and development activities. The Group also maintains flexibility in funding by keeping committed credit lines available.

The table below summarises the maturity profile of the liabilities of the Group and of the Company at the end of each reporting period based on contractual undiscounted repayment obligations.

Group	On demand or within one year RM'000	One to five years RM'000	Total RM'000
	<b>2025</b>		
<b>Financial liabilities</b>			
Lease liabilities	183	-	183
Trade and other payables	22,402	-	22,402
Total undiscounted financial liabilities	22,585	-	22,585
<b>2024</b>			
<b>Financial liabilities</b>			
Lease liabilities	220	160	380
Trade and other payables	24,982	-	24,982
Total undiscounted financial liabilities	25,202	160	25,362

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(ii) Liquidity and cash flow risk (continued)

Company	On demand or within one year RM'000	One to five years RM'000	Total RM'000
<b>2025</b>			
<b>Financial liabilities</b>			
Trade and other payables	693	-	693
Financial guarantee contracts*	5,860	-	5,860
Total undiscounted financial liabilities	<b>6,553</b>	<b>-</b>	<b>6,553</b>
<b>2024</b>			
<b>Financial liabilities</b>			
Trade and other payables	2,585	7,475	10,060
Financial guarantee contracts*	7,423	-	7,423
Total undiscounted financial liabilities	<b>10,008</b>	<b>7,475</b>	<b>17,483</b>

\* This exposure is included in liquidity risk for illustration only. No financial guarantee contracts were called upon by the holders as at the end of the reporting year.

(iii) Credit risk

Exposure to credit risk arises mainly from sales made on credit terms, deposits with licensed banks and financial guarantees given to banks for banking facilities granted to subsidiaries. The Group controls the credit risk on sales by ensuring that its customers have sound financial position and credit history. The Group also seeks to invest cash assets safely and profitably with approved financial institutions in line with the policy of the Group.

Exposure to credit risk

At the end of each reporting period, no collateral has been obtained by the Group. The maximum exposure to credit risk of the Group and of the Company is represented by the carrying amount of each class of financial assets recognised in the statements of financial position. Information regarding credit risk management for trade and other receivables is disclosed in Note 9 to the financial statements.

Credit risk concentration profile

At the end of each reporting period, there were no significant concentrations of credit risk other than amounts owing by subsidiaries representing 99.3% (2024: 99.6%) of the total receivables of the Company. The Company does not anticipate the carrying amount recorded at the reporting period to be significantly different from the values that would eventually be received.

The maximum exposure to credit risk in relation to financial guarantee contracts provided as credit enhancements to the subsidiaries amounted to RM5,860,223 (2024: RM7,423,175) represents the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

# NOTES TO THE FINANCIAL STATEMENTS

## 31 DECEMBER 2025 (continued)

### 30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

#### (iii) Credit risk (continued)

##### Recognition and measurement of impairment loss of financial guarantee contracts

The Company assumes that there is a significant increase in credit risk when the financial position of the subsidiaries deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- (a) the subsidiaries are unlikely to repay its credit obligation to the bank in full; or
- (b) the subsidiaries are continuously loss making and are having a deficit shareholders' fund.

The Company determines the probability of default of the subsidiaries using internal information available. No impairment loss is recognised arising from financial guarantees as it is negligible.

#### (iv) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group and of the Company would fluctuate because of changes in market interest rates.

The primary interest rate risk of the Group and of the Company relates to lease liabilities, equity loans, amounts owing by subsidiaries and amounts owing to subsidiaries. The floating rate deposits of the Group and of the Company are exposed to a risk of change in cash flows due to changes in interest rates. The Group does not use derivative financial instruments to hedge its risk.

The interest rate profile and sensitivity analysis of interest rate risk have been disclosed in Notes 4, 6, 9 and 16 to the financial statements respectively.

### 31. COMPARATIVE INFORMATION

The comparative information was audited by another firm of Chartered Accountants other than Grant Thornton Malaysia PLT. Certain comparative figures were reclassified to conform with the current year's presentation.

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## LIST OF PROPERTIES AS AT 31 DECEMBER 2025

Location	Description/ Existing Use	Land Area/ Built-Up Area	Tenure/ Approximate Age of Building	Date of Last Revaluation or Acquisition	Carrying Amount (RM'000)
HS(M) 22101 No. PT 29778 & GM 1827 (Lot 5026 - Lot 5028) Mukim of Kapar District of Klang Selangor	Industrial land and building/ Office and factory	31,240 sq m/ 29,034 sq m	Freehold/ 24 - 34 years	31.12.22	49,685
GM 3890 Lot 5043 Mukim of Kapar District of Klang Selangor	Industrial land and building/ Office and warehouse	10,918 sq m/ 9,486 sq m	Freehold/ 23 years	31.12.22	17,341
GM 1672 Lot 5044 Mukim of Kapar District of Klang Selangor	Industrial land and building/ Warehouse	12,267 sq m/ 17,756 sq m	Freehold/ 23 years	31.12.22	24,085
HS(M) 35401 No. PT 54723 (Lot 5045) Mukim of Kapar District of Klang Selangor	Industrial land and building/ Factory	10,085 sq m/ 7,306 sq m	Freehold/ 25 years	31.12.22	14,551
GM 1859 Lot 5046 Mukim of Kapar District of Klang Selangor	Industrial land and building/ Office and factory	12,141 sq m/ 8,668 sq m	Freehold/ 23 years	31.12.22	16,404
HS(M) 36093 No. PT 56761 (Lot 5047 - 5048) Mukim of Kapar District of Klang Selangor	Industrial land and building/ Factory	20,109 sq m/ 12,447 sq m	Freehold/ 15 years	31.12.22	28,764
GM 5108 Lot 5060 Mukim of Kapar District of Klang Selangor	Vacant agricultural land	12,141 sq m/ -	Freehold/ -	31.12.22	5,200

## LIST OF PROPERTIES AS AT 31 DECEMBER 2025 (continued)

Location	Description/ Existing Use	Land Area/ Built-Up Area	Tenure/ Approximate Age of Building	Date of Last Revaluation or Acquisition	Carrying Amount (RM'000)
GM 5105 Lot 5061 Mukim of Kapar District of Klang Selangor	Vacant agricultural land	12,141 sq m/ -	Freehold/ -	31.12.22	5,200
GM 5592 Lot 5062 Mukim of Kapar District of Klang Selangor	Vacant agricultural land	12,141 sq m/ -	Freehold/ -	31.12.22	5,200
GM 5582 Lot 5065 Mukim of Kapar District of Klang Selangor	Industrial land and building/ Warehouse and hostel	12,141 sq m/ -	Freehold/ -	31.12.22	10,400
Pajakan Negeri (WP) 26293 - 26295 Lot 47051 - 47053 Mukim Batu District of Kuala Lumpur Wilayah Persekutuan KL	Industrial land and building/ Rented out as office and warehouse	4,425 sq m/ 2,401 sq m	Leasehold of 99 years expiring on 16.06.2067/ 52 years	31.12.22	13,300
Pajakan Negeri (WP) 26296 - 26297 Lot 47054 - 47055 Mukim Batu District of Kuala Lumpur Wilayah Persekutuan KL	Industrial land and building/ Rented out as office and warehouse	2,839 sq m/ 1,955 sq m	Leasehold of 99 years expiring on 16.06.2067/ 52 years	31.12.24	10,800
PN 24531 & PN 27157 Lot 16474 & 16475 Mukim Batu District of Kuala Lumpur Wilayah Persekutuan KL	Industrial land and building/ Office and warehouse	4,590 sq m/ 4,695 sq m	Leasehold of 99 years expiring on 16.06.2067/ 13 years	31.12.22	16,384

## LIST OF PROPERTIES AS AT 31 DECEMBER 2025 (continued)

Location	Description/ Existing Use	Land Area/ Built-Up Area	Tenure/ Approximate Age of Building	Date of Last Revaluation or Acquisition	Carrying Amount (RM'000)
Geran 70251/M2-A/398 26-6 Menara One Mont Kiara Mukim Batu District of Kuala Lumpur Wilayah Persekutuan KL	Office suite/ Office	-/ 99 sq m	Freehold/ 15 years	10.09.25	764
Pajakan Negeri CL015413797 Miles 5 ½ Tuaran Road District of Kota Kinabalu, Sabah	Industrial land and building/ Office and warehouse	3,565 sq m/ 1,780 sq m	Leasehold of 60 years expiring on 31.12.2072/ 19 years	31.12.22	6,016
Hak Milik No. 5223 - 5230 Jl. Raya Kamal Muara Kelurahan Kamal Muara Kec. Penjaringan Kotamadya Jakarta Utara DKI Indonesia	Industrial land and building/ Office and warehouse	11,830 sq m/ 8,172 sq m	Leasehold of 30 years expiring on 07.01.2043, renewable upon expiry/ 37 years	30.12.22	22,249
Kawasan Industri Jababeka Jl. Tekno Boulevard Blok A2.B, Kelurahan Pasirgombang Kec. Cikarang Utara Kota Bekasi Jawa Barat Indonesia	Vacant industrial land	24,575 sq m/ -	Leasehold of 30 years expiring on 24.09.2027, renewable upon expiry/ -	30.12.22	19,745

## ANALYSIS OF SHAREHOLDINGS AS AT 2 APRIL 2026

Issued Share Capital	:	RM82,672,260.00
Number of Issued Shares	:	165,344,520
Class of Shares	:	Ordinary shares
No. of Shareholders	:	1,645
Voting Rights	:	One (1) vote per ordinary share

### DISTRIBUTION OF SHAREHOLDINGS (Based on the Record of Depositors)

Size of Shareholdings	No. of Shareholders	%	Shareholdings	%
1 - 99	183	11.12	2,562	0.00
100 - 1,000	229	13.92	102,484	0.06
1,001 - 10,000	762	46.32	3,601,494	2.18
10,001 - 100,000	386	23.47	11,455,060	6.93
100,001 - less than 5% of issued shares	82	4.99	59,235,516	35.83
5% and above of issued shares	3	0.18	90,947,404	55.00
<b>TOTAL</b>	<b>1,645</b>	<b>100.00</b>	<b>165,344,520</b>	<b>100.00</b>

Note: 5% of issued shares = 8,267,226 shares

### SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS (Based on the Register of Substantial Shareholders)

Name	No. of Shares Held			
	Direct	%	Indirect	%
Kam Foong Keng	56,366,072	34.09	1,050,260 <sup>1</sup>	0.64
Wong Ah Moy @ Wong Yoke Len	22,081,332	13.35	-	-
Yeoman 3-Rights Value Asia Fund VCC	12,500,000	7.56	-	-
Yeoman Capital Management Pte. Ltd.	253,000	0.15	12,625,000 <sup>2</sup>	7.64
Yeo Seng Chong	924,000	0.56	12,878,000 <sup>3</sup>	7.79
Lim Mee Hwa	-	-	13,802,000 <sup>4</sup>	8.35

Notes:

- Deemed interested in the shares held by Chin & Kam Holdings Sdn. Bhd. ("Chin & Kam") pursuant to Section 8(4) of the Companies Act 2016 by virtue of her control over Chin & Kam.
- Deemed interested in the shares held on behalf of all its clients (including Yeoman 3-Rights Value Asia Fund VCC) in its role as an investment manager and Yeoman Capital Management Pte. Ltd. ("YCMPL") has voting control over all the said shares.
- Deemed interested in the direct and indirect interests held by YCMPL pursuant to Section 8(4) of the Companies Act 2016 through his 50% shareholding in YCMPL.
- Deemed interested in the direct and indirect interests held by YCMPL pursuant to Section 8(4) of the Companies Act 2016 through her 50% shareholding in YCMPL and the direct interest held by her spouse, Yeo Seng Chong.

## ANALYSIS OF SHAREHOLDINGS AS AT 2 APRIL 2026 (continued)

### DIRECTORS' INTERESTS (Based on the Register of Directors' Shareholdings)

Name	No. of Shares Held			
	Direct	%	Indirect	%
Kam Foong Keng	56,366,072	34.09	1,050,260 <sup>1</sup>	0.64
Chin Jit Sin	2,044,040	1.24	1,050,260 <sup>1</sup>	0.64
Kam Foong Sim	3,976,334	2.40	-	-
Chia Swee Yuen	-	-	-	-
Oei Kok Eong	-	-	-	-
Ng Chee Kiet	-	-	-	-

Note:

- <sup>1</sup> Deemed interested in the shares held by Chin & Kam pursuant to Section 8(4) of the Companies Act 2016 by virtue of their absolute control over Chin & Kam.

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# ANALYSIS OF SHAREHOLDINGS

## AS AT 2 APRIL 2026 (continued)

### THIRTY (30) LARGEST SHAREHOLDERS (Based on the Record of Depositors)

Name	Shareholdings	%
1. Kam Foong Keng	56,366,072	34.09
2. Wong Ah Moy @ Wong Yoke Len	22,081,332	13.35
3. DB (Malaysia) Nominee (Asing) Sdn. Bhd. Deutsche Bank AG Singapore for Yeoman 3-Rights Value Asia Fund (PTSL)	12,500,000	7.56
4. HSBC Nominees (Tempatan) Sdn. Bhd. Exempt an for BNP Paribas Singapore Branch (Local)	6,129,674	3.71
5. Kam Fong Mei	3,770,334	2.28
6. Patricia Lim Pek Yew	3,586,440	2.17
7. Wong Fong Ngoh	3,167,120	1.92
8. CIMB Group Nominees (Asing) Sdn. Bhd. Exempt an for DBS Bank Ltd. (SFS)	2,764,000	1.67
9. Kam Foong Sim	2,491,334	1.51
10. HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Lim Pay Kaon	2,269,600	1.37
11. Chin Jit Sin	2,044,040	1.24
12. Lim Pei Tiam @ Liam Ahat Kiat	2,000,000	1.21
13. Wong Fong Ngoh	1,636,800	0.99
14. Chan Mei Xian	1,580,000	0.96
15. Kam Foong Sim	1,485,000	0.90
16. Lim Pin Kong	1,336,500	0.81
17. Lee Kam Tai	1,285,834	0.78
18. Chin & Kam Holdings Sdn. Bhd.	1,050,260	0.64
19. Lim Juan Hoong	1,036,200	0.63
20. PB Trustee Services Berhad Kam Leng Wei	935,380	0.57
21. Lim Khuan Eng	920,000	0.56
22. Affin Hwang Nominees (Asing) Sdn. Bhd. DBS Vickers Secs (S) Pte. Ltd. for Yeo Seng Chong	858,000	0.52
23. CGS International Nominees Malaysia (Asing) Sdn. Bhd. Exempt an for CGS International Securities Singapore Pte. Ltd. (Retail Clients)	811,600	0.49
24. Koay Keng Ling	774,180	0.47
25. Lim Ying Ying	743,420	0.45
26. Kasem Suthichitranont	718,000	0.43
27. Diong Sing Peng	675,400	0.41
28. Affin Hwang Nominees (Asing) Sdn. Bhd. DBS Vickers Secs (S) Pte. Ltd. for Little Rain Assets Limited	658,200	0.40
29. Koay Keng Huat	600,820	0.36
30. Amsec Nominees (Asing) Sdn. Bhd. Pledged Securities Account for Tseng, Wan-i	600,000	0.36
<b>TOTAL</b>	<b>136,875,540</b>	<b>82.81</b>

# NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Twenty-Ninth (29<sup>th</sup>) Annual General Meeting (“AGM”) of **NEW HOONG FATT HOLDINGS BERHAD** (“the Company”) will be held at Function Room 1, Setia City Convention Centre, No. 1, Jalan Setia Dagang AG, U13/AG Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor, Malaysia on Thursday, 4 June 2026 at 10.00 a.m., for the following purposes:

## A G E N D A

### ORDINARY BUSINESS

- |    |  |                              |
|----|--|------------------------------|
| 1. | To lay before the meeting the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon.  |                              |
| 2. | To re-elect Madam Kam Foong Keng as Director of the Company, who is retiring by rotation pursuant to Article 101 of the Constitution of the Company, and who being eligible, has offered herself for re-election.          | <b>Ordinary Resolution 1</b> |
| 3. | To re-elect Mr Chia Swee Yuen as Director of the Company, who is retiring by rotation pursuant to Article 101 of the Constitution of the Company, and who being eligible, has offered himself for re-election.             | <b>Ordinary Resolution 2</b> |
| 4. | To approve the payment of Directors’ Fees for the Non-Executive Directors (“NEDs”) up to an aggregate amount of RM250,000 for the period commencing from 5 June 2026 until the next AGM of the Company to be held in 2027. | <b>Ordinary Resolution 3</b> |
| 5. | To approve the payment of Directors’ Benefits Payable for NEDs up to an aggregate amount of RM50,000 for the period commencing from 5 June 2026 until the next AGM of the Company to be held in 2027.                      | <b>Ordinary Resolution 4</b> |
| 6. | To re-appoint Messrs. Grant Thornton Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.   | <b>Ordinary Resolution 5</b> |

### SPECIAL BUSINESS

To consider and, if thought fit, to pass the following ordinary resolution, with or without modifications:

- |    |   |                              |
|----|---|------------------------------|
| 7. | <b>AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 (“THE ACT”)</b> | <b>Ordinary Resolution 6</b> |
|----|---|------------------------------|

“THAT pursuant to Sections 75 and 76 of the Act and subject to the approval of relevant regulatory authorities, if necessary, the Directors of the Company be and are hereby authorised to allot and issue shares in the Company at any time until the conclusion of the next AGM upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued does not exceed ten percent (10%) of the total number of issued shares of the Company for the time being, subject always to the approval of all relevant regulatory bodies being obtained for such allotment and issue.

THAT pursuant to Section 85 of the Act, to be read together with Article 66 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to Sections 75 and 76 of the Act, AND THAT the Directors be exempted from the obligation to first offer such new shares to the existing shareholders of the Company.

AND FURTHER THAT the Directors, whether solely or jointly, be authorised to complete and do all such acts, deeds and things (including executing such relevant documents) as he/they may consider necessary, expedient or in the best interest of the Company to give effect to the aforesaid mandate.”

- |    |  |  |
|----|--|--|
| 8. | To transact any other business for which due notice has been given in accordance with the Act and the Constitution of the Company. |  |
|----|--|--|

# NOTICE OF ANNUAL GENERAL MEETING

(continued)

By Order of the Board

**ANGELINA CHEAH GAIK SUAN (SSM PC No.: 202008002177) (MAICSA 7035272)**

**TAN BEE HWA (SSM PC No.: 202008001174) (MAICSA 7058049)**

Company Secretaries

Kuala Lumpur

24 April 2026

## Notes:

1. Only a depositor whose name appears in the Company's Record of Depositors as at 25 May 2026 shall be regarded as a member and entitled to attend, speak and vote at this AGM or appoint proxy(ies) to attend and vote on his/her behalf in respect of the number of shares registered in his/her name.
2. Every member entitled to attend and vote at this AGM is entitled to appoint up to two (2) proxies to attend and vote for him/her. There shall be no restriction as to the qualification of the proxy. A proxy may but need not be a member of the Company but shall be of full age. If a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportion of his/her holdings to be represented by each proxy.
3. Where a member of the Company is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("Authorised Nominee"), it may appoint up to two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member of the Company is an Exempt Authorised Nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("Omnibus Account"), there is no limit to the number of proxies the Exempt Authorised Nominee may appoint for each Omnibus Account it holds.
5. The Proxy Form must be signed by the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under the seal or under the hand of an officer or attorney duly authorised.
6. The appointment of a proxy/corporate representative/attorney may be made in hard copy form or by electronic means in the following manner and must be received by the Company not less than 48 hours before the time fixed for holding the AGM, or not later than 10.00 a.m. on Tuesday, 2 June 2026:

(i) In hard copy form

The hardcopy Proxy Form must be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Sdn. Bhd., at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, in the drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

OR

(ii) By electronic means

The Proxy Form can be electronically lodged with the Share Registrar of the Company via Vistra Share Registry and IPO (MY) Portal ("the Portal") at <https://srmy.vistra.com>. Please refer to the Administrative Guide for the 29<sup>th</sup> AGM on the procedures for the electronic lodgement of Proxy Form via the Portal.

7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities"), all the resolutions set out in the Notice of the AGM will be put to vote by way of poll.

# NOTICE OF ANNUAL GENERAL MEETING

(continued)

## EXPLANATORY NOTES

### 1. Ordinary Resolutions 1 and 2 - Re-election of Directors

Madam Kam Foong Keng (“Madam Kam”) and Mr Chia Swee Yuen (“Mr Chia”) are retiring by rotation pursuant to Article 101 of the Constitution of the Company and are standing for re-election at this AGM. Their profiles are set out in the Directors’ Profile of this Annual Report 2025.

In recommending their re-election, the Nomination Committee (“NC”) of the Company had assessed their performance, contribution, and compliance with the fit-and-proper criteria for re-election. The NC concluded that both Madam Kam and Mr Chia had made valuable contributions to the Board, meet the required fit-and-proper criteria and are able to continue contributing effectively to the Board’s decision-making processes. The Board (save for the Directors concerned) had endorsed the NC’s recommendation for the re-election of Madam Kam and Mr Chia as Directors of the Company.

### 2. Ordinary Resolutions 3 and 4 - Payment of Directors’ Fees and Benefits Payable

Shareholders’ approval is sought at this AGM for the payment of Directors’ Fees for NEDs of the Company, up to an aggregate amount of RM250,000 for the period commencing from 5 June 2026 until the next AGM of the Company to be held in 2027. The Directors’ Fees consist of a monthly director’s fee for duties performed as Directors.

Approval is also sought for Benefits Payable to NEDs up to an aggregate amount of RM50,000 for the same period. These benefits consist of attendance allowances for Board meetings, Board Committee meetings and general meetings.

The estimated total amount of RM300,000 is based on the current Board composition and the estimated number of scheduled and additional unscheduled Board, Board Committee and general meetings during the period. The Remuneration Committee of the Company and the Board had reviewed the proposed amounts and determined that the Directors’ Fees and Benefits Payable are in the best interests of the Company and are in accordance with the principles outlined in the Company’s Remuneration Policy.

### 3. Ordinary Resolution 5 - Re-appointment of Auditors

The proposed Ordinary Resolution 5 is to re-appoint Messrs. Grant Thornton Malaysia PLT (“Grant Thornton”) as the Auditors of the Company. They were appointed during the financial year ended 31 December 2025 to fill a casual vacancy following the resignation of the previous auditors, Messrs. BDO PLT. The Board considers this a timely change that enhances the independence and objectivity of the external audit, while bringing fresh perspectives to further strengthen the robustness and effectiveness of the audit process. Grant Thornton have audited the financial statements of the Company for the said financial year.

In accordance with the Companies Act 2016, Grant Thornton shall hold office until the conclusion of this AGM. The Board recommends their re-appointment as Auditors of the Company to hold office until the conclusion of the next AGM.

### 4. Ordinary Resolution 6 - Authority to allot and issue shares pursuant to Sections 75 and 76 of the Act

The Ordinary Resolution 6 is a renewal of the general mandate for issuance of shares by the Company under Sections 75 and 76 of the Act.

This general mandate will provide flexibility to the Company and empower the Directors to allot and issue new shares in the Company speedily up to an aggregate amount not exceeding ten percent (10%) of the total number of issued shares of the Company, for such purposes as the Directors consider would be in the interest of the Company. This mandate will eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM of the Company.

This authority will also provide flexibility for any possible fund-raising activities, including but not limited to further placements of shares for the purpose of funding investment project(s), working capital and/or acquisition(s).

# NOTICE OF ANNUAL GENERAL MEETING

(continued)

By voting in favour of Ordinary Resolution 6, shareholders of the Company will also agree to waive their statutory pre-emptive rights under Section 85 of the Act and Article 66 of the Constitution of the Company in respect of all new shares to be allotted and issued by the Directors pursuant to this mandate.

As at the date of this Notice, no new shares have been issued pursuant to the general mandate granted to the Directors of the Company at the last AGM held on 4 June 2025, which will lapse at the conclusion of the AGM to be held on 4 June 2026.

## STATEMENT ACCOMPANYING NOTICE OF AGM

*(Pursuant to Paragraph 8.27(2) of the Listing Requirements of Bursa Securities)*

1. There are no individuals seeking election as Directors at this AGM. The profiles of the Directors standing for re-election at the AGM are set out in the Directors' Profile of this Annual Report.
2. Details of the general mandate for the issue of securities in the Company pursuant to Sections 75 and 76 of the Act are set out in Explanatory Note 4 of the Notice of AGM.

### **Personal data privacy:**

*By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company:*

- (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");*
- (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and*
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.*

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# PROXY FORM

I/We ..... (full name), NRIC/Passport/Company No.  
 ..... of .....  
 .....

(full address) being a member of **NEW HOONG FATT HOLDINGS BERHAD** ("the Company"), hereby appoint:

Full name (in Block Letters)	NRIC/Passport No.	Address	% of Holdings
<b>TOTAL</b>			<b>100%</b>

or failing him/her, the Chairman of the Meeting, as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Twenty-Ninth (29<sup>th</sup>) Annual General Meeting ("AGM") of the Company to be held at Function Room 1, Setia City Convention Centre, No. 1, Jalan Setia Dagang AG, U13/AG Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor, Malaysia on Thursday, 4 June 2026 at 10.00 a.m. or at any adjournment thereof, and to vote as indicated below:

	AGENDA	FOR	AGAINST
Ordinary Resolution 1	Re-election of Madam Kam Foong Keng as Director		
Ordinary Resolution 2	Re-election of Mr Chia Swee Yuen as Director		
Ordinary Resolution 3	Approval of Directors' Fees for Non-Executive Directors of RM250,000		
Ordinary Resolution 4	Approval of Benefits Payable for Non-Executive Directors of RM50,000		
Ordinary Resolution 5	Re-appointment of Messrs. Grant Thornton Malaysia PLT as Auditors of the Company		
Ordinary Resolution 6	Authority to allot and issue shares pursuant to Sections 75 and 76 of the Companies Act 2016		

Please indicate with an 'X' in the spaces provided how you wish your vote to be cast in relation to the above resolutions. If you do not do so, the proxy may vote or abstain from voting at his/her discretion.

Signed this ..... day of ..... 2026

.....  
 Signature/Common Seal of Member

<b>CDS Account No.</b>	
<b>No. of Shares Held</b>	
<b>Telephone No.</b>	
<b>Email Address</b>	

8.

Fold this flap for sealing

Notes:

1. Only a depositor whose name appears in the Company's Record of Depositors as at 25 May 2026 shall be regarded as a member and entitled to attend, speak and vote at this AGM or appoint proxy(ies) to attend and vote on his/her behalf in respect of the number of shares registered in his/her name.
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  - (i) In hard copy form  
The hardcopy Proxy Form must be deposited with the Share Registrar of the Company, Tricor Investor & Issuing House Sdn. Bhd., at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, or alternatively, in the drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
  - OR
  - (ii) By electronic means  
The Proxy Form can be electronically lodged with the Share Registrar of the Company via Vistra Share Registry and IPO (MY) Portal ("the Portal") at <https://srmy.vistra.com>. Please refer to the Administrative Guide for the 29<sup>th</sup> AGM on the procedures for the electronic lodgement of Proxy Form via the Portal.
7. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the AGM will be put to vote by way of poll.

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AFFIX  
STAMP

**THE SHARE REGISTRAR OF  
NEW HOONG FATT HOLDINGS BERHAD**

Registration No. 199701010213 (425709-K)

**c/o Tricor Investor & Issuing House Services Sdn. Bhd.**  
Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3  
Bangsar South, No. 8, Jalan Kerinchi  
59200 Kuala Lumpur, Malaysia

Fold here



新鴻發集團有限公司  
**NEW HOONG FATT HOLDINGS BERHAD**

[Registration No. 199701010213 (425709-K)]



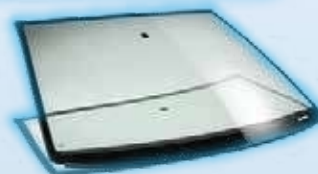
**BODY PARTS**



**SERVICE ITEMS**



**WINDSCREEN**



**AIR CONDITIONING PARTS**



**ACCESSORIES**



**ENGINE COOLING PARTS**



**OTHER PARTS**



**LOCAL & IMPORTED CAR MODELS  
 QUALITY REPLACEMENT AUTOMOTIVE PARTS SPECIALIST**

**HEAD OFFICE**

Lot 5043, Jalan Teratai, Meru,  
 41050 Klang, Selangor Darul Ehsan

Tel : 603-3377 8308 / 8288  
 Fax : 603-3377 8301 / 8259

**SEGAMPUT**

No. 1 & 3, Jalan Segambut Bawah,  
 51200 Segambut, Kuala Lumpur

Tel : 603-6243 6655  
 Fax : 603-6179 4411

**KOTA KINABALU**

No. 28, Lorong Burong Keleto,  
 5 ½ Miles Off Jalan Tuaran Bypass,  
 Likas Industrial Estate,  
 88450 Kota Kinabalu, Sabah

Tel : 6088-38 8686  
 Fax : 6088-38 8683

## **NEW HOONG FATT HOLDINGS BERHAD**

[Registration No. 199701010213 (425709-K)]

Lot 5043, Jalan Teratai, Meru,  
41050 Klang, Selangor, Malaysia  
Tel: 603 3392 6818  
Email: [enquiries@newhoongfatt.com.my](mailto:enquiries@newhoongfatt.com.my)  
Website: [www.newhoongfatt.com.my](http://www.newhoongfatt.com.my)