



Engtex

ENGTEX GROUP BERHAD

Company No. : 200101000937(536693-X)

Engineered for Sustainable Progress

Annual Report 2025

What's Inside

01

Company Overview

- 2 Overview of Group Principal Activities
- 3 Corporate Structure
- 4 Financial Highlights
- 5 Corporate Information

02

Leadership & Governance

- 6 Directors' Profile
- 9 Key Senior Management Personnel Profile
- 11 Management Discussion and Analysis
- 18 Audit Committee Report
- 21 Corporate Governance Overview Statement

03

Risk & Financial Reports

- 36 Statement on Risk Management and Internal Control
- 38 Financial Statements

04

Additional Information

- 107 List of Properties
- 120 Disclosure of Financial Data for Shariah Screening
- 122 Analysis of Shareholdings
- 124 Analysis of Warrantholdings
- 126 Notice of Annual General Meeting
- 129 Administrative Notes
Proxy Form

25th

ANNUAL GENERAL MEETING



The Orenda 1

1st Floor, Mercure Selangor Selayang,
B-G-12, Dataran Emerald,
Jalan PS 11, Prima Selayang,
68100 Batu Caves,
Selangor Darul Ehsan



28 May 2026, Thursday

11:30 a.m.

OVERVIEW OF GROUP PRINCIPAL ACTIVITIES

Engtex

Engtex Group Berhad



WHOLESALE & DISTRIBUTION

Pipes, Valves, Fittings, Plumbing Materials, Construction Materials, Steel Products & General Hardware Products

- Engtex Sdn Berhad
- Benton Corporation Sdn Bhd
- Mega Alliance Builder Supplies Sdn Bhd
- Engtex Marketing Sdn Bhd
- Eng Lian Hup Trading Sdn Bhd
- LYE Marketing Sdn Bhd
- Engtex Ductile Iron Marketing Sdn Bhd
- Eng Lian Hup Marketing Sdn Bhd
- East Coast Metals Sdn Bhd
- Engtex Metal Products Sdn Bhd
- Nagasari Bitumen Products Sdn Bhd

Food Processing Equipment & Engineering Tools

- Wiki Pratama Sdn Bhd



MANUFACTURING

Mild Steel Concrete-Lined Pipes & Fittings

- Allpipes Technology Sdn Bhd
- Canova Manufacturing Sdn Bhd

Wire Mesh, Hard Drawn Wire & Other Steel Products

- Engtex Metals Sdn Bhd
- Engtex Metals (Utara) Sdn Bhd
- Hachita Enterprise Sdn Bhd
- EngLen Manufacturing Sdn Bhd
- East Coast Manufacturing Sdn Bhd
- Engtex Steel Industries Sdn Bhd
- Engtex Industries Sdn Bhd

Ductile Iron Pipes

- Engtex Ductile Iron Pipe Industry Sdn Bhd

Valves, Hydrants, Fittings & Manhole Covers

- LYE Manufacturing Sdn Bhd

Steel Pipe Piles

- Engtex Pipe Industry Sdn Bhd

Electric Resistance Welded Pipe

- Engtex Steel Pipe Sdn Bhd



PROPERTY DEVELOPMENT

- Engtex Properties Sdn Bhd
- Engtex Emerald Sdn Bhd
- Engtex Platinum Sdn Bhd
- Ivory Progression Sdn Bhd
- Blue Legacy Sdn Bhd
- Tiara Mission Sdn Bhd



OTHERS

- LYE Industries Sdn Bhd
- EPCM Sdn Bhd
- Majestic Genius Sdn Bhd
- Alimach Holdings Sdn Bhd
- Engtex Manufacturing Sdn Bhd
- Engtex Energy Sdn Bhd
- Engtex Metals Industry Sdn Bhd
- Engtex Metals (Sarawak) Sdn Bhd
- Variglobal Sdn Bhd
- EngLen Metals Sdn Bhd
- Swiss Mission Sdn Bhd



HOSPITALITY

- Engtex Leisure Sdn Bhd

CORPORATE STRUCTURE

AS AT 31 MARCH 2026

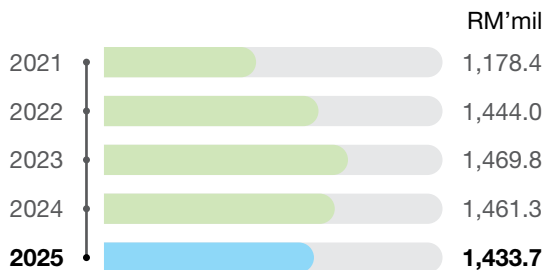


Engtex Group Berhad



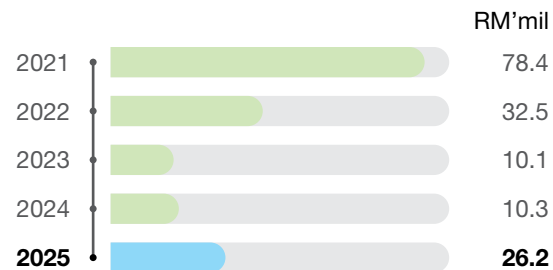
FINANCIAL HIGHLIGHTS

REVENUE



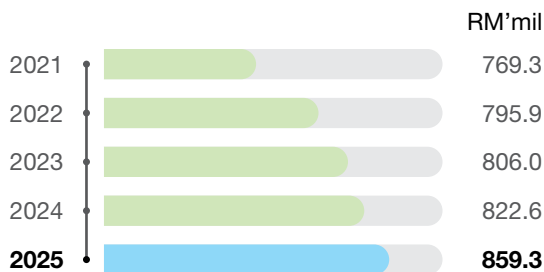
PROFIT AFTER TAX

(attributable to the owners of the Company)

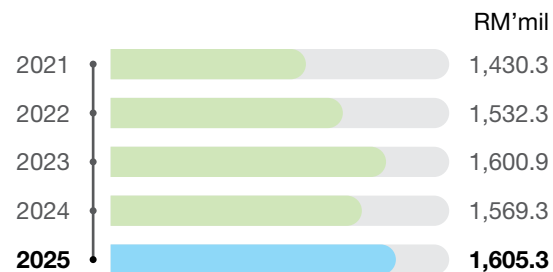


SHAREHOLDERS' FUNDS

(attributable to the owners of the Company)



TOTAL ASSETS



	2021	2022	2023	2024	2025
KEY FINANCIAL DATA (RM'mil)					
Revenue	1,178.4	1,444.0	1,469.8	1,461.3	1,433.7
EBITDA ^(a)	142.6	88.0	65.6	67.9	87.0
Finance costs	16.5	19.8	28.6	27.8	24.9
Profit before tax	105.6	47.9	18.1	21.5	42.3
Profit attributable to owners of the Company	78.4	32.5	10.1	10.3	26.2
Total assets	1,430.3	1,532.3	1,600.9	1,569.3	1,605.3
Borrowings	499.1	587.7	645.4	583.6	600.5
Share capital	269.9	269.9	269.9	277.6	293.9
Retained earnings	503.0	531.2	534.6	542.4	564.6
Total equity attributable to owners of the Company	769.3	795.9	806.0	822.6	859.3
SHARE INFORMATION					
Basic earnings per share (sen)	17.96	7.48	2.32	1.32 ^(N3)	3.28
Single-tier dividend per share (sen)	0.75	1.00	^(N1)	0.75	0.50
Dividend pay-out (RM'mil)	3.3	4.4	^(N2)	3.3	4.0
Net debt-to-equity ratio (time)	0.48	0.56	0.67	0.53	0.44
Net assets per share (RM)	1.78	1.84	1.86	1.06 ^(N3)	1.06
SHARE PERFORMANCE					
Year high (RM)	0.93	0.77	0.78	0.79 ^(N3)	0.64
Year low (RM)	0.53	0.55	0.57	0.43 ^(N3)	0.43
Year close (RM)	0.59	0.68	0.76	0.62 ^(N3)	0.57
Trading volume ('mil)	831.4	152.8	60.3	844.4	162.5
Market capitalisation (at 31 December) (RM'mil)	259.3	301.5	334.7	492.5	475.2

^(a) Earnings before interest, taxes, depreciation and amortisation

^(N1) Share dividend by way of distribution of treasury shares on the basis of 1 treasury share for every 50 ordinary shares held in the Company.

^(N2) Total number of treasury shares distributed was 8,654,342 shares or equivalent to RM6,676,331.

^(N3) Adjusted for the effect of bonus issue exercise in August 2024

CORPORATE INFORMATION

BOARD OF
Directors**Dr. Lim Pang Kiam**

Chairman,
Independent Non-Executive Director

Tan Sri Dato' Ng Hook

Group Managing Director,
Executive Director

Dato' Ng Chooi Guan

Executive Director

Puan Sri Datin Yap Seng Kuan

Executive Director

Ng Yik Soon

Executive Director

Ng Koi Lin

Executive Director

Ho Sin Kheong

Independent Non-Executive Director

Dato' Leanne Koh Li Ann

Independent Non-Executive Director

AUDIT COMMITTEE

Chairperson

Dato' Leanne Koh Li Ann

Independent Non-Executive Director

Members

Dr. Lim Pang Kiam

Independent Non-Executive Director

Ho Sin Kheong

Independent Non-Executive Director

NOMINATION COMMITTEE

Chairman

Dr. Lim Pang Kiam

Independent Non-Executive Director

Members

Dato' Leanne Koh Li Ann

Independent Non-Executive Director

Ho Sin Kheong

Independent Non-Executive Director

REMUNERATION COMMITTEE

Chairman

Dr. Lim Pang Kiam

Independent Non-Executive Director

Members

Dato' Leanne Koh Li Ann

Independent Non-Executive Director

Ho Sin Kheong

Independent Non-Executive Director

REGISTERED OFFICE

Lot 36 Jalan BRP 9/2B
Putra Industrial Park
Bukit Rahman Putra
47000 Sungai Buloh
Selangor Darul Ehsan
Tel : 603-6140 1111
Fax : 603-6157 0348
Email : enquiry@engtex.com.my

SHARE REGISTRARS**Mega Corporate Services Sdn Bhd**

Level 15-2
Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 603-2692 4271
Fax : 603-2732 5388
Email : mega-sharereg@
megacorp.com.my

STOCK EXCHANGE LISTING**Main Market of Bursa Malaysia
Securities Berhad**

Stock Name : ENGTEX /
ENGTEX - WB
Stock Code : 5056 / 5056WB
Sector : Industrial Products
and Services

COMPANY SECRETARIES**Khoo Chong Keong**

(MIA CA11413)
(SSM PC No.: 202008001639)

Lim Seck Wah

(MAICSA 0799845)
(SSM PC No.:202008000054)

Tang Chi Hoe (Kevin)

(MAICSA 7045754)
(SSM PC No.:202008002054)

AUDITORS**KPMG PLT**

Level 10 KPMG Tower 8
First Avenue Bandar Utama
47800 Petaling Jaya
Selangor Darul Ehsan
Tel : 603-7721 3388
Fax : 603-7721 3399
Email : info@kpmg.com.my

PRINCIPAL BANKERS

Hong Leong Bank Berhad
Al Rajhi Banking Investment
Corporation (Malaysia) Bhd
Alliance Bank Malaysia Berhad
Public Bank Berhad
AmBank (Malaysia) Berhad

DIRECTORS' PROFILE

DR. LIM PANG KIAM

Chairman, Independent Non-Executive Director

Male



AGE 63

DR LIM PANG KIAM was appointed to the Board as an Independent Non-Executive Director on 23 July 2018. He is currently the Chairman of the Board, the Nomination Committee and the Remuneration Committee, and a member of the Audit Committee. He obtained a Bachelor of Science (Honours) in Housing, Building and Planning and a Master of Science in Planning from Universiti Sains Malaysia in 1988 and 1989 respectively. In 2020, he also obtained a Doctor of Business Administration from SEGi University. He is a fellow member of the Chartered Institute of Management Accountants ("FCMA"), a member of the Malaysian Institute of Accountants ("MIA"), the Chartered Global Management Accountant ("CGMA") and the ASEAN Chartered Professional Accountants ("ASEAN CPA").

He spent 15 years with local banks in various roles before moving to the commercial sector as Finance Director, Executive Director and Chief Executive Officer of public listed companies.

He currently sits on the Board of Inta Bina Group Berhad and SDS Group Berhad as an Independent Non-Executive Director, and Lagenda Properties Berhad as a Non-Independent Non-Executive Director.

He does not have any family relationship with any director and/or major shareholder of Engtex Group Berhad. He attended all five Board meetings held during the financial year ended 31 December 2025.

TAN SRI DATO' NG HOOK

Group Managing Director, Non-Independent Executive Director

Male



AGE 70

TAN SRI DATO' NG HOOK is the Group Managing Director ("GMD") and was appointed to the Board as a Non-Independent Executive Director on 3 June 2002. He is the founder of the Group. He has been involved in the hardware, pipes, valves, fittings and plumbing materials industries upon completion of his secondary education in

1973. He has developed the Group's businesses since its inception and responsible for the continuing growth and success of the Group. He is the spouse of Puan Sri Datin Yap Seng Kuan. He does not hold any directorship in other public company. He attended all five Board meetings held during the financial year ended 31 December 2025.

DATO' NG CHOOI GUAN

Non-Independent Executive Director

Male



AGE 62

DATO' NG CHOOI GUAN was appointed to the Board as a Non-Independent Executive Director on 3 June 2002. He is the Managing Director of Engtex Sdn Berhad ("Engtex"). He commenced his sales career in the hardware industry upon completion of his secondary education in 1980. He joined Engtex upon its inception in 1984 as a Sales Representative. His responsibilities include sales

and marketing, group supply chain management and procurement, business development, securing exclusive distributorships/agencies and developing house-brand products. He does not hold any directorship in other public company. He attended all five Board meetings held during the financial year ended 31 December 2025.

PUAN SRI DATIN YAP SENG KUAN

Non-Independent Executive Director

Female



AGE 68

PUAN SRI DATIN YAP SENG KUAN was appointed to the Board as a Non-Independent Executive Director on 3 June 2002. After completing her secondary education, she has held various administrative positions and managed her own business prior to joining Engtex. She is currently in-charge of the Group's Treasury & Credit Control function.

Her portfolio includes the monitoring of day-to-day credit control and cashflow, monitoring debtors' collections and treasury function of the Group. She is the spouse of Tan Sri Dato' Ng Hook. She does not hold any directorship in other public company. She attended all five Board meetings held during the financial year ended 31 December 2025.

Directors' Profile

NG YIK SOON

Non-Independent Executive Director

Male



AGE 58

NG YIK SOON was appointed to the Board as a Non-Independent Executive Director on 3 June 2002. He holds a Professional Diploma in Sales and Marketing from the University of Malaya Centre for Continuing Education. He has been with Engtex upon completion of his secondary education in 1985. His roles in Engtex included sales and marketing, group supply chain management and procurement, inventory control and product quality

control. He was also involved in the business and product development in certain manufactured steel products before focusing on business development, brand building, and sales and marketing of ductile iron pipes and fittings. He does not hold any directorship in other public company. He attended all five Board meetings held during the financial year ended 31 December 2025.

NG KOI LIN

Non-Independent Executive Director

Female



AGE 37

NG KOI LIN was appointed to the Board as a Non-Independent Executive Director on 25 August 2022. She graduated from Monash University, Clayton-Australia with a Bachelor of Commerce (Accounting & Finance) degree in September 2011. She started her career with KPMG Malaysia as an Associate in Internal Audit, Risk & Compliance Services ("IARCS") division upon graduation in 2011. At KPMG IARCS, she was involved in risk-based internal audit assignments, enterprise risk management assessment and cost improvement reviews, assisting numerous clients, comprising mainly public listed companies, to optimise their risk management, controls and governance processes. She left KPMG Malaysia in June 2016 and joined Engtex in August 2016 as Business

Operations Manager. In April 2019, she was promoted to Personal Assistant ("PA") to the GMD where she assists the GMD in management duties as well as overseeing the operations of the hospitality segment. In May 2022, she assumed the position of Chief Sustainability Officer to drive the Environmental, Social and Governance ("ESG") initiatives of the Group and its subsidiaries.

She is the daughter of Tan Sri Dato' Ng Hook and Puan Sri Datin Yap Seng Kuan, who are the GMD and Executive Director respectively and the major shareholder of Engtex Group Berhad. She does not hold any directorship in other public company. She attended all five Board meetings held during the financial year ended 31 December 2025.

HO SIN KHEONG

Independent Non-Executive Director

Male



AGE 71

HO SIN KHEONG was appointed to the Board as an Independent Non-Executive Director on 7 August 2020. He is currently a member of the Audit Committee, the Nomination Committee and the Remuneration Committee.

He began his career as a lecturer in Universiti Sains Malaysia, his Alma Mater. He graduated with a Master of Science from the Universiti Sains Malaysia in 1983 and a Bachelor of Science with Education (Honours) degree from the Universiti Pertanian Malaysia in 1979.

He has over 38 years of working experience in banking and Information Technology ("IT"). He started his first commercial career in NCR Malaysia from 1983 till 1988. He later moved on to assume the role of Head of IT/Chief Information Officer in various banks in Malaysia which included Ban Hin Lee Bank Berhad (1988 to 1997), United Overseas Bank (Malaysia) Bhd (1997 to 2003), RHB Bank Malaysia Bhd (2008 to 2014), MBSB Bank Berhad (2017 to 2018) and Kuwait Finance House Malaysia (2019 to

2020). In IT, he had experience working in eBworx Berhad from 2003 to 2005 as an Executive Director and a board member. From 2005 to 2007, he was the Executive Director in a mobile payment services start-up called Mobile Money Sdn Bhd and pioneered the mobile payment using handphones in Malaysia.

He has vast experience in core retail banking system, delivery channels system like branch teller system, internet and mobile banking, mobile payment system, data warehousing and big data analytics. He has excelled in project management and people management with successful implementation in numerous multi-million projects.

He does not hold any directorship in other public company. He does not have any family relationship with any director and/or major shareholder of Engtex Group Berhad. He attended all five Board meetings held during the financial year ended 31 December 2025.

Directors' Profile

DATO' LEANNE KOH LI ANN

Independent Non-Executive Director

Female



52

DATO' LEANNE KOH LI ANN was appointed to the Board as an Independent Non-Executive Director on 28 May 2021. She is currently the Chairman of the Audit Committee and a member of the Nomination Committee and the Remuneration Committee. She graduated with a Bachelor of Laws degree and a Bachelor of Commerce degree from the Australian National University in 1997. She is also a member of the Chartered Tax Institute of Malaysia and the International Fiscal Association. Dato' Leanne Koh completed her chambering with Messrs. Lee Hishammuddin, a Kuala Lumpur-based firm specialising in corporate and commercial law, and was admitted to the Malaysian Bar in 1998. Following her chambering, she gained experience within the Litigation Department and subsequently the Corporate Department of the same firm before joining KPMG Malaysia in June 2000. As a member of KPMG Malaysia's corporate tax practice team for over 20 years, Dato' Leanne Koh has provided comprehensive corporate tax advice relating to a wide range of domestic and international transactions and exercises, including inbound and outbound investments, cross-border and domestic regulatory issues, mergers and acquisitions ("M&A"), Initial Public Offerings, international tax advisory, tax due diligence, corporate tax diagnostic reviews, group tax planning, and advising on structured finance products and the structuring of commercial contracts for tax efficiency. She served as Executive Director of Corporate Tax at KPMG Malaysia for approximately 15 years until

her retirement in June 2020. Throughout her career, Dato' Leanne Koh has also acted in advisory capacities for the Securities Commission and Bank Negara Malaysia concerning tax issues related to ABS structures and Islamic financing. Additionally, she has delivered presentations at seminars and conferences addressing tax issues pertaining to M&As and international tax planning. Furthermore, she possesses substantial legal experience in insolvency law and corporate and commercial restructurings, particularly in receiverships, liquidations, banking litigation, and administrative law matters. Dato' Leanne Koh resumed her legal practice in July 2020 and served as a partner at Messrs. Mah-Kamariyah & Philip Koh in the Corporate and M&A Department until January 2023. She is currently a director of DL Partners Sdn. Bhd. which provides business management consultancy services in relation to M&A, buy and sell side engagements, corporate reorganisation, financial restructuring, capital raising, arrangement of acquisition financing, strategic consulting and tax advisory.

She currently sits on the Board of Inta Bina Group Berhad and Panda Eco Systems Berhad as an Independent Non-Executive Director.

She does not have any family relationship with any director and/or major shareholder of Engtex Group Berhad. She attended all five Board meetings held during the financial year ended 31 December 2025.

OTHER INFORMATION:

- All the Directors are Malaysian.
- The Group has entered into recurrent related party transactions with parties in which the directors of the Company, namely Tan Sri Dato' Ng Hook, Dato' Ng Chooi Guan and Ng Yik Soon have direct and/or indirect interests as disclosed in the notes to the Financial Statements section of the yearly Annual Report.
- Puan Sri Datin Yap Seng Kuan and Ng Koi Lin are interested in the recurrent related party transactions by virtue of being the spouse and daughter of Tan Sri Dato' Ng Hook respectively.
- Save for the above mentioned disclosure, none of the other directors have any conflict of interest with the Company.
- None of the Directors has been convicted of any offences other than traffic offences, if any, within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the year.
- Tan Sri Dato' Ng Hook, Dato' Ng Chooi Guan and Ng Yik Soon are siblings. Tan Sri Dato' Ng Hook and Puan Sri Datin Yap Seng Kuan are indirect major shareholders of Engtex Group Berhad.

KEY SENIOR MANAGEMENT PERSONNEL PROFILE

Apart from the Group Managing Director and Executive Directors, the Key Senior Management also comprises the following personnel.

CHEAH HOCK KEE

Male



AGE 64

CHEAH HOCK KEE is currently the Director and General Manager of Allpipes Technology Sdn Bhd (“Allpipes”). He holds a Diploma in Management from the Malaysian Institute of Management in 1988. He started his career in 1984 as an Estimator with Petro-Pipe Industries and was later promoted to Marketing Manager in 1989 to market and sell steel pipe and fittings. In 1993, he joined Accurate Industrial Steel Sdn Bhd as General Manager overseeing

the steel pipe factory operation until 1999 prior to joining Allpipes in 2000. He is overall responsible for the sales and marketing, and operations of the mild steel concrete-lined pipes and fittings and pipe piles manufacturing divisions. He does not hold any directorship in other public company. He does not have any family relationship with any director and/or major shareholder of Engtex Group Berhad.

HOW KON FOOK

Male



AGE 70

HOW KON FOOK is currently the Director of Sales of Benton Corporation Sdn Bhd (“Benton”). He commenced his career in 1974 when he joined a hardware store as a store hand. He served for 2 years before moving to Hup Huat Hardware Sdn Bhd as counter sales personnel from 1978 to 1980. Subsequently he was employed as a Sales Representative in Yong Hardware Sdn Bhd for

9 years prior to joining Benton as Sales Manager. He is overall in-charge of the distribution of pipes, valves, fittings, general hardware products, steel products and plumbing materials primarily in East Malaysia. He does not hold any directorship in other public company. He does not have any family relationship with any director and/or major shareholder of Engtex Group Berhad.

KHOO CHONG KEONG

Male



AGE 57

KHOO CHONG KEONG is currently the Chief Financial Officer and Joint Company Secretary of the Group. He is a member of the Malaysian Institute of Certified Public Accountants (“MICPA”) and the Malaysian Institute of Accountants (“MIA”).

He started his career in 1990 as an audit assistant in Arthur Andersen & Co. and left the firm as an Audit Manager after serving the Audit and Business Advisory division for more than 10 years. He joined Selangor Properties

Berhad in 2000 as the Finance Manager and later joined Engtex as the Group Internal Audit and Enterprise Risk Management Manager in 2001. He was promoted to Group Finance Manager in 2002 and later assumes his current position in 2004. He is responsible for the overall financial management, accounting, secretarial and corporate function of the Group. He does not hold any directorship in other public company. He does not have any family relationship with any director and/or major shareholder of Engtex Group Berhad.

LEE GEOK AI

Male



AGE 70

LEE GEOK AI is currently the General Manager of EPCM Sdn Bhd. He holds a Bachelor of Science (Honours) in Civil Engineering from University of Glasgow Scotland and a Master of Construction Management from University of New South Wales Australia. He started his career as a Contract Engineer with Drainage and Irrigation Department under the Ministry of Agriculture from 1982 to 1983 and later joined Ooi Bok Khoo as Project Engineer in Building Construction from 1984 to 1986. He joined Ahmad Zaki Sdn Bhd in 1988 as Site Engineer and later promoted to Regional Manager in 1990 and then to Technical General

Manager in 1994. He joined Tiaraview Management Sdn Bhd as General Manager from 1996 to 2008 to oversee the property development management prior to joining the Group in 2009. He is currently responsible for overseeing the property development and management of Property Development segment. He was appointed to the Board of Topvision Eye Specialist Berhad on 1 October 2024 as an Independent Non-Executive Chairman. He does not have any family relationship with any director and/or major shareholder of Engtex Group Berhad.

Key Senior Management Personnel Profile

NG CHIN MAN

Male   67

NG CHIN MAN is currently the Director and Factory Manager of Allpipes. He commenced his career upon completing his secondary education as a welder in Ban Lee Iron Works from 1974 to 1978 and thereafter undertook steel subcontracting works. In 1981, he set up his own

business of manufacturing iron grilles and steel products with his sibling before joining Allpipes in 1986. He is currently responsible for the factory operation of mild steel concrete-line pipes and fittings, and pipe piles divisions. He does not hold any directorship in other public company.

NG YOU CHAI

Male   69

NG YOU CHAI is currently the Director and Group Logistics and Operations Manager of Engtex. He commenced his career in the grocery business upon completing his secondary education from 1973 to 1977. In 1977, he joined Selangor Motor Sdn Bhd as counter sales personnel for 4 years before joining his sibling to set up the

business of manufacturing iron grilles and steel products. In 1984, he joined Engtex as a sales representative and was promoted to the current position in 1993. He is responsible for the warehousing operations and logistics handling. He does not hold any directorship in other public company.

OTHER INFORMATION:

- All the key senior management personnel are Malaysian.
- Save for the above mentioned disclosure, none of the key senior management personnel have any conflict of interest with the Company.
- None of the key senior management personnel has been convicted of any offences other than traffic offences, if any, within the past five (5) years and has not been imposed of any public sanction or penalty by the relevant regulatory bodies during the year.
- Ng Chin Man and Ng You Chai are siblings to Tan Sri Dato' Ng Hook. Tan Sri Dato' Ng Hook and Puan Sri Datin Yap Seng Kuan are indirect major shareholders of Engtex Group Berhad.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis aims to provide our shareholders and other stakeholders with an overview of our Group's business conditions, operations and financial performance for the Financial Year Ended 31 December 2025.

BUSINESS AND OPERATIONS

Group profile

The principal activities of the Group can be divided into four strategic business segments, and the following summary describes the operations in each of the business segments:



Wholesale and distribution



Manufacturing



Property development



Hospitality



This includes the wholesale and distribution of pipes, valves and fittings ("PVF"), plumbing materials, steel-related products, general hardware products and construction materials.



This includes the manufacturing and sale of steel and ductile iron PVF, manhole covers, hydrants, industrial casting products, welded wire mesh, hard-drawn wire, bitumen products and other steel-related products.



This includes the property development and investment activities.



This includes the operation of hotel rooms, food and beverage, meeting and function rooms, and other hospitality services.

Other non-reportable segments comprise operations related to corporate assets and expenses, and other operations which are not sizeable to be reported separately.

Key market area and geographical locations

The Group operates in Malaysia. The geographical location of its business operations is as follows:



Two (2) primary warehousing operations located at Selangor and Penang, respectively.



Twelve (12) manufacturing operations, of which four (4) are located at Selangor, four (4) are located at Pahang and one (1) each is located at Penang, Johor, Sabah and Melaka respectively.



Two (2) completed property development projects, namely Emerald Avenue located at Selayang and Amanja located at Kepong, Selangor.



A 144-room hotel, "Ibis Style" located at Bandar Sri Damansara, Kuala Lumpur and a 120-room hotel, "Mercure" located at Selayang, Selangor. The 72-room hotel, "Avenue J" located at Leboh Pasar, Kuala Lumpur, which was disposed of in August 2024, had ceased operation on 30 June 2025.

Management Discussion and Analysis

BUSINESS AND OPERATIONS (CONTINUED)

Vision

To be the leading integrated manufacturer and one-stop distribution centre for PVF, plumbing and steel products and construction materials that provide total supply-chain solutions to our customers in the water supply, sewerage, fire -fighting, heat ventilation and air conditioning systems, infrastructure and construction industries.

Mission

To deliver sustainable good financial returns through our unwavering commitment to high standards, innovation, productivity and competence in providing products and services of international quality that are value-focused and meet the needs of our customers.

Value

- Customer Satisfaction
- Safety and Environment
- Shareholder Value
- Integrity and Professionalism
- Quality Management
- Corporate Responsibility

Financial Highlights

The last five (5) years' financial information and share performance are disclosed in the Financial Highlights section of this Annual Report.

FINANCIAL PERFORMANCE

General overview

Overall, Malaysia's economy grew by 5.2% in 2025, driven by strong domestic demand and favourable exports and exceeded the forecast range of 4% to 4.8%. Growth in household spending was higher, driven by positive labour market conditions and income-related policy support. The strong investment growth was underpinned by stronger machinery and equipment spending, particularly for data centres, and ongoing implementation of multi-year projects by both the private and public sectors. In the external sector, exports continued to strengthen, led mainly by stronger exports of electrical and electronics ("E&E") goods. Inbound tourism and information and communication technology ("ICT")-related services also contributed to the growth of services exports and surplus in the current account balance. Meanwhile, imports remained strong, driven by the rebound in intermediate goods to support economic activity and productive capital-related goods reflecting the realisation of ongoing investment projects. On the supply side, growth was mainly accounted for by the expansion in the services and manufacturing sectors. Higher growth in the services sector was mainly driven by consumer-related subsectors, government services as well as ICT subsector following the operationalisation of data centres. In the manufacturing sector, performance was driven by stronger production in the E&E sub-sector induced by higher demand from the global technology expansion, alongside the increased output of consumer-related goods. (Source: *BNM Economic and Financial Developments in Malaysia in the Fourth Quarter of 2025*)

Malaysia faced significant challenges in expanding its market share in the global steel market primarily due to fierce competition from established steel-producing Asian nations. As a counter-measure to address unfair trade practices, Malaysia has imposed 5-year anti-dumping duties effective from 11 May 2025 on certain flat-rolled products of iron or non-alloy steel from China, India, Japan and South Korea. (Source: *The Bernama dated 13 May 2025*)

The national target to reduce non-revenue water ("NRW") to 31% by 2025 has been stalled citing financial strain on water operators and COVID-19 pandemic in 2020 and 2021 disruptions as key obstacles, and achieving the target requires continuous initiatives and substantial investment. The financial position of less sustainable operators has limited their ability to implement current NRW reduction programmes. The Government of Malaysia ("GOM") cited that existing water tariffs do not reflect the true cost of operations and this has led the nationwide water tariff hikes in 2024 and followed by subsequent water tariff adjustments effective from 1 September 2025 across all states in Peninsular Malaysia and Labuan except Perak, aimed at improving the infrastructure, increase cash flow for water operators and covering higher operational costs. The GOM has also outlined enhanced programmes through Phases 1 and 2 of the National NRW Reduction Programme and the initiatives include the replacement of critical pipelines nationwide and a holistic NRW solution in several states. Incentive schemes for water operators are also being continued under the National NRW Programme Approach 2. With these initiatives, an NRW target of 28.8% is expected to be achieved by 2030. (Source: *The Newswav dated 24 February 2026*)

Management Discussion and Analysis

FINANCIAL PERFORMANCE (CONTINUED)

Financials

As the Group continued to face heightened market competition amid the weak market demand for most of 2025 which resulted in lower selling prices on certain metal-related trading products, the Group recorded a marginal year-on-year decline of 1.9% in net revenue of RM1.4 billion (2024: RM1.5 billion). However, the Group was able to record a significant increase in the earnings before interest, income tax, depreciation and amortisation (“EBITDA”) by 28.1% to RM87.0 million (2024: RM67.9 million) and pre-tax profit by 96.1% to RM42.3 million (2024: RM21.5 million). The improvement in profitability margins was mainly due to the lower procurement and production costs, supported by higher production and delivery output for certain metal-related trading products and manufactured steel products. In 2025, the Group disposed a quoted investment with a gain of RM2.1 million (2024: Nil) and completed the disposal of its assets held for sale and leasehold land for a total cash consideration of RM18.2 million (2024: RM22.0 million) with gains of RM10.7 million (2024: RM5.4 million). In addition, there were net losses on the impairment of trade receivables of RM5.3 million (2024: RM3.0 million) and write down of trading and manufactured inventories of RM7.9 million (2024: RM5.2 million). Excluding the above, there was an increase in year-on-year pre-tax operating profit of RM42.8 million (2024: RM24.4 million). Consequently, the Group achieved a higher net profit attributable to owners of the Company of RM26.2 million (2024: RM10.3 million) and earnings per ordinary share of 3.3 sen (2024: 1.3 sen).

The Group’s equity attributable to owners of the Company increased by 4.5% from RM822.6 million as of 31 December 2024 to RM859.3 million as of 31 December 2025 on the back of increased retained earnings and the effect of new shares issued from the exercise of warrants. Accordingly, the net assets per share remained unchanged at RM1.06 as of 31 December 2024 and 31 December 2025 respectively. The net debt-to-equity ratio decreased to 0.44 times (2024: 0.53 times) in tandem with the decrease in net bank borrowings from RM445.7 million as of 31 December 2024 to RM384.4 million as of 31 December 2025. The borrowings were primarily utilised to procure raw materials and trading inventories, as well as to finance trade receivables and support other working capital requirements. The Group has been vigilant in managing credit control, inventory holdings and cash flow to overcome the challenging business environment.

The staff cost increased by 9.0% in 2025 (2024: 1.7%) as the Group embarked on expanding its business operations and customer network to support growth.

The Group’s weighted average interest rate on bank borrowings declined to 4.5% (2024: 4.9%) as Bank Negara Malaysia (“BNM”) cut the overnight policy rate from 3.00% to 2.75% in nearly 2 years on 9 July 2025 to support economic growth and manage inflation.

The Board declared a final single-tier dividend of 0.6 sen (2024: 0.5 sen) per ordinary share totalling RM5.0 million (2024: RM4.0 million) for the financial year ended 31 December 2025 which was subsequently paid on 31 March 2026. The Board has no plan to establish a definitive dividend policy at this juncture as there is a need to conserve cash for the working capital and capital investment in light of the challenging business environment. Nevertheless, the Board has consistently declared dividends annually since its listing to reward the shareholders for their continued support and confidence in the Group.

Business segments

Wholesale and Distribution segment

The wholesale and distribution segment recorded a net revenue of RM667.1 million (2024: RM696.4 million) which represented a decrease of 4.2% and the segment contributed 46.5% (2024: 47.7%) of the Group’s total net revenue. The decrease in net revenue was mainly due to lower selling prices due to increased market competition in line with of the volatility in both international and domestic metal prices.

This segment recorded a decline of 2.5% in year-on-year EBITDA of RM30.6 million (2024: RM31.4 million) but achieved an increase of 9.5% in year-on-year pre-tax profit of RM15.7 million (2024: RM14.3 million). This segment accounted for 34.5% (2024: 45.4%) of the Group’s EBITDA and 37.0% (2024: 66.3%) of Group’s pre-tax profit.

In 2025, the pre-tax profit included the gains on disposals of quoted investment of RM2.1 million (2024: Nil) and a piece of industrial leasehold land located at Subang New Village, Mukim Sg Buloh, Selangor of RM0.7 million (2024: Nil), net losses on the impairment of trade receivables of RM5.3 million (2024: RM1.6 million) and inventories written down of RM4.1 million (2024: RM4.4 million). Excluding the above, the segment recorded a higher year-on-year pre-tax operating profit of RM22.3 million (2024: RM20.3 million) mainly due to lower procurement costs for certain metal-related trading products.

The new warehouse facility located in the Group’s existing 10 acres of freehold vacant industrial land located at Kapar, Selangor is leased to a third party to generate recurring rental income.

Management Discussion and Analysis

FINANCIAL PERFORMANCE (CONTINUED)

Business segments (Continued)

Manufacturing segment

The manufacturing segment recorded a net revenue of RM746.6 million (2024: RM744.0 million) which represented a marginal increase of 0.4% and the segment contributed 52.1% (2024: 50.9%) of the Group's total net revenue. The increase in net revenue was mainly due to the increase in sales output for most of the manufactured steel products supported by the volatility in international and domestic steel prices. The segment recorded significant increase of 76.1% in year-on-year EBITDA of RM56.0 million (2024: RM31.8 million) and 380.9% in year-on-year pre-tax profit of RM29.0 million (2024: RM6.0 million). This segment accounted for 63.3% (2024: 46.0%) of the Group's EBITDA and 68.7% (2024: 28.0%) of the Group's pre-tax profit.

In 2025, the pre-tax profit included the gain on disposal of vacant industrial leasehold land located at Bandar Rasa, Daerah Hulu Selangor, Selangor of RM10.0 million (2024: Nil), net losses on impairment of trade receivables of RM0.04 million (2024: RM1.4 million) and inventories written down of RM3.8 million (2024: RM0.8 million). Excluding the above, the significant improvement in year-on-year pre-tax operating profit of RM22.8 million (2024: RM8.3 million) was mainly due to lower procurement and production costs, supported by higher production and delivery output for certain manufactured steel products.

Property Development segment

This segment recorded net revenue of RM5.3 million (2024: RM7.0 million) and contributed 0.4% (2024: 0.5%) to the Group's net revenue. The revenue was mainly derived from the sale of property in the Amanja project located at Kepong. The residential units for the Amanja project were 98.2% (2024: 95.5%) sold as of 31 December 2025.

The Amanja project has 6 unsold residential and commercial units, while the Emerald Avenue has 26, available for lease or sale. This segment recorded a higher year-on-year pre-tax loss of RM2.4 million (2024: RM1.2 million) primarily due to lower selling prices for units sold under the Amanja project.

Hospitality segment

This segment recorded an increase in net revenue of RM13.9 million (2024: RM13.7 million) based on the higher number of rooms sold of 65,935 (2024: 64,537), an increase in average occupancy rates of 60.3% (2024: 52.5%) and higher meetings, incentives, conferences and exhibitions ("MICE") activities during the current financial year.

Excluding the gain on disposal of Avenue J hotel located at Kuala Lumpur of RM5.4 million in 2024, which has led to the cessation of hotel operation on 30 June 2025, this segment recorded a lower year-on-year pre-tax operating loss of RM2.2 million (2024: RM2.6 million) primarily due to lower borrowing cost and depreciation of RM3.1 million (2024: RM3.6 million).

Future outlook

General overview

For 2026, while the impact of tariffs could weigh on global growth, the outlook remains resilient, supported by sustained domestic demand, moderating inflation, robust tech investments and supportive fiscal and monetary policies. Downside risks remain, arising from potentially higher tariffs, further escalation in geopolitical tensions and heightened volatility in global financial markets. Upside potential includes stronger tech spending, a milder tariff impact on economic activity and pro-growth policies in major economies. Malaysia's economy is expected to grow between 4.0% to 4.5% in 2026, supported by resilient domestic demand and exports. On the domestic front, household spending will benefit from the continued support from employment and wage growth, as well as Government policy measures. Investment activity will be driven by the further progress of multi-year projects in both the private and public sectors, with continued realisation of approved investments and implementation of catalytic initiatives under national master plans and the Thirteenth Malaysia Plan ("13MP"). On the external front, export growth will be underpinned by steady global demand, particularly for E&E goods. Growth will also be supported by increased tourism activities following the launch of Visit Malaysia Year 2026 ("VMY2026"). (Source: BNM Quarterly Bulletin Fourth Quarter 2025)

The GOM rolled out its maiden budget under the 13MP focusing on fiscal sustainability, economic modernisation and social welfare by allocating a total expenditure of RM470.0 billion, of which RM81.0 billion is allocated for development expenditure. The Malaysian economic is projected to grow at a moderate rate of between 4.0% to 4.5% in 2026 (2025: 4.5% to 5.5%) with a reduced 3.5% fiscal deficit target. The focus of the development expenditure in respect of water management is evidenced by the allocation of RM3.0 billion to replace over 820 km of ageing water pipes across six states in Peninsular Malaysia, RM2.2 billion for 43 high-priority flood mitigation projects and RM13.0 billion over 5 years investment by Pengurusan Aset Air Berhad ("PAAB") in several water treatment plants, including the Langat 2 project. (Source: Malaysian Budget 2026)

Management Discussion and Analysis

FINANCIAL PERFORMANCE (CONTINUED)

Future outlook (Continued)

General overview (Continued)

Malaysia's steel industry is undergoing a major structural transformation under the Steel Industry Roadmap 2035 launched in 2025 to curb overcapacity, enforce a moratorium on new capacity, and pivot toward green production. The industry faces high input costs, intense competition from low-priced imports, and strict environmental regulations.

The ongoing geopolitical tensions in the Middle East and Russia-Ukraine are causing disruptions to world trade and economic activities, driving higher energy prices and volatility in financial markets. The situation remains highly fluid and adds to an already uncertain global economic environment. The severity of economic impact on the region and the global economy will depend on the extent and duration of the conflicts.

The above domestic and global economic outlook is expected to present a challenging environment for our existing businesses across all segments, which are primarily focused on the domestic market.

Wholesale and Distribution segment

Our wholesale and distribution segment has consistently contributed to the Group's net revenue and profitability; however it continues to face a challenging business environment arising from lower selling prices amid heightened market competition and persistently weak market demand. The segment continues to position itself as a one-stop solution provider of PVF to its extensive nationwide customer network across the utilities, construction and infrastructure sectors. It will continue to expand and optimise the utilisation of its warehousing facilities based in Selangor and Penang, while deploying its resources efficiently to source both existing and new trading products.

The segment has set up its own warehouse facility on its existing 5 acres leasehold industrial land located at Kuching, Sarawak to distribute the Group's metal-related trading products and manufactured steel products in Sarawak beginning from 2026. An adjacent factory building is also under construction for the future manufacturing of steel-related products.

Manufacturing segment

The manufacturing segment has remained the major revenue contributor for the Group over the past 3 years and continues to serve as a key growth driver, with the capacity to meet future domestic market demand and further enhance its contribution to the Group.

The 2 mild steel concrete-lined ("MSCL") pipe plants are located at Serendah, Selangor and Kuantan, Pahang and are the leading MSCL pipe producers in Malaysia, with a total installed production capacity of 66,000 metric tonnes ("MT") per annum. They are one of two local players in Malaysia that can produce the largest diameter MSCL pipe of up to 3.0 meter. Their utilisation rate in 2025 has softened to 36.0% (2024: 40.6%) mainly due to the delay in implementation of NRW projects. The Group has plans to set up new MSCL production lines and expand the MSCL pipes storage capacity on its existing 47.6 acres freehold industrial land located at Batang Kali, Selangor in order to meet future demand for large diameter MSCL pipes.

The ductile iron ("DI") pipe plant located at Kuantan, Pahang which has an installed production capacity of 60,000 MT per annum is currently the sole producer of DI pipe in Malaysia. The plant can produce the largest diameter DI pipe up to 1.2 meter. Its utilisation rate in 2025 surged to 42.1% (2024: 29.0%) due to strong market demand.

Both the MSCL and DI pipes are for water and sewerage purposes and are well-positioned to participate in the NRW programmes and new pipe laying projects undertaken by PAAB, our national water assets holding company, and other states water authorities including those in Terengganu, Sabah and Sarawak. They are also well-placed to serve the growing market for the supply of water pipes to data centres throughout Malaysia. There are 5 factories located at Selangor, Penang, Johor, Pahang, and Sabah which produce welded wire mesh and hard-drawn wire products, with a total installed production capacity of 210,000 MT per annum to serve the construction and property development sectors in Malaysia and the overseas market. The utilisation rate in 2025 increased to 68.3% (2024: 57.2%) to meet strong market demand. This division is also embarking on continuous investment in green technology and new generation machineries in 2026 to lower production cost and be more competitive in the market place.

Management Discussion and Analysis

FINANCIAL PERFORMANCE (CONTINUED)

Future outlook (Continued)

Manufacturing segment (Continued)

There are 2 Electric Resistance Welded (“ERW”) pipe plants located at Kuantan, Pahang and Ijok, Selangor, with a total installed production capacity of 120,000 MT per annum, which produce ERW pipe and hollow sections of various sizes catering for water irrigation and agricultural, civil engineering, steel tower, building construction, infrastructure, utilities and general engineering sectors. The utilisation rate in 2025 was lower at 38.5% (2024: 43.0%) partly due to the relocation of production lines from the Kuantan plant to the Ijok plant to better manage the production cost and to cater for higher demand in the west coast of Peninsular Malaysia. The Group has warehouse and production facilities adjacent to the existing plant located at Ijok for storage and future expansion of business.

The steel mill located at Merlimau, Melaka, with an installed production capacity of 96,000 MT per annum, can produce steel bars of various sizes for the construction and property development sectors in Malaysia. The utilisation rate in 2025 was higher at 37.5% (2024: 27.8%) and the mill has ample capacity to meet future market demand. There is plan to expand into the production of wire products and iron grilles at the adjacent land in the second half of 2026.

Property Development segment

The Emerald Avenue mixed residential and commercial development project located at Selayang, Selangor has a total 26 units of unsold residential units and investment properties comprising retail lots, carparks and walk malls with book values of approximately RM33.1 million (2024: RM33.6 million). The Amanja project located at Kepong, Selangor has a total 6 units of unsold residential units and investment properties comprising a retail unit and carparks with book values of approximately RM9.7 million (2024: RM15.3 million).

The development of 11 plots of vacant leasehold industrial land located at Bandar Sungai Buloh, Selangor measuring approximately 2.6 acres into light industrial building lots is pending approval from relevant authorities.

Hospitality segment

The National Tourism Policy 2020-2030 was launched on 23 December 2020 and aims to ensure the continuity of the country's tourism industry and make Malaysia a preferred tourism destination at the global level. The GOM allocated over RM700 million in the Budget 2026 to boost Malaysia's tourism sector, primarily targeting 47 million international visitors and RM329 billion in tourism revenue. Key measures include RM500 million for VMY2026, RM1,000 tax relief for domestic travel and tax exemptions for tourism operators etc. However, the VMY2026 may be impacted by the escalation of geopolitical tensions in the Middle East and a shift in global sentiment.

Further to the closure of the Avenue J hotel located at Kuala Lumpur on 30 June 2025, the segment will focus on revenue management of the remaining 2 hotels located at Selayang, Selangor and Bandar Sri Damansara, Kuala Lumpur and intensify its marketing plan to offer attractive rooms and MICE packages to the local government agencies and private sectors while maintaining attractive room rates for foreign and local tourists, and walk-in guests.

Risk and mitigating factors

The performance of the Group will be affected by factors such as uncertainties in the domestic demand and prices arising from the impact of the global and domestic economic outlook, volatility in the international and domestic metal prices, and the timely implementation of large-scale projects in the utilities, infrastructure, construction and property development sectors. The Group will continue to focus on expanding its existing metal-related product range for its wholesale and distribution segment locally and abroad. It will improve, automate, optimise and expand its operating capacity and continue to actively source for new business opportunities in its manufacturing segment. The Group is committed to improve its cash flow while maintaining sustainable operations. It will continue to implement prudent credit and cash flow management, diversify income generating sources, identify cost savings opportunities, maintain optimum inventories holding level, improve production efficiency, explore export market opportunities and divest some non-core assets to enhance returns to our stakeholders.

Management Discussion and Analysis

CORPORATE EXERCISE

Warrants 2021/2026

During the financial year, 39,331,300 (2024: 1,770,000 and 15,395,750) warrants were exercised by the registered warrant holders to subscribe for 39,331,300 (2024: 17,165,750) new ordinary shares in the Company at the price of RM0.40 (2024: RM0.70 and RM0.40) per ordinary share for every warrant exercised.

The exercise period of the Company's Warrants 2021/2026 is for five (5) years up to and including 4 September 2026 at an exercise price of RM0.40 per Warrant. As of 31 December 2025, 133,075,488 (2024: 172,406,788) Warrants 2021/2026 remained unexercised.

ENVIRONMENT, SOCIAL AND GOVERNANCE INITIATIVES

The Board determines the general course of the Group's sustainability development and focuses on creating value for its stakeholders. The sustainability efforts extend across all facets of our businesses, from stringent environmental management practices in our operational processes to fostering inclusive workplaces and supporting the communities where the Group operates. The Group is proud to uphold the highest standards of integrity, humility, and excellence in all our endeavours, ensuring sustainability remains at the forefront of our decision-making processes. Our net zero decarbonisation roadmap targets carbon neutrality by 2050 in line with the Malaysia's National Energy Transition Roadmap. The Group's sustainability initiatives are in a separate Sustainability Report 2025.

The Group constantly upholds the principles of good corporate governance which is fundamental to the sustainable creation of shareholders' values. These practices are set out in this Annual Report's Corporate Governance Overview Statement section.

The Group has completed the installation, testing and commissioning of rooftop Solar Photovoltaic ("PV") projects at 7 locations to generate renewable energy with a total installed capacity of 3.7 million kWp with total investment cost of RM5.4 million to mitigate the rising electricity costs and promote a cleaner environment. In addition, 2 identified locations for Solar PV have been successfully awarded with planned capacities of 1,600 kWp at an investment cost of RM2.2 million, while another 6 more identified locations are either on hold or pending vendor preliminary study on the proposed Solar PV capacities.

AUDIT COMMITTEE REPORT

The Board of Directors (“Board”) of Engtex Group Berhad (“Company”) is pleased to present the report of its Audit Committee (“AC”) for the financial year ended 31 December 2025.

1. SALIENT FEATURES OF THE TERMS OF REFERENCE

The principal objective of the AC is to assist the Board in discharging its statutory duties and responsibilities relating to the accounting and reporting practices of Engtex Group Berhad and its subsidiaries (“Group”). In addition, the AC shall:

- a. oversee and appraise the quality of the audits conducted by both the Group’s external auditors and Internal Audit Function (“IAF”);
- b. maintain open lines of communication between the Board, the Internal Audit Department (“IAD”) and the external auditors for the exchange of views and information, as well as to confirm their respective authority and responsibilities; and
- c. determine the adequacy of the Group’s administrative, operating and accounting controls.

2. MEMBERS AND MEETINGS OF THE COMMITTEE

The AC comprises three (3) members who are all independent and non-executive directors. The AC met five (5) times during the financial year and the details of its members and their attendance at the AC meetings during the financial year are as follows:

Name of Directors	Meeting Attendance
Dato’ Leanne Koh Li Ann <i>(Chairperson, Independent Non-Executive Director)</i>	5/5
Dr. Lim Pang Kiam <i>(Member, Independent Non-Executive Director)</i>	5/5
Ho Sin Kheong <i>(Member, Independent Non-Executive Director)</i>	5/5

The AC has fulfilled the requirement of Paragraph 15.09 of the Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements, which states that at least one (1) member of the AC must be a member of the Malaysian Institute of Accountants.

Minutes of AC meetings were recorded and tabled at the subsequent meeting and thereafter presented to the Board for notation.

3. ACTIVITIES DURING THE YEAR

The main activities performed by the AC during the financial year were as follows:

External Reporting:

- a. Reviewed the quarterly financial results and year-end financial statements before recommending them for approval by the Board, particularly in relation to:
 - i. Implementation of major changes in accounting policies;
 - ii. Significant and unusual events;
 - iii. Going concern assumptions; and
 - iv. Compliance with accounting standards and other regulatory requirements.
- b. Reviewed the circular to shareholders in relation to the renewal of shareholders’ mandate for recurrent related party transactions of a revenue or trading nature and recommended the same to the Board for approval and circulation.
- c. Issued the AC Report, reviewed the Statement on Risk Management and Internal Control and Corporate Governance Overview Statement, and recommended to the Board for inclusion in the Company’s Annual Report.
- d. Reviewed the Corporate Governance Report for disclosure in line with the Malaysian Code on Corporate Governance updated in 2021 (“MCCG”) to the Bursa Securities.

Audit Committee Report

3. ACTIVITIES DURING THE YEAR (CONTINUED)

External Audit:

- a. Reviewed with the external auditors their audit plan for the statutory audit of the Group's financial statements for the financial year ended 31 December 2025 which states the nature and scope of the audit and the lead external auditor's responsibility to manage the coordination of the audit where more than one audit firm is involved.
- b. Reviewed with the external auditors their evaluation of the systems of internal control as well as their findings, recommendations and associated management responses.
- c. Discussed with the external auditors the problems and reservations arising from the external audit and any matters the external auditors may wish to address.
- d. Reviewed and recommended the re-appointment of external auditors of the Company for the financial year ended 31 December 2025, as well as fixing the external auditor's remuneration.

Internal Audit and Risk Management:

- a. Reviewed the adequacy of the scope, function, competency and resources of the IAD, whether in-house or co-outsourced, where necessary, and that it has the necessary authority and capacity to carry out its work.
- b. Appraised the performance of the IAD staff including the approvals for the appointment, termination and resignation of IAD staff thereof.
- c. Reviewed the internal audit programmes, major findings of internal audit investigation and management's responses, and ensured that the appropriate actions were taken on the recommendations of the IAD.
- d. Reviewed the reports from the Risk Management Committee in respect of the Group's principal operation and business risks and the Group's risk management framework, policy and procedure in place to identify and address these risks.
- e. To promptly report any matters resulting in the breach of the Bursa Securities Listing Requirements to the Board. Where the AC is of the opinion that such matters reported by it to the Board have not been satisfactorily resolved, the AC shall promptly report such matters to Bursa Securities.
- f. To consider any other function that may be mutually agreed upon by the AC and the Board, which would be beneficial to the Company and ensure the effective discharge of the AC's duties and responsibilities.

Others:

- a. Reviewed any related party transaction and conflict of interest situation that arose, persists or may arise within the Group, including any transaction, procedure or course of conduct that raises the question of management integrity, and measures taken to resolve, eliminate or mitigate such conflicts.
- b. Reviewed the annual budget of the Group tabled by the management for the financial year ending 31 December 2025 and the general outlook for the subsequent four (4) financial years.

4. CONFLICT OF INTEREST

For the financial year under review, the AC has not received any reports from the Directors or key senior management relating to conflict of interest or potential conflict of interest situations that they may have with the Group.

5. EVALUATION OF AUDIT COMMITTEE

For the financial year under review, an evaluation was carried out on the terms of office, competency and performance of the AC. As all the Nomination Committee members are also members of the AC, the evaluation was carried out by all directors who are non-AC members. The Board was satisfied that the AC and its members had carried out their duties in accordance with the AC's Terms of Reference.

6. TRAINING

The training and seminars attended by the directors during the financial year are disclosed in the Corporate Governance Overview Statement in this Annual Report.

Audit Committee Report

7. INTERNAL AUDIT FUNCTION

The Group's IAF consists of an in-house IAD and its co-sourced partner Moore Risk Consulting Sdn Bhd ("Moore") whose practices are guided by the International Professional Practices Framework ("IPPF"). The IAD is further governed by its Internal Audit Charter and Moore conducted their work based on the Committee of Sponsoring Organisations of the Treadway Commission ("COSO") framework.

The IAD consists of a Head of Internal Audit and Risk Management, Mr. Tan Kah Chuan, who has more than ten (10) years of experience in internal audit, risk management and governance and is a member of The Institute of Internal Auditors Malaysia. He is free from any relationships or conflict of interest which could impair his objectivity and independence.

The engagement team from Moore is led by Mr. Joe Lee, who is a Certified Internal Auditor, Certified Professional in Supply Management, Certified Public Accountant and Chartered Accountant and has more than twenty (20) years of related experience. The firm and the engagement team are also free from any relationship or conflict of interest, which could impair their objectivity and independence.

The collaborative internal audit arrangement was discontinued during the first quarter of 2025, following which internal audit services were performed solely by the IAD.

The primary role of the IAF is to provide assurance by assessing and reporting on the effectiveness of the systems of internal control, risk management and governance processes implemented to help the Group achieve its strategic, operational, financial and compliance objectives. It carries out its function based on its annual audit plan which is developed based on a risk-based approach to determine the priorities, objectives and scopes of its activities. The major activities carried out during the financial year were as follows:

- a. Evaluated the adequacy and effectiveness of key internal control features derived from the risk assessment of selected business units within the Group.
- b. Conducted follow-up audits on the agreed improvement plans implemented by the relevant business units and assessed the results of the implementations thereon, and advised the AC accordingly.
- c. Ascertained the extent of compliance with established Group policies and procedures and statutory requirements.
- d. Reviewed, on a quarterly basis, the Recurrent Related Party Transactions ("RRPT") within the Group in respect of the adequacy in identifying the relevant related parties, the completeness and accuracy of the amount of RRPT reported to the AC, whether the RRPT was transacted at arm's length, in compliance with the Group's RRPT reporting procedures, and within the Shareholders' mandate given in the latest Annual General Meeting of the Company.
- e. Reviewed new and updated policies and procedures of the Group and advised on areas pertaining to internal control features and the efficiency and integrity of the reporting structure.
- f. Validated with the Risk Management Committee, the results of the Group's risk management process and report to the AC.
- g. Reviewed the various corporate policies with respect to compliance with the MCCG.
- h. Presented, on a quarterly basis, the significant findings with root-cause analysis, its evaluation on the effectiveness of internal control, risk management and governance processes, as well as recommendations and agreed improvement plan thereon to the AC.
- i. Developed internal audit strategies and annual audit for year 2026 based on risk assessment of the Group. The internal audit plans had been approved by the AC.

The cost of operating the IAF for the financial year was approximately RM189,000.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Engtex Group Berhad (“Company”) recognises the importance of practising good corporate governance in order to achieve long-term success of the Company and deliver sustainable value to its shareholders and other stakeholders. As such, the Board is committed to practising good corporate governance as prescribed in the Malaysian Code on Corporate Governance (“MCCG”).

The Company has adopted all the practices and applied the main principles prescribed in the MCCG except for the following:

- Practice 1.4 – The Chairman of the Board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee.
- Practice 5.2 – At least half of the Board comprises independent directors.
- Practice 8.2 – The Board discloses on a named basis the top 5 senior management’s remuneration component in bands of RM50,000.
- Practice 13.3 – The Company as a listed company should leverage technology to facilitate voting including voting in absentia and remote shareholders’ participation at general meetings.

The following section sets out the commitment of the Board towards applying the principles and practices in the MCCG and achieving the intended outcomes of the practices.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. BOARD RESPONSIBILITIES

The Board

The Board is collectively responsible for the long-term success of the Company and the delivery of sustainable value to its shareholders. The responsibilities of the Board are set out in the Board Charter, and include providing strategic direction for the Company, establishing corporate governance standards across Engtex Group Berhad and its subsidiaries (“Group”), and upholding the principles and values of sustainable development and integrating them into its business operations. The Board is also responsible for identifying key risks, ensuring the implementation of appropriate internal control and risk management systems to address such risks, and maintaining effective communication with the shareholders and other stakeholders.

In discharging its duties and responsibilities, the Board delegates the management of day-to-day business operations, as well as the implementation of its approved strategies, business plan, sustainability initiatives and governance policies to the Executive Directors and senior management, under the leadership of the Group Managing Director (“GMD”). The Board also delegates specific responsibilities to the Audit Committee (“AC”), Nomination Committee (“NC”) and Remuneration Committee (“RC”) (collectively referred to as “Committees”), each operating under clearly defined Terms of Reference (“TOR”). These Committees meet periodically and report to as well as provide recommendations and guidance, to the Board on matters deliberated during their meetings.

Board Charter

The Board has a Board Charter which defines the roles and responsibilities of the Board, its Committees, individual directors, the management and the Company Secretaries. It serves as a key reference for Board members and senior management in the discharge of their respective duties and functions. The Board Charter, is subject to periodic review and revision to ensure its continued relevance and alignment with prevailing regulatory requirements and best practices. It is available on the Company’s website at www.engtexgroup.com.my and was last reviewed and updated on 19 April 2024.

Distinct Roles between Board Chairman and GMD

The roles and responsibilities of the Board Chairman and the GMD are distinct and separate to ensure that a balance of power and authority is maintained. The Chairman, being a Non-Executive Director, heads the Board and is responsible for the leadership, effectiveness, conduct and governance of the Board. In contrast, the GMD oversees and manages the day-to-day operations of the Group and undertakes executive decision-making and implementation of policies and decisions.

The roles and responsibilities of the Board Chairman and GMD are prescribed in the Company’s Board Charter, which is available for viewing on the Company’s website.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. BOARD RESPONSIBILITIES (CONTINUED)

Chairman of the Board and Its Board Committees

The Board is mindful of Practice 1.4 of the MCCG and the risk of the Board Chairman's objectivity being impaired arising from his concurrent involvement in the AC, NC and/or RC. At present, the Board comprises three (3) Independent Directors, resulting in the Board Chairman also serving on the respective Committees. Notwithstanding this, the Board has collectively assessed the performance and conduct of the Chairman and is satisfied that he has demonstrated professionalism, competence, objectivity and impartiality in the discharge of his responsibilities as Board Chairman and in his roles on the respective Committees.

Company Secretaries

The Company Secretaries are qualified Chartered Secretaries under the prescribed body as permitted by the Companies Act 2016. The Board members have direct access to the advice and services of the Company Secretaries to enable them to discharge their duties effectively. The Company Secretaries provide information and advice to the Board and its Committees on issues relating to compliance with laws, rules, procedures and regulations affecting the Company.

The Company Secretaries' roles are to:

- Support the Board and its Committees and advise on their respective roles and responsibilities;
- Manage all Board and its Committees' meeting logistics, attend and record minutes of all Board and its Committees' meetings and facilitate Board communications;
- Facilitate the orientation of new directors and assist in director training and development;
- Update and advise the Board and its Committees on the Companies Act 2016, the Company's Constitution, MCCG and compliance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities");
- Monitor corporate governance developments and assist the Board in applying corporate governance practices to meet the Board's needs and stakeholders' expectations;
- Maintain the statutory records;
- Remind the directors and principal officers of the closed period for trading in the Company's securities;
- Advise the Board on corporate disclosures and compliance with company and securities regulations and listing requirements;
- Manage processes pertaining to the annual shareholder meeting; and
- Serve as a focal point for stakeholders' communication and engagement on corporate governance issues.

The Company Secretaries play a vital role in general meetings by ensuring that proper procedures are observed and that the proceedings are conducted in an orderly and effective manner. During such meetings, they assist the Chairman and the Board in facilitating the conduct of the meeting and ensure that accurate minutes are recorded, including the questions and issues raised by shareholders.

The Board is supported by three (3) qualified Company Secretaries. Ms. Lim Seck Wah and Mr. Tang Chi Hoe (Kevin) are both members of Malaysian Institute of Chartered Secretaries and Administrators ("MAICSA"), and Mr. Khoo Chong Keong is a member of the Malaysian Institute of Accountants ("MIA").

The Board is satisfied with the professionalism and competence demonstrated by the Company Secretaries in providing advice and support to the Board and its Committees.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. BOARD RESPONSIBILITIES (CONTINUED)

Supply of Information

The Directors are provided with timely and comprehensive information to enable them to effectively discharge their duties. Notices of Board meetings, together with the agenda set by the Board Chairman and relevant Board papers, are circulated to all Directors at least five (5) days in advance of each Board meeting. This allows sufficient time for the Directors to review the materials, seek additional information and clarifications to facilitate effective and meaningful deliberations and decision-making during the Board meeting. Exceptions may be made in certain ad-hoc or urgent instances where shorter notice is issued with the consent of the Directors.

The minutes of meetings are prepared and circulated to all Directors within a reasonable time after the conclusion of each meeting. Matters deliberated and/or resolved by the Board are properly recorded in the minutes of meetings, which would be confirmed by the Board and signed by the Chairman in the following Board meeting. The minutes of the Board meetings are kept at the Company's registered office.

The Company plans the annual schedule of meetings so that the Directors can provide the required time commitment to attend these meetings. As such, the meeting schedule of the Board and its Committees scheduled for 2025 was prepared and tabled at the Board meeting held in November 2024.

Promoting Good Business Conduct and Healthy Corporate Culture - Code of Ethics and Conduct ("CEC"), Anti-Bribery and Anti-Corruption ("ABAC") Policy, Whistleblowing Policy and Conflict of Interest ("COI") Policy

The Board has established a CEC to formalise its commitment to promoting good business conduct and fostering a healthy corporate culture. The CEC applies to Directors and all levels of personnel of the Group in all their activities directly or indirectly associated with the Group. It sets out key ethical principles including honesty and fairness, respect, professionalism and competency, accountability and compliance, which form the basis for various standards of conduct. These standards cover, among others, matters relating to conflict of interest, abuse of power, corruption, insider trading and money laundering.

The Board has also established an ABAC Policy with the objective of managing the potential risks of and preventing bribery and corruption within the Group. The ABAC Policy outlines the Group's ABAC management and governance framework and responsibilities in relation to ABAC matters, and sets out expectations of those working for the Group in observing and upholding its stance against bribery and corruption. It also provides guidance on how to identify and address issues related to bribery and corruption.

In addition to the CEC and ABAC Policy, the Board has also established a Whistleblowing Policy, which sets out formal channels of communication through which concerned parties may raise relevant matters without fear of reprisals. The Whistleblowing Policy provides a reporting framework for the escalation of genuine concerns regarding impropriety to one's superior, GMD or the Chairperson of the AC.

Furthermore, the Board has implemented a COI Policy to assist the directors and key senior management in identifying, declaring, escalating and addressing COI. The policy is intended to safeguard the Company's interest while supporting the Directors and key senior management in upholding high standards of integrity and ethical conduct.

The CEC, ABAC Policy, Whistleblowing Policy and COI Policy are available on the Company's website and are subject to review and update by the Board as and when needed.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

1. BOARD RESPONSIBILITIES (CONTINUED)

Responsibilities towards Sustainability

The Board has established a Sustainability Policy to provide a framework encompassing Environment, Social and Governance (“ESG”) considerations. The policy is available on the Company’s website and is subject to review and revision by the Board at least once every two (2) years.

The Board determines the overall direction of the Group’s sustainability development and is supported by the Group Management Sustainability Committee (“GMSC”), which comprises selected senior management personnel and is headed by the Chief Sustainability Officer (“CSO”). The GMSC is responsible for developing, implementing and monitoring programmes related to ESG matters. At the business level, the Business Unit Sustainability Committees (“BUSCs”) are responsible for setting sustainability targets and carrying out specific initiatives aligned with their respective functions. The BUSCs report regularly to the GMSC, while the GMSC provides half-yearly updates to the Board.

The Group focuses on creating value for its stakeholders and remains committed to understanding their needs and expectations. Continuous engagement with stakeholders fosters close interaction and helps build a relationship of trust. To ensure that the voices of the stakeholders are heard, the Group has identified the following engagement:

- Customers
- Media
- Employees
- Vendors and Suppliers
- Investors and Financiers
- Industry Associations
- Business Partners
- General Public
- Government and Regulators

The main stakeholders are persons or entities whose actions, interests, or safety may be affected by or have a potential impact on the Group’s activities.

Collaborating with stakeholders to create value is an effective approach to achieving the Group’s strategic goals. The key priorities are shaped by business fundamentals and market conditions. This is why the Group focuses on different groups of stakeholders.

The Group listens to stakeholders’ concerns and feedback, considers legislation, contractual obligations, and industry regulations, and always respects human rights. To address all stakeholders, the Group engages various stakeholder groups according to their functions:

- Communication Channels and Mechanisms – Disseminates information through Company’s website, general meetings, annual reports, corporate announcements, analyst briefings, product briefings, product brochures, e-commerce shopping platform, roadshows and trade exhibitions, etc.
- Feedback and Collection – Collects feedback from internal and external stakeholders.
- Satisfaction Survey – Conducts Customer Satisfaction Survey and collects employees’ responses from questionnaires.
- Membership, Association and Institutions – Collaborates with prominent industry and business associations and institutions.

The Board is kept informed of sustainability development in accordance with the reporting framework described above.

The Board noted the requirement by the MCCG and through its NC, has updated its evaluation methodology and format to incorporate the assessment of the Board’s and senior management’s performance in addressing the Group’s material sustainability risks and opportunities.

The details of the Group’s sustainability development are available in the Sustainability Report 2025.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. BOARD COMPOSITION

Board Composition and Balance

In accordance with its Terms of Reference, the NC reviews the Board structure, size and composition and new appointment/re-election of directors and considers the tenure of each director.

The Board has been refreshed with the appointments of Dr. Lim Pang Kiam in year 2018, Mr. Ho Sin Kheong in year 2020 and Dato' Leanne Koh Li Ann in year 2021 as Independent Non-Executive Directors ("INEDs"). The new appointment of Ms Ng Koi Lin to the Board in year 2022 as Executive Director ("ED") also added greater gender and skill diversity to the Board.

In respect of the assessment for the financial year ended 31 December 2025, which was internally facilitated, the NC and the Board were satisfied that the Board composition in terms of size, the balance between EDs and INEDs, and their mix of skills was adequate.

The NC has reviewed and is satisfied with the performance and contributions of Dato' Ng Chooi Guan, Puan Sri Datin Yap Seng Kuan and Ng Koi Lin, and consequently has recommended for their re-election in the forthcoming Annual General Meeting, during which these directors are due for retirement and are subjected to re-election in accordance with the relevant articles in the Company's Constitution.

The Board comprises three (3) INEDs and five (5) EDs, one (1) of whom is the GMD. The composition of the Board represents both the major and minority shareholders' interests and complies with the Listing Requirements, where at least two (2) directors or one-third (1/3) of the Board, whichever is higher, must be independent directors. In the event of any vacancy in the Board, resulting in non-compliance of the above, the Company must fill the vacancy within three (3) months.

The INEDs do not participate in the day-to-day management as well as the daily business of the Company. The INEDs remain free from any potential COI, enabling them to fulfill their role in providing checks and balance to the Board. They offer independent and objective views, advice and judgement, taking into consideration the interests of the Group, as well as shareholders and investors, in the Board's decision-making process.

The Board is mindful of the requirement of Practice 5.2 of the MCCG for large companies that at least half of the Board comprises independent directors, and the NC will continue to seek suitable candidates to fill the position of independent director.

The Board Chairman, being an INED, has been able to lead effective meetings and discussions, promote active participation and critical discussions among its members and senior management personnel. The presence of independent directors, although below the recommended 50%, remains effective and significant in contributing objective views and perspectives to the Board's deliberations on policy matters and decision-making.

Tenure of Independent Directors

The Board, with the assistance of the NC, conducts an annual review of the independent directors. The review processes include self and peer review within the NC, which comprises of wholly independent directors, and the results were further reviewed by the Board. All independent directors are also required to complete annual declaration forms to the Board on the status of their own independence and business dealings with the Group, if any. The Board had adopted the same criteria used in the definition of "independent directors" prescribed by the MMLR as the criteria to assess their independence.

Following the annual assessment conducted in 2025, the independent directors were found to have demonstrated independence and objectivity in the Board's decision-making process and have given valuable feedback through the sharing of knowledge and experience and have acted in the best interest of the Company.

None of the independent directors has served a cumulative term of more than nine (9) years and their respective term served will not exceed nine (9) years in the next twelve (12) months.

In the event where the Board intends to retain an independent director beyond a cumulative of more than nine (9) years, the Board and its NC shall justify and seek annual shareholders' approval through a two-tier voting process.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. BOARD COMPOSITION (CONTINUED)

Appointment and Reappointment of Directors, Senior Management and Time Commitment

The Board, through its NC adopts a rigorous and transparent process for the appointment and reappointment of its directors and certain senior management. Its selection criteria are guided by:

- Paragraph 2.20A, Chapter 2 of MMLR issued by Bursa Securities, which includes character, experience, integrity, competence and time to effectively discharge one's roles required by the position to be filled;
- Ethical principles specified in the CEC, which include Honesty and Fairness, Respect, Professional and Competent, Accountable and Compliance; and
- Directors' Fit and Proper Policy of the Company which sets out criteria that include individual's Character and Integrity, Experience and Competence, and Time and Commitment.

The NC considers the Board's diversity in skills, experience, age, cultural background and gender for the appointment and reappointment of directors.

Every director is aware that his/her appointment demands time commitment to effectively discharge his/her duties and has updated the Board and its NC on his/her directorships or board memberships in other companies. The NC reviewed the attendance of every director annually and the details are disclosed in the Annual Report. All directors have achieved the minimum attendance of 50% at Board meetings and have not held more than the maximum of five (5) directorships in public listed companies under the MMLR of Bursa Securities.

The meetings and attendance of directors during the financial year are as follows:

Directors	Board Attendance	AC Meeting Attendance	NC Meeting Attendance	RC Meeting Attendance	AGM Attendance
Dr. Lim Pang Kiam (Chairman, INED)	5/5	5/5	2/2	2/2	1/1
Tan Sri Dato' Ng Hook (GMD, Executive Director)	5/5	-/-	-/-	-/-	1/1
Dato' Ng Chooi Guan (Executive Director)	5/5	-/-	-/-	-/-	1/1
Ng Yik Soon (Executive Director)	5/5	-/-	-/-	-/-	1/1
Puan Sri Datin Yap Seng Kuan (Executive Director)	5/5	-/-	-/-	-/-	1/1
Ng Koi Lin (Executive Director)	5/5	-/-	-/-	-/-	1/1
Ho Sin Kheong (INED)	5/5	5/5	2/2	2/2	1/1
Dato' Leanne Koh Li Ann (INED)	5/5	5/5	2/2	2/2	1/1

The NC delegates to the GMD the responsibilities of assessing and considering suitable candidates for appointment to other senior management positions which require specific business performance track records.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. BOARD COMPOSITION (CONTINUED)

Gender Diversity

There are currently three (3) female directors and five (5) male directors on the Board which comply with the minimum of one (1) female director required by the MMLR of Bursa Securities, and as well as the requirement of having more than 30% female participation in the Board.

The Board acknowledges the recommendations of the MCCG on the establishment of a gender diversity policy. The Board promotes diversity while maintaining gender unbiasedness and does not have a gender-based policy for the composition of its Board and senior management. The Board believes in providing equal opportunity to candidates based on merits that are dependent on the candidate's competency, skills, experience, expertise, character, time commitment, integrity and other qualities in meeting the needs of the Company.

Nomination Committee ("NC")

The NC consists solely of INEDs and is chaired by an INED. The main duties of the NC are to:

- Recommend new appointment/re-election of directors to the Board;
- Recommend appointment of members to the Board and its Committees;
- Review the Board's structure, size and composition;
- Evaluate the performance and effectiveness of the Board, its Committees and individual directors and to determine their training needs;
- Determine whether a director is independent as defined in the MMLR of the Bursa Securities;
- Oversee the succession planning of key management personnel within the Group;
- Establish an orientation programme for newly appointed directors or any other related matters; and
- Review the terms of reference and performance of the Committees and their members annually to determine whether the Committees and their members have carried out their duties in accordance with their terms of reference.

The full terms of reference for the NC is available on the Company's website.

The NC met two (2) times during the financial year to:

- Review the composition of the Board in terms of its structure, balanced mix of skills, experience, diversity and other qualities, including core competencies and effectiveness of the Board, as a whole and the Committees;
- Review and assess the contribution of individual directors based on criteria, responsibilities, strength and time commitment;
- Assess the independence of each of the existing independent directors with each director abstaining from deliberation on his/her own assessment;
- Review the term of office and performance of the AC and each of its members to determine whether the AC has carried out their duties in accordance with their terms of reference; and
- Assess Dato' Ng Chooi Guan, Puan Sri Datin Yap Seng Kuan and Ng Koi Lin in accordance with the Company's Directors' Fit and Proper Policy and review and evaluate their performances and contributions, and recommend their re-election at the forthcoming Company's Annual General Meeting ("AGM"), during which they are due for retirement in accordance with the relevant articles in the Company's Constitution.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. BOARD COMPOSITION (CONTINUED)

Performance Evaluation of the Board, Committees and Individual Director

The Board has adopted a Directors' Assessment Policy to formalise the processes, criteria and frequency of conducting performance assessments on the Board as a whole, its Committees and individual directors. The Directors' Assessment Policy provides guidelines on the assessment criteria for Board Chairman, GMD, EDs, INEDs and Committees, which are likewise applied in assessing the suitability of candidates for new appointments or re-appointments of directors. Such criteria include, among others, an individual director's knowledge and experience in the Group's core businesses, personal qualities, professional skills and business development skills.

The NC conducted an annual review on the Board, its Committees and individual directors using the Evaluation of the Board and its Committee Forms, Audit Committee Evaluation Forms, Director Performance Self-Assessment Forms, Independent Director Self-Assessment Forms, and Board Skills Matrix Form. The results of the evaluation and recommendations were tabled to the Board for deliberation.

In respect of the assessment for the financial year ended 31 December 2025, which was internally facilitated, the NC and the Board were satisfied that the Board and its Committees have discharged their duties and responsibilities effectively and the contribution and performance of each director, including the GMD, are satisfactory. The Board was also satisfied that the Board composition in terms of size, the balance between EDs and INEDs and the mix of skills were adequate.

Pursuant to Article 86 of the Company's Constitution, all directors are required to submit themselves for re-election at least once every three (3) years. Pursuant to Article 92 of the Company's Constitution, a director appointed by the Board to fill a casual vacancy shall hold office until the next AGM and be eligible for re-election. Shareholders are provided with sufficient time and information in the Annual Report, such as the relevant individual director's profile, Board and Committees meetings attendance and shareholdings in the Company, to make informed decisions.

At the forthcoming AGM, Dato' Ng Chooi Guan, Puan Sri Datin Yap Seng Kuan and Ng Koi Lin are scheduled for retirement by rotation, and are eligible for re-election. The NC and the Board are pleased to recommend them for their re-election at the forthcoming AGM.

Directors' Trainings

During the financial year, the NC is tasked by the Board with the responsibility to evaluate and determine the training needs of its directors at least on an annual basis.

The training programmes and seminars attended by the directors during the financial year ended 31 December 2025 were:

Directors	Training Programmes	Date Attended
Dr. Lim Pang Kiam	OTC Training Centre Sdn Bhd ("OTC"): Anti-Bribery and Corruption ("ABC") – Sec 17A Corporate Liability Perspective	19 April 2025
	Baker Tilly Singapore: US Tariff Hike and Its Impact on Businesses in Asia Pacific	6 May 2025
	Malaysia Institute of Accountants ("MIA"): MIA Town Hall 2024/2025 Session 3	8 May 2025
	Sunway University Malaysia: ASEAN amidst Shifting Global Order – a Dialogue with Professor Jeffrey Sachs	23 May 2025
	Association of International Certified Professional Accountants ("AICPA CIMA"): Financial Business Partnering	10 June 2025
	AICPA CIMA: Elevating Finance Professionals in a Disruptive World	16 July 2025
	Bursa Securities and Institute of Corporate Directors Malaysia ("ICDM"): Strategic Oversight in Strategy Implementation: Getting Execution Right at the Board Level Programme	28 July 2025

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

2. BOARD COMPOSITION (CONTINUED)

Directors	Training Programmes	Date Attended
Dr. Lim Pang Kiam (Continued)	AGV Sustainability and ESG Services Sdn Bhd: Directors and Management Training Programme on ESG	23 September 2025
	University Technology Petronas: AI in Business: Disruption, Innovation and the Future of Work (as a Guest Speaker)	30 September 2025
	Securities Commission ("SC"): National Sustainability Reporting Framework	17 October 2025
	MIA: MIA Townhall 2025/2026	5 November 2025
	SC: Audit Oversight Board's Conversation with Audit Committees	25 November 2025
	Sands Bosum Management Sdn Bhd: Corporate Strategy Improvement and Positioning Programme	2 to 5 December 2025
Ho Sin Kheong	Ernst & Young: What to Expect from Global Financial Services Regulation in 2025	12 February 2025
	OTC: ABC – Sec 17A Corporate Liability Perspective	19 April 2025
	Asia School of Business: Navigating the New World Disorder	21 November 2025
Dato' Leanne Koh Li Ann	KPMG: MFRS Updates 2024	7 January 2025
	OTC: ABC – Sec 17A Corporate Liability Perspective	19 April 2025
	International Fiscal Association: 8th Asia Pacific Regional Conference	29 & 30 May 2025
	KPMG Sales Tax and Service Tax Webinar: Expansion of Scope Revealed	13 June 2025
	Bursa Securities and ICDM: Strategic Oversight in Strategy Implementation: Getting Execution Right at the Board Level Programme	28 July 2025
	Lembaga Hasil Dalam Negeri and Chartered Tax Institute of Malaysia: National Tax Conference	5 & 6 August 2025
	ICDM: Bursa Securities - Board Simulation - Balancing Risks and Opportunity in Sustainability Leadership	9 September 2025
	Malaysian Accounting Standards Board: Outreach Session on Climate-related and Other Uncertainties in the Financial Statements	15 October 2025
	KPMG: Tax and Business Summit 2025	23 October 2025
	SC: Audit Oversight Board's Conversation with Audit Committees	25 November 2025
	KPMG: 2025 MFRS Updates	2 December 2025
Tan Sri Dato' Ng Hook	OTC: ABC – Sec 17A Corporate Liability Perspective	19 April 2025
Puan Sri Datin Yap Seng Kuan	OTC: ABC – Sec 17A Corporate Liability Perspective	19 April 2025
Dato' Ng Chooi Guan	OTC: ABC – Sec 17A Corporate Liability Perspective	19 April 2025
Ng Yik Soon	OTC: ABC – Sec 17A Corporate Liability Perspective	19 April 2025
Ng Koi Lin	Malaysian Iron and Steel Industry Federation: GHG Inventory, Accounting and Reporting: Pathway to Net-Zero	20 & 21 January 2025
	Confexhub International Centre: The Financial Implications of ESG: TCFD, ISSB, and IFRS Frameworks and Reporting	17 & 18 February 2025
	OTC: ABC – Sec 17A Corporate Liability Perspective	19 April 2025
	Public Bank: Embracing Sustainable Manufacturing: Building Resilience, Unlocking Opportunities	8 October 2025

The directors will continue to undergo relevant programmes and seminars to enhance their knowledge further to enable them to discharge their duties and responsibilities effectively.

The Board has put in place a structured orientation and induction programme for newly appointed directors of the Company.

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

3. REMUNERATION

Remuneration Committee (“RC”)

The Board established its RC to assist and advise the Board in matters relating to directors’ remuneration so that the Company can attract and retain the right talents to contribute to the long-term success of the Company. The Terms of Reference of the RC is published on the Company’s website.

The RC met twice during the financial year to review the remuneration packages of the GMD and the remuneration packages of the EDs, as advised by the GMD, and subsequently recommended the remuneration packages to the Board for approval. The Board as a whole determined the remuneration packages of the INEDs, who themselves abstained from the discussion of their remuneration during the process. The remuneration packages of the Group’s senior management are entrusted to the GMD.

Directors’ Remunerations

As guided by the Directors’ Remuneration Policy, which is published on the Company’s website, the RC aims to remunerate individual directors appropriately by their respective level of competencies, the scope of work and responsibilities undertaken, to attract, develop and retain high performing directors and to encourage value creation for the Company and its stakeholders.

The established remuneration structure for the EDs includes:

- fixed monthly salaries, performance-linked bonuses, statutory contributions and profit-sharing; and
- personal benefits comprising the Company’s mobile phones, cars, drivers, medical and insurance coverage, etc.

While directors are paid allowances based on the number of attendances at Board and Committees’ meetings, all directors are also remunerated with directors’ fees according to their participation in the Board and its Committees, which are subject to shareholders’ approval at the AGM. All directors are also covered under the Directors and Officers Liability Insurance against legal costs or losses in the event of legal actions are brought against them for their alleged wrongful act, not amounting to willful or fraudulent act, in their capacities as the Company’s directors.

The aggregate directors’ remuneration paid or payable to all directors of the Company by the Group and categorised into appropriate components for the financial year ended 31 December 2025 were as follows:

Directors	Directorate	Company (RM'000)			Group (RM'000)						
		Fee	Allowance	Total	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other Emoluments	Total
Dr. Lim Pang Kiam	Independent Director	86.0	7.5	93.5	86.0	7.5	-	-	-	-	93.5
Tan Sri Dato' Ng Hook	Executive Director	56.7	3.0	59.7	131.7	3.0	2,169.0	475.1	47.2	293.0	3,119.0
Puan Sri Datin Yap Seng Kuan	Executive Director	32.1	3.0	35.1	32.1	3.0	907.9	114.2	55.5	122.7	1,235.4
Dato' Ng Chooi Guan	Executive Director	32.1	3.0	35.1	57.1	3.0	1,116.4	402.4	55.5	150.8	1,785.2
Ng Yik Soon	Executive Director	32.1	3.0	35.1	42.1	3.0	724.4	91.2	41.5	97.9	1,000.1
Ng Koi Lin	Executive Director	32.1	3.0	35.1	32.1	3.0	287.2	36.2	-	38.8	397.3
Ho Sin Kheong	Independent Director	66.7	7.5	74.2	66.7	7.5	-	-	-	-	74.2
Dato' Leanne Koh Li Ann	Independent Director	73.6	7.5	81.1	73.6	7.5	-	-	-	-	81.1
TOTAL		411.4	37.5	448.9	521.4	37.5	5,204.9	1,119.1	199.7	703.2	7,785.8

Corporate Governance Overview Statement

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONTINUED)

3. REMUNERATION (CONTINUED)

Senior Management's Remunerations

In determining the Group's senior management personnel, the Board takes into consideration the determining factors recommended by MCCG, including their remuneration, responsibilities, skills, expertise and contributions to the Group's performance. On the disclosure of the remuneration of the Group's senior management, the Company is of the view that it would not be in its interest to disclose their remunerations on a named basis because of the competitive nature of the human resource market and to support the Group's efforts to attract and retain executive talent by avoiding talent poaching attracted by the transparent disclosure of their remunerations on a named basis.

The details of the aggregate remuneration and band of remuneration of the top five (5) senior management of the Group during the financial year ended 31 December 2025 were as follows:

Category	Company RM'000	Subsidiaries RM'000	Total RM'000
Salaries	-	1,798.3	1,798.3
Bonuses and Profit Sharing	-	710.1	710.1
Benefits-in-kind	-	43.2	43.2
Other Emoluments	-	157.5	157.5
Total	-	2,709.1	2,709.1

Category	No. of Personnel
RM400,001 – RM450,000	1
RM500,001 – RM550,000	2
RM550,001 – RM600,000	1
RM650,001 – RM700,000	1
Total	5

The profiles of the senior management are set out in this Annual Report.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

The Board recognises the significance of maintaining a robust system of internal control and an effective risk management system to achieve its objectives of maximising shareholders' value and sustaining business growth.

1. AUDIT COMMITTEE ("AC")

Composition

The AC assists and advises the Board on issues and matters relating to financial reporting, internal controls, risk management and corporate governance. The AC, through the Internal Audit Function ("IAF"), Risk Management Committee ("RMC"), external auditors and senior management, reviews and monitors the status of the Group's financial reporting process, internal controls, risk management and corporate governance. The TOR of the AC is published on the Company's website.

The AC consists solely of INEDs and the present AC Chairperson is Dato' Leanne Koh Li Ann. None of the members of the AC were former key audit partners of the Company's external auditor.

All members of the AC are financially literate and have undertaken various training programmes to enable themselves to perform and discharge their duties and responsibilities. Details of their respective skills and experience, which contribute to the AC's diverse skill set are disclosed in this Annual Report, while the trainings attended during the financial year are set out above in this Corporate Governance Overview Statement.

The details and activities of the AC are set out in the AC Report set out in this Annual Report.

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

1. AUDIT COMMITTEE (“AC”) (CONTINUED)

Assessing Suitability and Independence of the External Auditors

The AC is responsible for the recommendation on the appointment and reappointment of the Company’s external auditors and the audit fees. In the absence of a formal policy and procedures to assess the suitability, objectivity and independence of the external auditors, the AC Chairperson and its members have considered the following:

- they were fully informed about the adequacy and quality of resources for the audit engagement and considered the appointment of other auditors, where necessary. The external auditors of the Group comprise the lead auditors, KPMG PLT (the Company and 14 subsidiary companies), and other component auditors such as LH Lee & Co (23 subsidiary companies), Wong Liu & Partners (3 subsidiary companies), and SLGM (2 subsidiary companies). All are registered audit firms and have declared their audit independence via the job engagement letters;
- the lead external auditors have declared their audit independence throughout the conduct of the audit engagement and have a policy to rotate the audit engagement partner every seven (7) years;
- they were fully informed of the audit plan and scope, matters requiring attention, including the Group’s accounting policies, key audit matters and other audit findings, and matters highlighted in other component auditors’ reporting packages;
- they have added confidence in the quality and reliability of the audited financial statements as the audit is subject to periodic inspection by the Audit Oversight Board established under the Securities Commission Act 1993;
- the information presented in the Transparency Report 2025 of the lead auditors KPMG PLT on their governance and measures to uphold audit quality and manage risks;
- the auditors’ remuneration for the audit of financial statements for the year ended 31 December 2025 was appropriate to support a quality audit;
- there is coordination between the internal and external auditors; and
- reviewed and approved any non-audit engagement rendered by the external auditors in accordance with the Non-Assurance Services Pre-Approval Policy.

The AC was satisfied with the suitability and independence of the external auditors based on the quality and competency of services delivered, sufficiency of the firm and professional staff assigned to the annual audit, as well as the non-audit services, performed for the financial year ended 31 December 2025 and has recommended their reappointment for the financial year ending 31 December 2026.

During the financial year 2025, the external auditors attended five (5) AC meetings held.

Audit and Non-audit Fees

Audit-related and non-audit fees paid/payable for the financial year ended 31 December 2025 to the external auditors are set out below:

	Company RM	Subsidiaries RM	Total RM
Audit Fees	83,500	602,900	686,400
Non-audit Fees	18,200	24,650	42,850
Total	101,700	627,550	729,250

Corporate Governance Overview Statement

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONTINUED)

2. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Risk Management Committee (“RMC”) and AC

The Board, through its AC and assisted by the RMC, has carried out the ongoing process of identifying, evaluating and managing the key commercial and financial risks facing the Group. The evaluation of the risks has led to the development of specific management strategies to address issues involved in the achievement of its business objectives.

Practice 10.3 of the MCCG requires the establishment of a RMC which comprises a majority of independent directors to oversee the Company’s risk management framework and policies. Although the current RMC comprises EDs and senior management personnel, the AC which comprises wholly independent directors oversees the RMC during the financial year.

Significant business units and shared services within the Group are identified as Risk Management Units (“RMUs”). On a half-yearly basis, all RMUs perform their risk management processes comprising risk identification, evaluation, internal control assessment, ratings and reporting to the RMC. The RMC reviews the risk management reports and reports to the AC on significant risks and action plans to mitigate them. The RMC deliberates the risks highlighted and their corresponding internal controls and advises the Board accordingly.

The Statement on Risk Management and Internal Control is set out in this Annual Report. It provides an overview of the state of internal control within the Group, including the main features of the risk management framework and internal control system.

Internal Audit Function

The AC is supported by a co-sourced IAF, a collaborative effort between its in-house Internal Audit Department (“IAD”) and an external consulting firm, Moore Risk Consulting Sdn Bhd (“Moore”). The IAD consists of a Head of Internal Audit and Risk Management, Mr. Tan Kah Chuan, who has more than ten (10) years of experience in internal audit, risk management and governance and is a member of The Institute of Internal Auditors Malaysia. He is free from any relationships or conflicts of interest that could impair his objectivity and independence. The engagement team from Moore is led by Mr. Joe Lee, who is a Certified Internal Auditor, Certified Professional in Supply Management, Certified Public Accountant and Chartered Accountant and has more than twenty (20) years of related experience. The firm and the engagement team are also free from any relationship or conflict of interest, which could impair their objectivity and independence. The IAF reports to the AC.

The collaborative internal audit arrangement was discontinued during the first quarter of 2025, following which internal audit services were performed solely by the IAD. The reviews by the IAF cover processes with respect to corporate governance, risk management and internal control. The IAD performs its functions as guided by the Internal Audit Charter approved by the AC. Its practices are also guided by the International Professional Practices Framework (“IPPF”) issued by The Institute of Internal Auditors. Further details of the IAF are available in the AC Report included in this Annual Report.

The responsibilities and activities of the IAF are disclosed in the Statement on Risk Management and Internal Control set out in this Annual Report.

Corporate Governance Overview Statement

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

1. ENGAGEMENT WITH STAKEHOLDERS

Effective, Transparent and Regular Communications

The Company maintains an official website that provides corporate information, financial reports, corporate policies, Board Charter and terms of reference of various board committees, enabling the investing public to gain a general understanding of the Group.

Information is made available to the shareholders and investors through its Annual Reports, announcements made to Bursa Securities, press and media releases on a timely basis.

The AGMs provide the principal platform for dialogues and interactions with shareholders.

The GMD and his designated senior personnel regularly meet with research analysts, institutional fund managers and shareholders to provide updates on the Group's progress.

The Company also issues its annual Sustainability Report to inform its stakeholders of its sustainability efforts.

2. CONDUCT OF GENERAL MEETINGS

Notice of Annual General Meetings and Directors' Attendance

The Company issued a notice of its AGM on 23 April 2025 for its 24th AGM which was held on 22 May 2025, more than the minimum of 28 days prior notice as recommended by the MCCG. All the directors, relevant senior management personnel, the External Auditors KPMG and the Company Secretaries attended the AGM to engage with the shareholders and to provide meaningful responses to questions addressed to them.

The Company is expected to give its shareholders at least 28 days prior notice for its forthcoming 25th AGM. All directors and certain senior management personnel are expected to attend the AGM, barring unforeseen circumstances.

Leverage on Technology

The Company's 24th AGM was held physically on 22 May 2025 without an electronic or virtual platform to facilitate remote Shareholders' participation and electronic voting.

In order to facilitate participation, the Company's 24th AGM was held at the ballroom of a reputable hotel owned by the Group which is easily accessible. Shareholders who were unable to physically attend the AGM were provided with the option to appoint their respective proxy(ies) to physically attend, participate and vote on their behalf at the AGM, in accordance with the Company's Constitution.

Meaningful Engagement during General Meetings

The Chairman of the AGM allocated a section of the meeting for a Questions and Answers session, during which attending shareholders/ proxies were encouraged to raise questions and seek clarifications from the Board, relevant senior management personnel, the External Auditors and the Company Secretaries, thereby fostering meaningful engagement.

Results and Outcomes of General Meetings

A public announcement on the results and outcomes of the AGM was made to Bursa Securities on the same day after the AGM was held. The minutes of the AGM were published on the Company's website on 25 June 2025, within 30 business days from the AGM held on 22 May 2025.

Corporate Governance Overview Statement

RESPONSIBILITY STATEMENT BY DIRECTORS

The directors are required by the Companies Act, 2016 to prepare financial statements for each financial year which have been made out in accordance with Malaysian Financial Reporting Standards to give a true and fair view of the financial position of the Group and Company at the end of the financial year and the financial performance and cash flows of the Group and Company for the financial year.

In preparing the financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- ensure all applicable accounting standards have been followed.

The directors have the responsibility to ensure that the Company keeps accounting records that disclose with reasonable accuracy the financial position of the Group and the Company, and which enable them to ensure that the financial statements comply with the requirements of the Companies Act, 2016 and applicable disclosure provisions of the Listing Requirements of the Bursa Securities.

The directors have overall responsibilities for taking such steps as are reasonably open to them to safeguard the assets of the Group to prevent and detect fraud and other irregularities.

OTHER INFORMATION

Material Contracts

Neither the Company nor any of its subsidiaries have entered into any material contracts that involved directors' and major shareholders' interests during the financial year.

(The Board has reviewed, deliberated and approved this Corporate Governance Overview Statement via a resolution of the Board dated 16 April 2026)

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

BOARD OF DIRECTORS RESPONSIBILITIES

The Board of Directors (“Board”) has the overall responsibility to oversee the management of a sound and effective system of risk management and internal control within Engtex Group Berhad and its subsidiaries (“Group”). This system encompasses activities related to business operations, asset management, financial management, risk management, corporate governance, information database integrity, and other control activities. The adequacy and effectiveness of this system are crucial for the Group to achieve its corporate strategies and objectives.

However, it is important to note that the system of risk management and internal controls implemented is designed to manage, rather than eliminate, all the risks associated with the conduct of the businesses. Therefore, the system only provides reasonable assurance, but not absolute assurance, on the Group's ability to manage its risks in order to achieve its corporate strategies and objectives.

RISK MANAGEMENT

The Board has established a formal risk management framework, policy and procedure (“framework”) that outlines the risk management processes of the Group. The Board is assisted by a Risk Management Committee (“RMC”) which has been established under the framework to drive the risk management processes in identifying principal business risks and ensuring the implementation of appropriate action plans to manage these risks. The RMC is headed by the Group Managing Director (“GMD”) and its members consist of executive directors and senior management personnel within the Group.

Risk Management Framework

Risk Management Units (“RMUs”) have been formed for significant business units and functions within the Group to undertake their respective risk management processes. New RMUs will be formed when new business units become significant in terms of the level of business activities or business assets.

While business risks are dealt with on a day-to-day basis as part of the business and management processes, all the RMUs will perform formal risk reviews and report the results to the RMC on a half-yearly basis. The RMC reviews and discusses the consolidated risk report based on input from all the RMUs and reports to the Audit Committee (“AC”). The AC advises the Board for further discussion and final adoption.

Risk Assessment Process

During the half-yearly formal risk review, each RMU assesses existing risks and considers the emergence of any new risks. Each RMU also reviews the controls in place and evaluates their effectiveness in determining residual risk exposures. Based on the results, the head of each RMU provides an assurance on the adequacy and integrity of the system of internal control in managing the identified risks.

Risk Management Monitoring Activities

The RMC met twice during the financial year and reviewed the following:

- The consolidated risk reports which are based on input from all the RMUs that had carried out their respective risk assessment exercises and risk register maintenance, in accordance with the processes prescribed in the framework;
- The risk profile of the Group;
- Performance and/or risk indicators identified as a measurement of the performance of the business units and the achievements made by these business units; and
- The adequacy and effectiveness of the internal control features in mitigating the identified significant risks of various significant business units and departments.

The RMC reported the results of its reviews to the AC and the Board for adoption.

Statement on Risk Management and Internal Control

INTERNAL CONTROLS

The Board continues to uphold and implement an appropriate control structure and environment with the following key control processes to identify, evaluate and mitigate weaknesses of the Group's internal control system. The system of internal control is maintained to achieve the following objectives:

- Upholding the integrity of information;
- Compliance with the established policies, procedures and regulations; and
- Safeguarding the Group's assets and shareholders' interests.

The key features of the Group's existing system of internal control are described below: -

- The key business risks are reviewed on a half-yearly basis by the Board with the assistance of the AC, the RMC and the co-sourced Internal Audit Function ("IAF").
- The AC is tasked by the Board to review the adequacy and effectiveness of the system of internal control. The AC reviews the reports prepared by the IAF, which are based on fieldwork performed according to the outcome of risk assessment and annual audit plan as approved by the AC and the Board.
- Organisation structures are properly drawn up according to functions and responsibilities, and key responsibilities are properly segregated.
- An annual budget is prepared to facilitate monitoring of the Group's financial performance. The actual financial performance is reviewed regularly against the budget.
- Financial results are reviewed quarterly by the AC and the Board.
- Internal control features, policies and procedures are closely monitored and periodically reviewed by the management and the IAF to address any weaknesses detected and adopt any amendments, where deemed necessary.
- Business, operational and key management issues are discussed between the GMD and the heads of operational units regularly.
- A reporting system has been put in place to facilitate the timely generation of financial information for management review.
- A policy has been established to define the financial limits of the approving authority for its operating and capital expenditure.
- Whistleblowing Policy has been established to set out formal channels of communication through which relevant concerns may be raised by interested parties.
- Anti-Fraud Policy has been implemented to outline how actual and potential fraud incidents could be reported and how such situations are to be managed.
- Code of Ethics and Conduct has been established to document and communicate the ethical principles and expected standards of conduct for and to all the personnel within the Group.
- Anti-Bribery and Anti-Corruption Policy has been established to formalise the Group's zero-tolerance on bribery and corruption, governance framework, and procedures for dealing with bribery and corruption incidents.
- The above policies have been published on the Group's official website to facilitate awareness of and accessibility to these policies.

INTERNAL AUDIT FUNCTION

The Board has an IAF to review the adequacy and integrity of its system of internal control. During the financial year 2025, the Group's in-house Internal Audit Department continued to collaborate with Moore Risk Consulting Sdn Bhd, an independent external consulting firm to provide certain internal audit services. This collaborative internal audit arrangement is to enhance the review of the system of internal controls of the Group and provide assurance to the Board in the effectiveness and efficiency of the Group's system of internal controls. However, the collaborative arrangement was discontinued during the first quarter of 2025, following which internal audit services were performed solely by the IAD.

The functions of the IAF include the review of the internal controls and key activities of the respective business entities of the Group based on a risk-based approach and reports to the AC every quarter. The AC reviews the internal audit reports and risk management reports and discusses them with the Board accordingly.

CONCLUSION

The Board, with assurance from the GMD and the Chief Financial Officer, is satisfied that the nature and scope of the system of risk management and internal control of the Group have been generally adequate and effective in mitigating identified risks to achieve its business objectives.

(This statement is made in accordance with the resolution of the Board of Directors dated 16 April 2026.)



Financial Statements

for the financial year ended 31 December 2025

39	Directors' Report
45	Statements of Financial Position
46	Statements of Profit or Loss and Other Comprehensive Income
47	Consolidated Statement of Changes in Equity
48	Statement of Changes in Equity
49	Statements of Cash Flows
53	Notes to the Financial Statements
102	Statement by Directors
102	Statutory Declaration
103	Independent Auditors' Report

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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, whilst the principal activities of the subsidiaries and associate are as stated in Notes 5 and 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Subsidiaries

The details of the subsidiaries are disclosed in Note 5 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit for the financial year attributable to:		
Owners of the Company	26,186	32,428
Non-controlling interests	332	-
	26,518	32,428

Reserves and provisions

There were no material transfers to or from reserves and provisions during the financial year under review except as disclosed in the financial statements.

Dividend

Since the end of the previous financial year, the Company paid a final single-tier ordinary dividend of 0.50 sen per ordinary share totalling RM3,966,515 in respect of the financial year ended 31 December 2024 on 7 April 2025.

The final single-tier ordinary dividend in respect of the financial year ended 31 December 2025 is 0.60 sen per ordinary share totalling RM5,019,270 was paid on 31 March 2026. The financial statements for the current financial year do not reflect this final dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2026.

Directors of the Company

Directors who served during the financial year until the date of this report are:

Dr. Lim Pang Kiam
 Tan Sri Dato' Ng Hook
 Dato' Ng Chooi Guan
 Puan Sri Datin Yap Seng Kuan
 Ng Yik Soon
 Ho Sin Kheong
 Dato' Leanne Koh Li Ann
 Ng Koi Lin

Directors' Report

for the financial year ended 31 December 2025

Directors of the subsidiaries

The directors who served in the subsidiaries during the financial year until the date of this report are:

Tan Sri Dato' Ng Hook
 Dato' Ng Chooi Guan
 Ng Yik Soon
 Ng Koi Lin
 Cheah Hock Kee
 How Kon Fook
 How Thong Guan
 Leong Meng Sam
 Loh Boon Pin
 Loh Eng Hooi
 Loh Lye Sooi
 Ng Ah Leong
 Ng Ah Yok
 Ng Ai Swee
 Ng Chin Man
 Ng Lay Ping
 Ng You Chai
 Wong Ah Choo
 Ng Shin Yee
 Lew Shoong Kai
 Chew Win Hoe
 Lee Geok Ai (resigned on 30 December 2025)

Directors' interests

The interests and deemed interests in the shares and warrants of the Company and of its related corporations (other than wholly owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares				At 31.12.2025
	At 1.1.2025	Bought	Warrants exercised	(Sold)	
<i>Shareholdings in the Company which Directors have direct interests</i>					
Dato' Ng Chooi Guan	34,711,405	-	-	-	34,711,405
Ng Yik Soon	17,123,379	-	-	-	17,123,379
<i>Shareholdings in the Company which Directors have deemed interests</i>					
Tan Sri Dato' Ng Hook ^(a)	241,143,300	16,152,000	5,000,000	-	262,295,300
Puan Sri Datin Yap Seng Kuan ^(b)	241,143,300	16,152,000	5,000,000	-	262,295,300
Dato' Ng Chooi Guan ^(c)	124,950	-	-	-	124,950
	Number of warrants				At 31.12.2025
	At 1.1.2025	Bought	Warrants exercised	(Sold)	
<i>Shareholdings in the Company which Directors have direct interests</i>					
Dato' Ng Chooi Guan	2,275,700	-	-	(1,834,500)	441,200
Ng Yik Soon	4,878,175	-	-	-	4,878,175
<i>Shareholdings in the Company which Directors have deemed interests</i>					
Tan Sri Dato' Ng Hook ^(a)	56,875,733	-	(5,000,000)	(3,378,800)	48,496,933
Puan Sri Datin Yap Seng Kuan ^(b)	56,875,733	-	(5,000,000)	(3,378,800)	48,496,933

Directors' Report

for the financial year ended 31 December 2025

Directors' interests (continued)

Notes:

- (a) Deemed interest pursuant to Section 8 of the Companies Act 2016 ("Act"), by virtue of his shareholding in NKG Resources Sdn. Bhd. and NH Holdings Sdn. Bhd.
- (b) Deemed interest pursuant to Section 8 of the Act, by virtue of her spouse's shareholding.
- (c) Deemed interest pursuant to Section 59(11)(c) of the Act, by virtue of his daughter's shareholding.

By virtue of their interests in the shares of the Company, Tan Sri Dato' Ng Hook, Puan Sri Datin Yap Seng Kuan, Dato' Ng Chooi Guan and Ng Yik Soon are also deemed interested in the shares of the subsidiaries during the financial year to the extent that the Company has an interest.

None of the other Directors holding office at 31 December 2025 had any interest in the ordinary shares and warrants of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 December 2025 are as follows:

	From the Company RM'000	From subsidiary companies RM'000
Directors of the Company:		
Fees	411	110
Remuneration	38	7,027
Estimated money value of any other benefits	-	200
	449	7,337

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate apart from the issue of warrants.

Issue of shares and debentures

During the financial year, the Company issued 39,331,300 (2024: 17,165,750) new ordinary shares pursuant to the exercise of 39,331,300 (2024: 1,770,000 and 15,395,750) warrants by the registered warrant holders at the price of RM0.40 (2024: RM0.70 and RM0.40) per ordinary share for every warrant held.

The newly issued shares rank *pari passu* in all respects with the existing ordinary shares except that they will not be entitled to any dividends, rights, allotment and/or other distribution that may be declared, made or paid prior to the relevant date of allotment and issuance of the Bonus Shares or the warrants exercise date.

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

There were no debentures issued during the financial year.

Directors' Report

for the financial year ended 31 December 2025

Treasury shares

During the financial year, the Company repurchased 2,367,800 (2024: Nil) of its issued share capital from the open market at an average price of RM0.52 (2024: Nil) per share including transaction costs. The total consideration paid was RM1,237,999 (2024: Nil). The repurchase transactions were financed by internally generated funds. The shares repurchased are retained as treasury shares.

In 2024, the Company disposed 1,946,400 treasury shares for a total consideration of RM2,225,589 in the open market at an average cost of RM1.14 per share. The proceeds from the resale were utilised for working capital purposes.

At 31 December 2025, the Company held 2,367,901 (2024: 101) of its own shares.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year apart from following:

Warrants 2021/2026

During the financial year, 39,331,300 (2024: 1,770,000 and 15,395,750) warrants were exercised by the registered warrant holders to subscribe for 39,331,300 (2024: 17,165,750) new ordinary shares in the Company at the price of RM0.40 (2024: RM0.70 and RM0.40) per ordinary share for every warrant exercised.

The exercise period of the Company's Warrants 2021/2026 is for five (5) years up to and including 4 September 2026 at an exercise price of RM0.40 per Warrant. The salient terms of the Warrants are disclosed in Note 12.3 to the financial statements.

As at 31 December 2025, 133,075,488 (2024: 172,406,788) Warrants 2021/2026 remained unexercised.

Indemnifying Directors and Officers

During the financial year, the total amount of indemnity coverage and insurance premium paid for Directors and Officers of the Company and its subsidiaries are RM5,000,000 (2024: RM5,000,000) and RM20,000 (2024: RM20,000) respectively, with no indemnity given to or insurance effected for the auditors of the Company.

Significant events during the financial year

1. Acquisition of a property

In June 2025, a wholly owned subsidiary entered into an agreement with its customer to acquire a residential freehold three storey villa located at Bandar Sungai Buloh, Daerah Gombak, Selangor for a cash consideration of RM3,400,000. The purchase price was partially settled by offsetting the outstanding debts of RM1,754,412 owed by the customer, with the remaining balance paid in cash. The transaction was completed during the financial year.

2. Disposal of properties

(i) In December 2024, a wholly owned subsidiary entered into an agreement with a third party to dispose of an industrial leasehold land located at Subang New Village, Mukim Sungai Buloh, Daerah Petaling for a total cash consideration of RM4,500,000. The transaction was completed during the financial year.

(ii) In May 2025, a wholly owned subsidiary entered into an agreement with a third party to dispose of four (4) industrial leasehold land located at Bandar Rasa, Daerah Hulu Selangor, Selangor for a total cash consideration of RM13,700,000. The transaction was completed during the financial year.

(iii) In December 2025, a wholly owned subsidiary entered into an agreement with a third party to dispose a residential freehold three storey villa located at Bandar Sungai Buloh, Daerah Gombak, Selangor for RM3,900,000 of which RM390,000 was received as deposit. The transaction was completed subsequent to the financial year end.

Directors' Report

for the financial year ended 31 December 2025

Significant event after the financial year end

Issuance of shares pursuant to the exercise of Warrants 2021/2026

A total of 10,285,250 warrants were exercised by the registered warrant holders to subscribe for 10,285,250 new ordinary shares in the Company at RM0.40 per ordinary share for every warrant exercised.

Other statutory information

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

- i) all known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business 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:

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and of the Company misleading.

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

- i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person other than as disclosed in Note 2 to the financial statements, or
- ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

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

In the opinion of the Directors, except for the gain on disposal of assets as disclosed in Note 16 to the financial statements, the financial performance of the Group and of the Company for the financial year ended 31 December 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

Auditors' remuneration of the Group and the Company are RM564,400 and RM101,700 respectively. Details of auditors' remuneration are as disclosed in Note 16 to the financial statements.

Directors' Report

for the financial year ended 31 December 2025

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

.....
Tan Sri Dato' Ng Hook

Director

Sungai Buloh, Selangor Darul Ehsan

Date: 16 April 2026

.....
Dato' Ng Chooi Guan

Director

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Assets					
Property, plant and equipment	2	366,741	423,938	-	-
Right-of-use assets	3	40,405	46,687	-	-
Investment properties	4	99,805	38,008	-	-
Investments in subsidiaries	5	-	-	394,935	392,386
Investment in an associate	6	40	47	40	47
Deferred tax assets	7	9,662	8,133	-	-
Total non-current assets		516,653	516,813	394,975	392,433
Inventories	8	455,107	477,237	-	-
Receivables, deposits and prepayments	9	411,844	428,985	81,278	84,849
Current tax assets		2,217	4,445	-	382
Cash and cash equivalents	10	216,088	137,983	57	91
Assets classified as held for sale	11	3,383	3,800	-	-
Total current assets		1,088,639	1,052,450	81,335	85,322
Total assets		1,605,292	1,569,263	476,310	477,755
Equity					
Share capital		293,949	277,614	293,949	277,614
Treasury shares		(1,238)	-*	(1,238)	-*
Warrants reserve		2,039	2,641	2,039	2,641
Retained earnings		564,590	542,371	49,949	21,488
Total equity attributable to owners of the Company	12	859,340	822,626	344,699	301,743
Non-controlling interests		20,160	20,088	-	-
Total equity		879,500	842,714	344,699	301,743
Liabilities					
Loans and borrowings	13	46,414	49,899	-	-
Lease liabilities		261	2,463	-	-
Deferred tax liabilities	7	13,111	11,382	-	-
Total non-current liabilities		59,786	63,744	-	-
Payables and accruals	14	105,007	124,147	131,166	176,012
Loans and borrowings	13	554,072	533,745	-	-
Lease liabilities		215	253	-	-
Current tax liabilities		6,712	4,660	445	-
Total current liabilities		666,006	662,805	131,611	176,012
Total liabilities		725,792	726,549	131,611	176,012
Total equity and liabilities		1,605,292	1,569,263	476,310	477,755

* Denotes amount less than RM500.

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	15	1,433,749	1,461,303	35,503	6,500
Cost of sales		(1,274,373)	(1,318,120)	-	-
Gross profit		159,376	143,183	35,503	6,500
Administrative expenses		(59,573)	(58,501)	(1,054)	(1,370)
Distribution costs		(51,780)	(45,749)	-	-
Net losses on impairment of financial instruments		(5,326)	(2,999)	-	-
Other operating expenses		(381)	(279)	-	-
Other operating income		19,047	8,510	3,000	-
Operating profit		61,363	44,165	37,449	5,130
Finance costs		(24,949)	(27,762)	(6,887)	(6,867)
Finance income		5,849	5,141	3,097	3,124
Share of loss of an equity-accounted associate, net of tax		(7)	(1)	(7)	(1)
Profit before tax	16	42,256	21,543	33,652	1,386
Tax expense	18	(15,738)	(11,352)	(1,224)	(356)
Profit and total comprehensive income for the financial year		26,518	10,191	32,428	1,030
Profit/(Loss) and total comprehensive income/(expense) for the financial year attributable to:					
Owners of the Company		26,186	10,340	32,428	1,030
Non-controlling interests		332	(149)	-	-
Profit and total comprehensive income for the financial year		26,518	10,191	32,428	1,030
Basic earnings per ordinary share (sen)	19	3.28	1.32		
Diluted earnings per ordinary share (sen)	19	3.10	1.22		

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Group	-----Attributable to owners of the Company-----/		-----Non-distributable-----/Distributable		Total equity RM'000
	Share capital RM'000	Treasury shares RM'000	Warrants reserve RM'000	Retained earnings RM'000	
At 1 January 2024	269,934	(1,502)	2,924	534,632	805,988
Profit/(Loss) and total comprehensive income/ (expense) for the financial year	-	-	-	10,340	10,340
Own shares sold	-	1,502	-	724	2,226
Issuance of shares pursuant to exercise of warrants	7,680	-	(283)	-	7,397
Dividends to owners of the Company	-	-	-	(3,325)	(3,325)
Total transactions with owners of the Company	7,680	1,502	(283)	(2,601)	6,298
Dividends to non-controlling interests	-	-	-	-	(259)
At 31 December 2024/ 1 January 2025	277,614	-*	2,641	542,371	822,626
Profit and total comprehensive income for the financial year	-	-	-	26,186	26,186
Own shares acquired	-	(1,238)	-	-	(1,238)
Issuance of shares pursuant to exercise of warrants	16,335	-	(602)	-	15,733
Dividends to owners of the Company	-	-	-	(3,967)	(3,967)
Total transactions with owners of the Company	16,335	(1,238)	(602)	(3,967)	10,528
Dividends to non-controlling interests	-	-	-	-	(260)
At 31 December 2025	293,949	(1,238)	2,039	564,590	859,340
Note 12.1	Note 12.2	Note 12.3			

* Denotes amount less than RM500.

The notes on pages 53 to 101 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	/-----Attributable to owners of the Company-----/ /-----Non-distributable-----/ Distributable				Total equity RM'000
		Share capital RM'000	Treasury shares RM'000	Warrants reserve RM'000	Retained earnings RM'000	
Company						
At 1 January 2024		269,934	(1,502)	2,924	23,059	294,415
Profit and total comprehensive income for the financial year		-	-	-	1,030	1,030
Own shares sold		-	1,502	-	724	2,226
Issuance of shares pursuant to exercise of warrants		7,680	-	(283)	-	7,397
Dividends to owners of the Company	20	-	-	-	(3,325)	(3,325)
Total transactions with owners of the Company		7,680	1,502	(283)	(2,601)	6,298
At 31 December 2024/1 January 2025		277,614	-*	2,641	21,488	301,743
Profit and total comprehensive income for the financial year		-	-	-	32,428	32,428
Own shares acquired		-	(1,238)	-	-	(1,238)
Issuance of shares pursuant to exercise of warrants		16,335	-	(602)	-	15,733
Dividends to owners of the Company	20	-	-	-	(3,967)	(3,967)
Total transactions with owners of the Company		16,335	(1,238)	(602)	(3,967)	10,528
At 31 December 2025		293,949	(1,238)	2,039	49,949	344,699
		Note 12.1	Note 12.2	Note 12.3		

* Denotes amount less than RM500.

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities					
Profit before tax		42,256	21,543	33,652	1,386
<i>Adjustments for:</i>					
Bad debts written off		17	8	-	-
Depreciation of:					
- investment properties		1,426	950	-	-
- property, plant and equipment		23,155	21,901	-	-
- right-of-use assets		1,017	887	-	-
Inventories written down		7,948	5,221	-	-
Net losses on impairment of financial instruments		5,326	2,999	-	-
Property, plant and equipment written off		50	13	-	-
Gain on disposal of:					
- a quoted investment		(2,066)	-	-	-
- assets classified as held for sale		(685)	-	-	-
- property, plant and equipment		(418)	(5,640)	-	-
- right-of-use assets		(9,999)	-	-	-
Gain on derecognition of right-of-use assets		(76)	(45)	-	-
Finance income		(5,849)	(5,141)	(3,097)	(3,124)
Finance costs		24,949	27,762	6,887	6,867
Dividend income from subsidiaries		-	-	(35,503)	(6,500)
Share of loss of an equity-accounted associate, net of tax		7	1	7	1
Operating profit/(loss) before changes in working capital		87,058	70,459	1,946	(1,370)
Changes in:					
Inventories		15,036	61,141	-	-
Receivables, deposits and prepayments		10,044	20,280	674	(2,989)
Payables and accruals		(19,140)	13,205	6,906	7,418
Cash generated from operations		92,998	165,085	9,526	3,059
Interest paid		(1,242)	(1,704)	-	-
Net tax paid		(11,258)	(12,233)	(397)	(715)
Net cash from operating activities		80,498	151,148	9,129	2,344
Cash flows from investing activities					
Acquisition of:					
- a quoted investment		(7,477)	-	-	-
- a subsidiary, net of cash acquired		-	(6,560)	-	(6,560)
- investment properties	(i)	(2,200)	(80)	-	-
- property, plant and equipment	(ii)	(26,727)	(39,796)	-	-
Dividends received		-	-	35,503	6,500
Interest received		5,849	5,141	3,097	3,124
Investment in subsidiaries		-	-	(2,549)	(60,000)
Net repayment of advances due from subsidiaries		-	-	2,897	32,728
Net proceeds from disposal of:					
- a quoted investment		9,543	-	-	-
- assets classified as held for sale		4,485	-	-	-
- property, plant and equipment		683	22,114	-	-
- right-of-use assets		13,338	-	-	-
Net cash (used in)/from financing activities		(2,506)	(19,181)	38,948	(24,208)

Statement of Cash Flows

for the financial year ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from financing activities					
Dividends paid to:					
- non-controlling interests		(260)	(259)	-	-
- owners of the Company		(3,967)	(3,325)	(3,967)	(3,325)
Interest paid		(25,405)	(28,770)	(6,887)	(6,867)
Net proceeds from/(repayments of):					
- advances due to subsidiaries		-	-	(51,752)	22,417
- bankers' acceptances		50,518	(25,908)	-	-
- revolving credit		(11,250)	(52,119)	-	-
Payment of lease liabilities		(238)	(216)	-	-
Proceeds from:					
- issuance of shares pursuant to warrants		15,733	7,397	15,733	7,397
- term loans		3,189	30,000	-	-
- hire purchase liabilities	(ii)	-	3,708	-	-
- treasury shares disposed		-	2,226	-	2,226
Repayment of:					
- term loans		(7,878)	(9,623)	-	-
- hire purchase liabilities		(2,533)	(5,985)	-	-
Repurchase of treasury shares		(1,238)	-	(1,238)	-
Net cash from/(used in) financing activities		16,671	(82,874)	(48,111)	21,848
Net increase/(decrease) in cash and cash equivalents		94,663	49,093	(34)	(16)
Cash and cash equivalents at 1 January		115,461	66,368	91	107
Cash and cash equivalents at 31 December	(iii)	210,124	115,461	57	91

* Denotes amount less than RM500.

Notes to the statements of cash flows

(i) Acquisition of investment properties

During the financial year, the Group acquired investment properties with an aggregate cost of RM3,953,935 (2024: RM79,800) of which RM1,754,412 (2024: Nil) was acquired via contra off debts.

(ii) Acquisition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of RM28,925,011 (2024: RM42,481,097) of which RM1,353,500 (2024: RM1,136,144) were acquired by means of hire purchase arrangements. Included in property, plant and equipment acquired by the Group during the financial year is interest capitalised amounting to RM844,731 (2024: RM1,549,062).

The Group acquired certain plant and equipment costing of RM4,183,884 in 2023 which were subsequently refinanced by means of hire purchase arrangements of RM3,707,879 in 2024.

Statement of Cash Flows

for the financial year ended 31 December 2025

Notes to the statements of cash flows (continued)

(iii) *Cash and cash equivalents*

Cash and cash equivalents included in the statements of cash flows comprise the following statements of financial position amounts:

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances		199,235	126,846	57	91
Deposits placed with licensed banks		16,848	11,132	-	-
Highly liquid investments with other institutions		5	5	-	-
	10	216,088	137,983	57	91
Less:					
Deposits pledged	10.1	(600)	(600)	-	-
Bank overdrafts	13	(5,364)	(21,922)	-	-
		210,124	115,461	57	91

(iv) *Cash outflows for leases as a lessee*

	Note	2025 RM'000	2024 RM'000
Group			
Included in net cash from operating activities:			
Payment relating to:			
- short-term leases	16	2,331	2,276
- leases of low value assets	16	37	32
Interest paid in relation to lease liabilities	16	81	120
		2,449	2,428
Included in net cash from/(used in) financing activities:			
Payment of lease liabilities		238	216
Total cash outflow for leases		2,687	2,644

(v) *Reconciliation of movements of liabilities to cash flows arising from financing activities*

	At 1 January RM'000	Net changes from financing cash flows RM'000	Additions of new lease RM'000	Additions of hire purchase liabilities RM'000	De- recognition RM'000	At 31 December RM'000
Group						
2025						
Term loans	58,080	(4,689)	-	-	-	53,391
Hire purchase liabilities	1,814	(2,533)	-	1,354	-	635
Lease liabilities	2,716	(238)	433	-	(2,435)	476
Bankers' acceptances	411,133	50,518	-	-	-	461,651
Revolving credit	90,695	(11,250)	-	-	-	79,445
Total liabilities from financing activities	564,438	31,808	433	1,354	(2,435)	595,598

Statement of Cash Flows

for the financial year ended 31 December 2025

Notes to the statements of cash flows (continued)

(v) Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

	At 1 January RM'000	Net changes from financing cash flows RM'000	Additions of new lease RM'000	Additions of hire purchase liabilities RM'000	De- recognition RM'000	At 31 December RM'000
Group 2024						
Term loans	37,703	20,377	-	-	-	58,080
Hire purchase liabilities	2,955	(5,985)	-	4,844	-	1,814
Lease liabilities	2,707	(216)	1,456	-	(1,231)	2,716
Bankers' acceptances	437,041	(25,908)	-	-	-	411,133
Revolving credit	142,814	(52,119)	-	-	-	90,695
Total liabilities from financing activities	623,220	(63,851)	1,456	4,844	(1,231)	564,438

	At 1 January RM'000	Net changes from financing cash flows RM'000	At 31 December RM'000
Company 2025			
Advances due to subsidiaries	143,171	(51,752)	91,419
Total liabilities from financing activities	143,171	(51,752)	91,419
2024			
Advances due to subsidiaries	120,754	22,417	143,171
Total liabilities from financing activities	120,754	22,417	143,171

NOTES TO THE FINANCIAL STATEMENTS

Engtex Group Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”). The address of its principal place of business and registered office is as follows:

Principal place of business and registered office

Lot 36, Jalan BRP 9/2B
Putra Industrial Park
Bukit Rahman Putra
47000 Sungai Buloh
Selangor Darul Ehsan, Malaysia

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “Group” and individually referred to as “Group entities”) and the Group’s interests in an associate. The financial statements of the Company as at and for the financial year ended 31 December 2025 do not include other entities.

The Company is principally engaged in investment holding, whilst the principal activities of other Group entities and associate are as stated in Notes 5 and 6 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 16 April 2026.

1. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board (“MFRS Accounting Standards”), IFRS Accounting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and the requirements of the Companies Act 2016 in Malaysia.

The following are accounting standards, interpretations and amendments of the MFRS Accounting Standards that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Group and the Company:

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2026

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

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19 and 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*

Notes to the Financial Statements

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

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

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2026 for the amendments that are effective for annual periods beginning on or after 1 January 2026.
- from the annual period beginning on 1 January 2027 for the accounting standards that are effective for annual periods beginning on or after 1 January 2027.

The initial application of the abovementioned accounting standards, interpretations or amendments is not expected to have any material financial impact to the current period and prior period financial statements of the Group and the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (“RM”), which is the Company’s functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRS Accounting Standards 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 other than those disclosed in the following notes:

- Note 3 – *extension options and incremental borrowing rate in relation to leases*
- Note 7 – *deferred tax assets*
- Note 8 – *valuation of inventories*
- Note 22.4 – *measurement of expected credit loss (“ECL”)*

Notes to the Financial Statements

2. Property, plant and equipment

	Note	Land RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Office equipment, furniture and fittings RM'000	Electrical fittings and renovation RM'000	Capital work-in- progress RM'000	Total RM'000
Group Cost									
At 1 January 2024		104,511	222,685	220,490	29,164	35,740	10,918	71,601	695,109
Additions		-	485	8,391	1,202	611	447	31,345	42,481
Disposals		(6,097)	(10,964)	(616)	(1,523)	(1,601)	(989)	(235)	(22,025)
Reclass		(699)	560	139	-	-	-	-	-
Transfer		-	16,646	13,936	-	2	5,738	(36,322)	-
Transfer to assets classified as held for sale	2.7	-	-	-	-	-	-	(677)	(677)
Write-off		-	-	(13,200)	-	(217)	-	-	(13,417)
At 31 December 2024/ 1 January 2025		97,715	229,412	229,140	28,843	34,535	16,114	65,712	701,471
Additions		-	1,725	4,704	1,909	1,051	427	19,109	28,925
Disposals		-	-	-	(2,116)	(18)	-	-	(2,134)
Reclass		-	-	(243)	-	-	243	-	-
Transfer		-	54,687	14,328	-	5	1,195	(70,215)	-
Reclass to investment properties	2.8	(16,455)	(46,197)	-	-	-	-	-	(62,652)
Write-off		-	(17)	(1,523)	(90)	(1,280)	-	-	(2,910)
At 31 December 2025		81,260	239,610	246,406	28,546	34,293	17,979	14,606	662,700
Depreciation									
At 1 January 2024		-	47,757	167,831	22,088	29,456	7,455	-	274,587
Depreciation for the financial year	16	-	4,371	12,476	2,224	1,855	975	-	21,901
Disposals		-	(1,695)	(479)	(1,388)	(1,225)	(764)	-	(5,551)
Reclass		-	(2)	2	-	-	-	-	-
Write-off		-	-	(13,188)	-	(216)	-	-	(13,404)
At 31 December 2024/ 1 January 2025		-	50,431	166,642	22,924	29,870	7,666	-	277,533
Depreciation for the financial year	16	-	4,659	13,466	2,254	1,569	1,207	-	23,155
Disposals		-	-	-	(1,854)	(15)	-	-	(1,869)
Reclass		-	-	(137)	-	-	137	-	-
Write-off		-	(7)	(1,517)	(90)	(1,246)	-	-	(2,860)
At 31 December 2025		-	55,083	178,454	23,234	30,178	9,010	-	295,959
Carrying amounts									
At 1 January 2024		104,511	174,928	52,659	7,076	6,284	3,463	71,601	420,522
At 31 December 2024/ 1 January 2025		97,715	178,981	62,498	5,919	4,665	8,448	65,712	423,938
At 31 December 2025		81,260	184,527	67,952	5,312	4,115	8,969	14,606	366,741

Notes to the Financial Statements

2. Property, plant and equipment (continued)

2.1 Capital work-in-progress

Included in capital work-in-progress of the Group are factories, warehouses and machineries under construction.

2.2 Security

Certain land, buildings and capital work-in-progress of the Group costing RM168,201,861 (2024: RM235,875,699) and specific debentures over plant and equipment of certain subsidiaries costing RM21,035,616 (2024: RM20,984,216) are charged to banks as securities for credit facilities granted to certain subsidiaries of the Group (see Note 13).

Subsequent to financial year end, certain plant and machineries owned by certain subsidiaries costing RM5,390,868 (2024: Nil) were pledged to a bank as securities for credit facilities granted.

2.3 Titles

The title to a building of the Group costing RM571,970 (2024: Nil) is pending issuance by the relevant authorities.

2.4 Property, plant and equipment acquired under instalment purchase plans

Included in property, plant and equipment of the Group are assets acquired under hire purchase agreements as follows:

	Group	
	2025 RM'000	2024 RM'000
Carrying amounts		
Motor vehicles	2,280	3,081
Plant and machinery	264	451
	2,544	3,532

2.5 Borrowing costs capitalised

Included in additions to property, plant and equipment of the Group during the financial year is interest capitalised amounting to RM844,731 (2024: RM1,549,062).

2.6 Property, plant and equipment subject to operating lease

The following are recognised in profit or loss:

	Group	
	2025 RM'000	2024 RM'000
Lease income on:		
Land and buildings	854	464
Motor vehicles	216	276
Machineries	-	3
	1,070	743

Notes to the Financial Statements

2. Property, plant and equipment (continued)

2.6 Property, plant and equipment subject to operating lease (continued)

The operating lease payments to be received after the reporting date are as follows:

	Group	
	2025 RM'000	2024 RM'000
Less than one year	991	610
One to two years	-	526
Two to three years	-	120
Three to four years	-	120
Four to five years	-	120
More than five years	-	400
Total undiscounted lease payments	991	1,896

2.7 Transfer to assets classified as held for sale

In 2024, the capital work-in-progress of the Group amounting to RM676,916 are transferred to assets classified as held for sale (see Notes 11 and 26.2(i)).

2.8 Reclass to investment properties

During the financial year, a freehold land and building of the Group were reclassified to investment properties because they were no longer used by the Group and were leased to a third party. The Group accounts for the property in accordance with the accounting policy for property, plant and equipment set out in Note 2.9 up to the date of change in use.

2.9 Material accounting policy information

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Capital work-in-progress is not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

• Buildings	50 years
• Plant and machinery	2 – 10 years
• Motor vehicles	5 years
• Office equipment, furniture and fittings	3 – 10 years
• Electrical fittings and renovation	5 – 10 years

Notes to the Financial Statements

3. Right-of-use assets

	Note	Land RM'000	Buildings RM'000	Total RM'000
Group				
Cost				
At 1 January 2024		52,204	375	52,579
Additions		1,206	250	1,456
Acquisition of a subsidiary		7,262	-	7,262
Derecognition		(1,267)	(119)	(1,386)
Transfer to assets classified as held for sale	3.4	(3,945)	-	(3,945)
At 31 December 2024/1 January 2025		55,460	506	55,966
Additions		124	309	433
Derecognition		(2,474)	(256)	(2,730)
Disposal		(3,678)	-	(3,678)
At 31 December 2025		49,432	559	49,991
Depreciation				
At 1 January 2024		9,144	130	9,274
Acquisition of a subsidiary		140	-	140
Depreciation for the financial year	16	751	136	887
Derecognition		(121)	(79)	(200)
Transfer to assets classified as held for sale	3.4	(822)	-	(822)
At 31 December 2024/1 January 2025		9,092	187	9,279
Depreciation for the financial year	16	817	200	1,017
Derecognition		(194)	(177)	(371)
Disposal		(339)	-	(339)
At 31 December 2025		9,376	210	9,586
Carrying amounts				
At 1 January 2024		43,060	245	43,305
At 31 December 2024/1 January 2025		46,368	319	46,687
At 31 December 2025		40,056	349	40,405

The Group leases a number of land and buildings that run for a period of 2 to 99 years (2024: 2 to 99 years), with an option to renew the lease for an additional period of the same duration after the end of contract term. The derecognition of the right-of-use assets during the financial year are results of entering into a new short-term lease and early termination.

3.1 Security

Certain land of the Group costing RM25,358,035 (2024: RM29,703,698) are charged to banks as securities for credit facilities granted to certain subsidiaries of the Group (see Note 13).

3.2 Titles

The title to a leasehold land of the Group costing RM2,843,225 (2024: RM2,843,225) is pending issuance by the relevant authorities.

Notes to the Financial Statements

3. Right-of-use assets (continued)

3.3 Land

Included in the carrying amounts of land are:

	Group	
	2025	2024
	RM'000	RM'000
Land with unexpired lease period of:		
- more than 50 years	28,415	32,222
- less than 50 years	11,641	14,146
	40,056	46,368

3.4 Transfer to assets classified as held for sale

In 2024, a leasehold land of the Group amounting to RM3,122,850 was transferred to assets classified as held for sale (see Notes 11 and 26.2(i)).

3.5 Extension options

Some leases of office buildings contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where applicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

The extension options of all leases are currently included in the lease terms as the Group assessed that it is reasonably certain to exercise the extension options, which is supported by the high historical rate of extensions exercised by the Group. Hence, as at 31 December 2025 and 31 December 2024, there were no potential future lease payments not included in lease liabilities.

3.6 Significant judgements and assumptions in relation to lease

The Group assess at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

3.7 Material accounting policy information

(a) Recognition and measurement

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

Notes to the Financial Statements

3. Right-of-use assets (continued)

3.7 Material accounting policy information (continued)

(b) Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(c) Amortisation

The amortisation period for the current and comparative periods are as follows:

- Land 6 - 99 years
- Buildings 2 - 3 years

4. Investment properties

	Note	Freehold land RM'000	Buildings RM'000	Total RM'000
Group Cost				
At 1 January 2024		-	45,500	45,500
Additions		-	80	80
At 31 December 2024/1 January 2025		-	45,580	45,580
Additions		-	3,954	3,954
Reclass from property, plant and equipment	2	16,455	46,197	62,652
Transfer to assets classified as held for sale	4.5	-	(3,400)	(3,400)
At 31 December 2025		16,455	92,331	108,786
Depreciation				
At 1 January 2024		-	6,622	6,622
Depreciation for the financial year	16	-	950	950
At 31 December 2024/1 January 2025		-	7,572	7,572
Depreciation for the financial year	16	-	1,426	1,426
Transfer to assets classified as held for sale	4.5	-	(17)	(17)
At 31 December 2025		-	8,981	8,981
Carrying amounts				
At 1 January 2024		-	38,878	38,878
At 31 December 2024/1 January 2025		-	38,008	38,008
At 31 December 2025		16,455	83,350	99,805

4.1 Nature of leasing activities

Investment properties comprise a number of commercial and residential properties that are leased to third parties. Each of the leases contains an initial non-cancellable period ranging from 1 to 9 years (2024: 1 to 9 years), with annual rents indexed to consumer prices. Subsequent renewals are negotiated with the lessee and on average renewal periods ranging from 1 to 6 years (2024: 1 to 6 years). The Group does not charge variable lease payments that do not depend on an index or rate.

Notes to the Financial Statements

4. Investment properties (continued)**4.2 Other income/expenses recognised in profit or loss in relation to investment properties**

	Group	
	2025 RM'000	2024 RM'000
Rental income	3,637	1,931
Direct operating expenses:		
- income generating investment properties	1,354	1,004
- non-income generating investment properties	24	24
	3,637	1,931

4.3 Security

Certain buildings of the Group costing RM68,018,941 (2024: RM28,040,446) are charged to banks as securities for credit facilities granted to certain subsidiaries of the Group (see Note 13).

4.4 Titles

The strata titles to certain buildings of the Group costing RM1,642,174 (2024: RM1,642,174) are either pending issuance by the relevant authorities or pending transfer to the names of certain subsidiaries in the Group which acquired the properties.

4.5 Transfer to assets classified as held for sale

An investment property of the Group amounting to RM3,383,000 (2024: Nil) is transferred to assets classified as held for sale (see Notes 11 and 26.2(iii)).

4.6 Maturity analysis of operating lease payments

	Group	
	2025 RM'000	2024 RM'000
Less than one year	6,669	1,652
One to two years	6,421	1,445
Two to three years	6,233	1,133
Three to four years	6,080	902
Four to five years	5,996	874
More than five years	19,574	2,244
Total undiscounted lease payments	50,973	8,250

4.7 Fair value information

Fair value of investment properties are categorised as follows:

	Level 3	
	2025 RM'000	2024 RM'000
Group		
Investment properties	109,564	46,907

Notes to the Financial Statements

4. Investment properties (continued)

4.7 Fair value information (continued)

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

The following table shows the valuation technique used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Valuation Technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Discounted cash flows: The valuation method considers the present value of net cash flows to be generated from the property, taking into account expected annual rental to be received from the letting of the property. The expected net cash flows are discounted by applying a range of yields up to 50 years.	Rental yields (2025: 1.4% to 16.8%; 2024: 1.4% to 15.3%)	The estimated fair value would increase (decrease) if range of yield higher (lower).

4.8 Material accounting policy information

(a) Recognition and measurement

Investment properties are measured subsequently at cost less any accumulated depreciation and any accumulated impairment.

(b) Depreciation

Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful life of 50 years (2024: 50 years) for buildings. Freehold land is not depreciated.

(c) Valuation processes applied by the Group for Level 3 fair value

The Group estimates the fair values of certain investment properties with the involvement of independent valuers. The fair values are based on sales price of comparable buildings in close proximity adjusted for difference in location and shapes, accessibility, infrastructure available, improvements made on the site and other value considerations.

In the absence of valuation report, the valuations for those investment properties will be prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows is then applied to the net annual cash flows to arrive at the property valuation.

Notes to the Financial Statements

5. Investments in subsidiaries

Company	Cost of investments RM'000	Capital contribution RM'000	Total RM'000
Unquoted shares, at cost			
At 1 January 2024	315,219	20,735	335,954
Additions	66,560	-	66,560
At 31 December 2024/1 January 2025	381,779	20,735	402,514
Additions	2,549	-	2,549
At 31 December 2025	384,328	20,735	405,063
Impairment losses			
At 1 January 2024/ 31 December 2024/ 1 January 2025/ 31 December 2025	6,106	4,022	10,128
Carrying amounts			
At 1 January 2024	309,113	16,713	325,826
At 31 December 2024/1 January 2025	375,673	16,713	392,386
At 31 December 2025	378,222	16,713	394,935
	Note 5.1	Note 5.2	

5.1 Cost of investments

The principal place of business and country of incorporation of the subsidiaries are based in Malaysia, unless otherwise stated in the note of the financial statements. Details of the subsidiaries are as follows:

Name of company	Principal activities	Effective ownership interest and voting interest	
		2025	2024
		%	%
Engtex Ductile Iron Pipe Industry Sdn. Bhd.	Manufacturing and distribution of ductile iron pipes and fittings	100	100
Engtex Ductile Iron Marketing Sdn. Bhd.	Distribution of ductile iron pipes and fittings	100	100
East Coast Metals Sdn. Bhd.	Distribution of steel products	60	60
East Coast Manufacturing Sdn. Bhd.	Manufacturing of steel products	60	60
EngLen Metals Sdn. Bhd. ¹	Investment holding	100	100
EngLen Manufacturing Sdn. Bhd. ¹	Manufacturing and distribution of steel related products	100	100
Ivory Progression Sdn. Bhd. ¹	Property development and investment	100	100
Engtex Properties Sdn. Bhd. ¹ and its subsidiaries	Investment holding and property development	100	100
Engtex Emerald Sdn. Bhd. ¹	Property development and investment	100	100
Alimach Holdings Sdn. Bhd. ¹	Investment holding	100	100
Engtex Manufacturing Sdn. Bhd. ¹	Investment holding	100	100
Engtex Steel Pipe Sdn. Bhd.	Manufacturing of steel pipes	100	100
Engtex Steel Industries Sdn. Bhd.	Manufacturing of steel products	100	100

Notes to the Financial Statements

5. Investments in subsidiaries (continued)

5.1 Cost of investments (continued)

Name of company	Principal activities	Effective ownership interest and voting interest	
		2025	2024
		%	%
Engtex Leisure Sdn. Bhd. ¹	Hotelier	100	100
Swiss Mission Sdn. Bhd. ¹	Hotelier. Ceased operation in current financial year	100	100
Majestic Genius Sdn. Bhd. ¹	Dormant	100	100
Blue Legacy Sdn. Bhd. ¹	Property development	84	84
Engtex Platinum Sdn. Bhd. ¹	Property development	100	100
Tiara Mission Sdn. Bhd. ¹	Property development	100	100
LYE Industries Sdn. Bhd. ¹	Dormant	100	100
Engtex Energy Sdn. Bhd. ¹	Provision of solar energy solution	80	80
Engtex Metals Industry Sdn. Bhd. ¹	Dormant	100	100
Variglobal Sdn. Bhd. ¹	Property investment and commenced the provision of handling services in current financial year.	100	100
Engtex Sdn. Berhad and its subsidiaries	Investment holding and wholesale and distribution of pipes, valves, fittings, plumbing materials, steel related products and general hardware products and transportation	100	100
Benton Corporation Sdn. Bhd.	Distribution of plumbing materials and general hardware products and property investment	100	100
Mega Alliance Builder Supplies Sdn. Bhd. ¹	Distribution of pipes, valves, fittings and general hardware products	100	100
Engtex Marketing Sdn. Bhd.	Distribution of construction materials and general hardware products	100	100
Engtex Metals Sdn. Bhd. and its subsidiary	Manufacturing of welded wire mesh and hard drawn wire and investment holding	100	100
Engtex Metal Products Sdn. Bhd.	Distribution of metal-based products	100	100
Allpipes Technology Sdn. Bhd. and its subsidiaries	Manufacturing of steel pipes, fittings and related products and investment holding	89	89
Nagasari Bitumen Products Sdn. Bhd. ¹	Trading of bitumen products	89	89
Canova Manufacturing Sdn. Bhd. ¹	Manufacturing of steel pipes and fittings	89	89
Engtex Pipe Industry Sdn. Bhd.	Manufacturing of steel pipes and related products	89	89
Hachita Enterprise Sdn. Bhd.	Distribution of steel products	100	100
Wiki Pratama Sdn. Bhd. ¹	Distribution of food processing equipment and engineering tools	71	71

Notes to the Financial Statements

5. Investments in subsidiaries (continued)

5.1 Cost of investments (continued)

Name of company	Principal activities	Effective ownership interest and voting interest	
		2025	2024
		%	%
Eng Lian Hup Trading Sdn. Bhd. ¹ and its subsidiaries	Wholesale and distribution of pipes, valves, fittings, plumbing materials and general hardware products, and investment holding and transportation and general trading	100	100
Eng Lian Hup Marketing Sdn. Bhd. ¹	Distribution of steel products and provision of factory facilities	100	100
Engtex Metals (Utara) Sdn. Bhd. ¹	Provision of warehousing facilities and manufacturing of steel-welded wire mesh, hard drawn wire and steel products	100	100
EPCM Sdn. Bhd. ¹	Provision of project management services	100	100
Engtex Industries Sdn. Bhd. ¹	Property investment and manufacturing and distribution of steel products	100	100
LYE Manufacturing Sdn. Bhd. ¹	Manufacturing of valves, fittings, manhole covers, hydrants and industrial casting products	100	100
LYE Marketing Sdn. Bhd. ¹	Distribution of valves, fittings, manhole covers, hydrants and industrial casting products	100	100

¹ Not audited by KPMG PLT.

5.2 Capital contribution

Capital contribution represents amounts due from subsidiaries which are non-trade in nature, unsecured, interest free and settlement of the amount are neither planned nor likely to occur in the foreseeable future. As these amounts are, in substance, a part of the Company's net investments in the subsidiaries, it is stated at cost less accumulated impairment losses, if any.

Notes to the Financial Statements

5. Investments in subsidiaries (continued)

5.3 Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

2025	Allpipes Technology Sdn. Bhd. RM'000	Engtex Pipe Industry Sdn. Bhd. RM'000	East Coast Metals Sdn. Bhd. RM'000	East Coast Manu-facturing Sdn. Bhd. RM'000	Wiki Pratama Sdn. Bhd. RM'000	Blue Legacy Sdn. Bhd. RM'000	Engtex Energy Sdn. Bhd. RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
NCI percentage of ownership interest and voting interest	11.46%	11.46%	40.00%	40.00%	29.00%	16.00%	20.00%		
Carrying amount of NCI	5,614	3,851	314	5,802	2,185	77	241	2,076	20,160
Profit/(Loss) allocated to NCI	664	(77)	(302)	(43)	77	(117)	36	94	332

Summarised financial information before intra-group elimination**As at 31 December**

Non-current assets	66,217	52,590	3,195	19,395	77	-	5,399	
Current assets	90,198	41,642	30,612	21,080	8,184	20,769	269	
Non-current liabilities	(1,142)	(13,380)	-	(3,331)	(6)	-	(63)	
Current liabilities	(56,338)	(47,249)	(30,622)	(22,639)	(720)	(20,288)	(4,399)	
Net assets	98,935	33,603	3,185	14,505	7,535	481	1,206	

Year ended 31 December

Revenue	137,538	42,675	70,717	52,727	13,300	-	845	
---------	---------	--------	--------	--------	--------	---	-----	--

Profit/(Loss) and total comprehensive income/(expense) for the financial year

	5,797	(673)	(756)	(108)	267	(729)	182	
--	-------	-------	-------	-------	-----	-------	-----	--

Cash flows from/(used in)

operating activities

Cash flows (used in)/from

investing activities

Cash flows from/(used in)

financing activities

Net increase/(decrease) in

cash and cash equivalents

Dividends paid to NCI

	2,673	(4,960)	5,525	2,340	1,970	711	236	
	(37)	(626)	248	(109)	37	-	-	
	2,908	5,214	(1,179)	(3,357)	(500)	(709)	(262)	
	5,544	(372)	4,594	(1,126)	1,507	2	(26)	
	115	-	-	-	145	-	-	

Notes to the Financial Statements

5. Investments in subsidiaries (continued)

5.3 Non-controlling interests in subsidiaries (continued)

2024	Allpipes Technology Sdn. Bhd. RM'000	Engtex Pipe Industry Sdn. Bhd. RM'000	East Coast Metals Sdn. Bhd. RM'000	East Coast Manu-facturing Sdn. Bhd. RM'000	Wiki Pratama Sdn. Bhd. RM'000	Blue Legacy Sdn. Bhd. RM'000	Engtex Energy Sdn. Bhd. RM'000	Other individually immaterial subsidiaries RM'000	Total RM'000
NCI percentage of ownership interest and voting interest	11.46%	11.46%	40.00%	40.00%	29.00%	16.00%	20.00%		
Carrying amount of NCI	5,065	3,928	616	5,845	2,253	194	205	1,982	20,088
Profit/(Loss) allocated to NCI	590	(311)	(267)	(94)	17	(119)	3	32	(149)

Summarised financial information before intra-group elimination**As at 31 December**

Non-current assets	65,888	54,842	3,752	19,918	155	-	5,687	
Current assets	95,532	40,900	31,076	20,703	7,954	20,328	240	
Non-current liabilities	(1,175)	(14,186)	(33)	(4,447)	-	-	(8)	
Current liabilities	(66,106)	(47,280)	(30,854)	(21,560)	(341)	(19,119)	(4,896)	
Net assets	94,139	34,276	3,941	14,614	7,768	1,209	1,023	

Year ended 31 December

Revenue	141,841	57,785	72,903	50,253	9,588	-	238	
Profit/(Loss) and total comprehensive income/(expense) for the financial year	5,149	(2,714)	(667)	(235)	57	(747)	15	

Cash flows from/(used in) operating activities

Cash flows (used in)/from operating activities	49,185	(2,091)	4,249	1,050	1,417	1,061	5,022	
Cash flows (used in)/from investing activities	(2,639)	(3,691)	212	(1,833)	44	-	(5,716)	
Cash flows (used in)/from financing activities	(36,454)	6,895	(301)	922	(927)	(1,061)	(159)	

Net increase/(decrease) in cash and cash equivalents

Net increase/(decrease) in cash and cash equivalents	10,092	1,113	4,160	139	534	-	(853)	
Dividends paid to NCI	114	-	-	-	145	-	-	

Notes to the Financial Statements

5. Investments in subsidiaries (continued)

5.4 Significant restrictions

Other than those disclosed elsewhere in the financial statements, the carrying amounts of assets and liabilities to which significant restrictions apply are as follows:

	Note	Group	
		2025 RM'000	2024 RM'000
Cash and bank balances	(i)	192,120	112,196
Other assets	(ii)	8,741	8,791
		<u>200,861</u>	<u>120,987</u>

The above restrictions arise from the following:

(i) *Restrictions imposed by bank covenants*

The covenants of certain borrowings in the subsidiaries of the Group, restrict the ability of subsidiaries to declare dividends to their shareholders, unless consent is obtained from the banks.

(ii) *Restrictions imposed by shareholders' agreement*

Certain non-controlling shareholders of non-wholly owned subsidiaries hold protective rights restricting the Group's ability to use the assets and settle the liabilities of the subsidiaries, unless approval is obtained from the non-controlling shareholders.

5.5 Material accounting policy information

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses.

6. Investment in an associate

	2025 RM'000	2024 RM'000
Group and Company		
Unquoted shares, at cost		
At 1 January	47	48
Share of post-acquisition reserves	(7)	(1)
At 31 December	<u>40</u>	<u>47</u>

Details of the associate are as follows:

Name of company	Country of incorporation	Principal activity	Effective ownership interest and voting interest	
			2025	2024
Engtex Metals (Sarawak) Sdn. Bhd.	Malaysia	Dormant. Ceased the provision of handling services in current financial year.	49	49

The above associate is not audited by KPMG PLT.

Notes to the Financial Statements

6. Investment in an associate (continued)

The following table summarises the information of the associate and reconciles the information to the carrying amount of the interest in the associate.

Engtex Metals (Sarawak) Sdn. Bhd.

	2025 RM'000	2024 RM'000
Summarised financial information		
As at 31 December		
Current assets	83	106
Current liabilities	(3)	(11)
Net assets	80	95
Year ended 31 December		
Loss and total comprehensive expense	(15)	(2)
Reconciliation of net assets to carrying amount as at 31 December		
Share of net assets	40	47
Carrying amount in the statement of financial position	40	47
Share of results for the year ended 31 December		
Share of total comprehensive expense	(7)	(1)

6.1 Material accounting policy information

Investments in an associate is measured in the Company's statement of financial position at cost less any impairment losses.

7. Deferred tax assets and liabilities

7.1 Recognised deferred tax assets and liabilities

Deferred tax assets and (liabilities) are attributable to the following:

	Assets		Liabilities		Net	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group						
Property, plant and equipment	(93)	(125)	(14,922)	(13,619)	(15,015)	(13,744)
Right-of-use assets	497	497	(639)	(913)	(142)	(416)
Inventories	1,478	1,267	(1,177)	(972)	301	295
Lease liabilities	-	-	79	363	79	363
Provisions	1,568	2	5	8	1,573	10
Unutilised tax losses	5,162	5,442	-	-	5,162	5,442
Unutilised reinvestment allowances	1,050	1,050	3,543	3,751	4,593	4,801
Net tax assets/(liabilities)	9,662	8,133	(13,111)	(11,382)	(3,449)	(3,249)

Notes to the Financial Statements

7. Deferred tax assets and liabilities (continued)

7.1 Recognised deferred tax assets and liabilities (continued)

Movement in temporary differences during the financial year

	At 1.1.2024 RM'000	Arising from busines combinations RM'000	Recognised in profit or loss (Note 18) RM'000	At 31.12.2024/ 1.1.2025 RM'000	Recognised in profit or loss (Note 18) RM'000	At 31.12.2025 RM'000
Group						
Property, plant and equipment	(13,172)	-	(572)	(13,744)	(1,271)	(15,015)
Right-of-use assets	(141)	(562)	287	(416)	274	(142)
Inventories	429	-	(134)	295	6	301
Lease liabilities	650	-	(287)	363	(284)	79
Provisions	15	-	(5)	10	1,563	1,573
Unutilised tax losses	6,077	-	(635)	5,442	(280)	5,162
Unutilised reinvestment allowances	3,163	-	1,638	4,801	(208)	4,593
Net tax (liabilities)/assets	(2,979)	(562)	292	(3,249)	(200)	(3,449)

7.2 Unrecognised deferred tax assets

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

	Group	
	2025 RM'000	2024 RM'000
Property, plant and equipment	(15,401)	(16,388)
Right-of-use assets	(702)	(1,201)
Lease liabilities	718	1,203
Provisions	5	1,504
Unabsorbed capital allowances	47,499	42,107
Unabsorbed industrial building allowances	1,505	1,491
Unutilised tax losses	82,870	67,048
Unutilised reinvestment allowances	15,743	13,282
	132,237	109,046

Deferred tax assets have not been recognised in respect of the tax benefits because it is not probable that future taxable profits will be available against which the Group can utilise the benefits therefrom.

7.3 Unutilised tax losses and reinvestment allowances

Under the tax legislation of Malaysia, the unutilised tax losses and reinvestment allowances (stated at gross) will expire as follows:

	Group	
	2025 RM'000	2024 RM'000
Unutilised tax losses expiring in year of assessment ("YA"):		
- 2028	19,483	20,213
- 2029	12,606	13,451
- 2030	7,985	7,985
- 2031	7,437	7,437
- 2032	8,772	9,876
- 2033	16,556	16,556
- 2034	17,203	14,205
- 2035	14,336	-
	104,378	89,723

Notes to the Financial Statements

7. Deferred tax assets and liabilities (continued)

7.3 Unutilised tax losses and reinvestment allowances (continued)

Under the tax legislation of Malaysia, the unutilised tax losses and reinvestment allowances (stated at gross) will expire as follows: (continued)

	Group	
	2025 RM'000	2024 RM'000
Unutilised reinvestment allowances expiring in YA:		
- 2025	1,584	1,768
- 2026	831	831
- 2027	692	691
- 2028	40	412
- 2029	4,613	5,156
- 2030	1,456	2,038
- 2031	23,319	22,390
- 2032	2,345	-
	<u>34,880</u>	<u>33,286</u>

7.4 Significant judgements and assumptions in relation to deferred tax assets

The management applies judgements to determine the amount of deferred tax assets that can be recognised, based upon future events that are inherently uncertain. Judgement is also required about application of income tax legislation. Accordingly, the deferred tax assets recognised may be adjusted in subsequent periods as a result of changes in accounting estimates.

7.5 Material accounting policy information

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

8. Inventories

	Note	Group	
		2025 RM'000	2024 RM'000
Trading inventories		108,288	114,186
Raw materials		91,775	122,484
Work-in-progress		30,008	22,571
Manufactured inventories		122,068	111,203
Stock of completed properties		15,624	21,281
Properties under development	8.1	87,248	85,415
Hotel room supplies		96	97
		<u>455,107</u>	<u>477,237</u>
Recognised in profit or loss:			
Inventories recognised as cost of sales		1,266,425	1,312,899
Write-down to net realisable value	16	7,948	5,221

Notes to the Financial Statements

8. Inventories (continued)

8.1 Properties under development

	Note	Development		Total RM'000
		Land RM'000	costs RM'000	
Group				
At 1 January 2024		71,799	11,204	83,003
Additions	8.1.1	-	2,412	2,412
At 31 December 2024/1 January 2025		71,799	13,616	85,415
Additions	8.1.1	-	1,833	1,833
At 31 December 2025		71,799	15,449	87,248

8.1.1 Borrowing cost capitalised

Included in the additions to development costs of the Group during the financial year is interest capitalised amounting to RM853,666 (2024: RM1,163,151).

8.1.2 Security

The properties under development of the Group amounting to RM19,794,533 in 2024 were charged to banks as security for credit facilities granted to a subsidiary of the Group (see Note 13).

8.2 Significant judgements and assumptions in relation to valuation of inventories

The management reviews the valuation of inventories for obsolescence and decline in net realisable value to below cost. This review requires judgements and estimates to assess the amount of impairment needed to record the value of the inventories at the lower of cost and net realisable value. Possible changes in these estimates could result in revision to the valuation of inventories.

8.3 Material accounting policy information

(i) Properties under development

Land held for property development consists of the purchase price of the land, professional fees, stamp duties, commissions, conversion fees, levies and direct development cost incurred in preparing the land for development.

Property development costs are stated at the lower of costs and net realisable value. The cost includes cost of land less cumulative amounts recognised as cost of sales in the profit or loss. Property development cost of unsold unit is transferred to completed development unit once the property is completed.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and applicable variable selling expenses.

(ii) Other inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method. For completed properties, cost of inventories includes expenditure incurred in the acquisition of land, direct cost and appropriate proportions of common cost attribute to develop the properties to completion.

Notes to the Financial Statements

9. Receivables, deposits and prepayments

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade					
Trade receivables		397,357	412,678	-	-
Less: Allowance for impairment losses		(16,653)	(11,454)	-	-
	9.1	380,704	401,224	-	-
Non-trade					
Other receivables and deposits	9.2	24,413	22,555	675	-
		405,117	423,779	675	-
Prepayments		6,727	5,205	16	16
Amounts due from subsidiaries	9.3	-	-	96,759	101,005
Less: Allowance for impairment losses		-	-	(16,172)	(16,172)
		-	-	80,587	84,833
Amount due from an associate	9.4	-	1	-	-
		411,844	428,985	81,278	84,849

9.1 Included in trade receivables of the Group are amounts totalling RM1,632,151 (2024: RM1,406,739) due from companies in which certain Directors of the Company, certain directors of certain subsidiaries and a person connected to a director of a subsidiary have interests.

9.2 Included in other receivables and deposits balance of the Group are:

- i) deposits totalling RM1,254,198 (2024: RM2,594,378) for the acquisition of machineries and motor vehicles by certain subsidiaries; and
- ii) deposits totalling RM16,949,714 (2024: RM12,655,113) paid to suppliers for procurement of raw materials and trading goods.

9.3 The non-trade amounts due from subsidiaries are unsecured, interest free and repayable on demand, except for advances totalling RM63,095,785 (2024: RM65,992,984) which earn interests ranging from 4.85% to 6.00% (2024: 5.04% to 6.00%) per annum.

9.4 The non-trade amount due from an associate was unsecured, interest free and repayable on demand.

10. Cash and cash equivalents

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances		199,235	126,846	57	91
Deposits placed with licensed banks	10.1	16,848	11,132	-	-
Highly liquid investments with other institutions	10.2	5	5	-	-
		216,088	137,983	57	91

10.1 Included in the Group's deposits placed with licensed banks is RM600,000 (2024: RM600,000) pledged to a licensed bank for bank facilities granted to a subsidiary (see Note 13).

10.2 Highly liquid investments with other institutions comprises investment in money market funds managed by licensed fund management company of which the amounts deposited can be withdrawn at the discretion of the Group by giving a three days notice period.

Notes to the Financial Statements

11. Assets classified as held for sale

	Note	Group	
		2025 RM'000	2024 RM'000
Property, plant and equipment			
Cost	2	-	677
Right-of-use assets			
Cost	3	-	3,945
Accumulated depreciation	3	-	(822)
Investment properties			
Cost	4	3,400	-
Accumulated depreciation	4	(17)	-
		<u>3,383</u>	<u>3,800</u>

11.1 Property transferred to assets classified as held for sale

During the financial year, a building has been transferred from investment properties to asset classified as held for sale (see Note 4 and 26.2(iii)).

In 2024, the capital work-in-progress and leasehold land had been transferred from property, plant and equipment and right-of-use assets respectively to assets classified as held for sale (see Notes 2, 3 and 26.2(i)).

11.2 Disposal of properties

- (i) In December 2024, a wholly owned subsidiary entered into an agreement to dispose of a leasehold land as disclosed in Note 26.2(i).
- (ii) In December 2025, a wholly owned subsidiary entered into an agreement to dispose of an investment property as disclosed in Note 26.2(iii).

11.3 Security

In 2024, the capital work-in-progress and leasehold land were charged to a bank as security for credit facilities granted to a subsidiary.

12. Capital and reserves

12.1 Share capital

	Group and Company			
	Number of shares 2025 '000	Amount 2025 RM'000	Number of shares 2024 '000	Amount 2024 RM'000
Issued and fully paid shares with no par value classified as equity instruments:				
At 1 January	794,302	277,614	443,319	269,934
Shares issued due to:				
- exercise of warrants	39,331	16,335	17,166	7,680
- bonus issue	-	-	333,817	-
At 31 December	<u>833,633</u>	<u>293,949</u>	<u>794,302</u>	<u>277,614</u>

Notes to the Financial Statements

12. Capital and reserves (continued)

12.1 Share capital (continued)

During the financial year, the Company issued 39,331,300 (2024: 17,165,750) new ordinary shares pursuant to the exercise of 39,331,300 (2024: 1,770,000 and 15,395,750) warrants by the registered warrant holders at the price of RM0.40 (2024: RM0.70 and RM0.40) per ordinary share respectively for every warrant held.

In 2024, the Company issued 333,816,580 new shares (inclusive of 43 bonus shares to be held as treasury shares) through bonus issue on the basis of three (3) bonus issue for every four (4) existing shares held at no consideration and without capitalisation of the Company's reserves

The newly issued shares rank *pari passu* in all respects with the existing ordinary shares except that they will not be entitled to any dividends, rights, allotment and/or other distribution that may be declared, made or paid prior to the relevant date of allotment and issuance of the Bonus Shares or the warrants exercise date.

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company and rank equally with regard to the Company's residual assets. In respect of the Company's treasury shares that are held by the Company, all rights are suspended until those shares are reissued.

12.2 Treasury shares

The shareholders of the Company, by a special resolution passed in the Annual General Meeting held on 22 May 2025, approved the Company's plan to repurchase its own shares. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the said repurchase plan is in the best interests of the Company and its shareholders.

During the financial year, the Company repurchased 2,367,800 (2024: Nil) of its issued share capital from the open market at an average price of RM0.52 (2024: Nil) per share including transaction costs. The total consideration paid was RM1,237,999 (2024: Nil). The repurchase transactions were financed by internally generated funds. The shares repurchased are retained as treasury shares.

In 2024, the Company disposed 1,946,400 treasury shares for a total consideration of RM2,225,589 in the open market at an average price of RM1.14 per share. The proceeds from the resale net of transaction costs were utilised for working capital purposes.

At 31 December 2025, the Company held 2,367,901 (2024: 101) of its own shares.

12.3 Warrants reserve

	Number of warrants	Group and Company		Amount 2024 RM'000
		Amount 2025 RM'000	Number of warrants 2024 '000	
At 1 January	172,407	2,641	109,086	2,924
Addition as a result of Bonus Issue	-	-	80,487	-
Warrant exercised	(39,331)	(602)	(17,166)	(283)
At 31 December	133,076	2,039	172,407	2,641

On 6 September 2021, the Company issued 109,085,775 new Warrants at an issue price of RM0.03 per Warrant through the Rights Issue of Warrants on the basis one (1) Warrant for every four (4) existing ordinary shares held in the Company. The Warrants were constituted by a Deed Poll dated 28 July 2021 and were listed on the Main Market of Bursa Malaysia Securities Berhad on 8 September 2021.

Notes to the Financial Statements

12. Capital and reserves (continued)

12.3 Warrants reserve (continued)

The salient terms of the Warrants were as follows:

- i) The exercise price is RM0.70 per Warrant in the Company which subsequently adjusted to RM0.40 per Warrant as a result of the bonus issue completed in August 2024. Each warrant will entitle the registered holder to subscribe for 1 new ordinary share in the Company during the Exercise Period;
- ii) The Exercise Period is for a period of five (5) years commencing on and including the date of allotment of these warrants. Warrants not exercised during the Exercise Period will thereafter lapse and cease to be valid;
- iii) The new shares to be issued arising from the exercise of Warrants shall, upon allotment and issue, rank equally in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other form of distribution (“Distribution”) that may be declared, made or paid for which the entitlement date for the Distribution is prior to the date of allotment and issuance of the new shares arising from the exercise of Warrants; and
- iv) The Warrant holders are not entitled to any voting rights or to participate in any distribution and/or offer of further securities in the Company until and unless such Warrant holders exercise the Warrants for new ordinary shares of the Company.

In 2024, the Company issued 80,486,763 additional Warrants 2021/2026 arising from the adjustment to the number of outstanding warrants in accordance with the Deed Poll dated 28 July 2021 with the exercise price of the warrants been adjusted from RM0.70 each to RM0.40 each as a result of the bonus issue.

During the financial year, a total of 39,331,300 (2024: 1,770,000 and 15,395,750) warrants were exercised by the registered warrant holders to subscribe for 39,331,300 (2024: 17,165,750) new ordinary shares in the Company at the price of RM0.40 (2024: RM0.70 and RM0.40) per ordinary share respectively for every warrant exercised.

As at 31 December 2025, 133,075,488 (2024: 172,406,788) Warrants 2021/2026 remained unexercised.

13. Loans and borrowings

	Group	
	2025	2024
	RM'000	RM'000
Non-current		
Secured		
Term loans	46,405	49,752
Hire purchase liabilities	9	147
	46,414	49,899
Current		
Secured		
Bankers' acceptances	117,551	83,162
Bank overdrafts	1,544	6,800
Term loans	6,986	8,328
Hire purchase liabilities	626	1,667
	126,707	99,957
Unsecured		
Bankers' acceptances	344,100	327,971
Bank overdrafts	3,820	15,122
Revolving credit	79,445	90,695
	554,072	533,745
Total loans and borrowings	600,486	583,644

Notes to the Financial Statements

13. Loans and borrowings (continued)

13.1 Security

The borrowings are secured by way of:

- i) legal charges over certain land and buildings, capital work-in-progress, properties under development and assets classified as held for sale of the Group;
- ii) specific debentures over certain plant and equipment of the Group;
- iii) deposit placed with a licensed bank; and
- iv) corporate guarantees issued by the Company and certain subsidiaries.

13.2 Covenants of banks

Certain subsidiaries of the Group are required to comply maintain the gearing ratios within the range of 1.75 to 4.00 times (2024: 1.75 to 4.00 times).

The relevant subsidiaries of the Group have complied with this covenant as at 31 December 2025.

14. Payables and accruals

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Trade					
Trade payables	14.1	63,302	66,512	-	-
Non-trade					
Amounts due to subsidiaries	14.2	-	-	130,620	175,221
Amounts due to an associate	14.3	-	12	-	-
Other payables	14.4	16,631	15,696	28	300
Accrued expenses		25,074	41,927	518	491
		105,007	124,147	131,166	176,012

14.1 Included in trade payables of the Group are amounts totalling RM1,310,686 (2024: RM1,225,235) due to companies in which certain Directors of the Company and certain directors of certain subsidiaries have interests.

14.2 The amounts due to subsidiaries are unsecured, interest free and repayable on demand except for advances totalling RM91,419,475 (2024: RM143,171,229) which bear interest ranging from 3.45% to 5.13% (2024: 4.00% to 5.10%) per annum.

14.3 Amounts due to an associate was unsecured, interest free and repayable on demand.

14.4 Included in other payables of the Group are:

- i) amounts totalling RM2,498,307 (2024: RM2,592,136) due to companies in which certain Directors of the Company, certain directors of certain subsidiaries and a person connected to a director of a subsidiary have interests;
- ii) refundable deposits totalling RM2,801,601 (2024: RM1,116,622) received from customers for future orders; and
- iii) a deposit of RM390,000 (2024: RM450,000) received for the disposal of the assets classified as held for sale (see Note 26.2(iii)).

Notes to the Financial Statements

15. Revenue

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from contracts with customers	1,430,683	1,459,893	-	-
Other revenue				
- Dividend income from subsidiaries	-	-	35,503	6,500
- Rental income from investment properties	3,066	1,410	-	-
	1,433,749	1,461,303	35,503	6,500

15.1 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Wholesale, distribution and manufacturing products	Revenue is recognised at a point in time when the goods are delivered and accepted by the customers at their premises.	Credit period of 0-90 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Hospitality	Revenue from room rental is recognised over time during the period of stay for the hotel guests. Food and beverage, laundry service fees and other hospitality services are recognised at a point in time when the services are rendered.	Cash term.	Not applicable.	Not applicable.	Not applicable.
Property development	(i) <u>Sale of properties under construction</u> Revenue is recognised over time as costs are incurred. These contracts would meet the no alternative use and the Group has rights to payment for work performed.	Credit period of 0-21 days from invoice date.	Discount or rebates given to buyers.	Not applicable.	Defect liability period of 24 months upon the delivery of vacant possession of development unit.
	(ii) <u>Sale of completed properties</u> Revenue is recognised at a point in time when the customer takes legal possession of the property.	Based on progress billing with 10% payable upon signing of contract and remaining 90% payable 3 months from date of contract.	Discount or rebates given to buyers.	Not applicable.	Not applicable.

Notes to the Financial Statements

15. Revenue (continued)

15.2 Disaggregation of revenue contracts with customers

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Major products and services				
- goods sold	1,412,705	1,440,575	-	-
- hospitality	13,907	13,712	-	-
- completed properties	4,071	5,606	-	-
	<u>1,430,683</u>	<u>1,459,893</u>	<u>-</u>	<u>-</u>
Timing and recognition				
At a point in time	1,419,891	1,449,923	-	-
Over time	10,792	9,970	-	-
	<u>1,430,683</u>	<u>1,459,893</u>	<u>-</u>	<u>-</u>

15.3 Transaction prices allocated to the remaining performance obligations

Transaction price allocated to performance obligation that are unsatisfied (or partially unsatisfied) at the reporting date of RM2,801,601 (2024: RM1,116,622) is expected to be recognised as revenue in next financial year.

16. 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/(crediting):				
Auditors' remunerations				
Audit fees:				
- KPMG PLT	533	528	84	84
- Other auditors	153	149	-	-
Assurance service fee:				
- KPMG PLT	12	12	12	12
Non-assurance service fee:				
- Local affiliates of KPMG PLT	19	4	6	4
- Other auditors	12	-	-	-
(Income)/Expenses				
Bad debts recovered	(10)	-	-	-
Bad debts written off	17	8	-	-
Depreciation of:				
- investment properties	1,426	950	-	-
- property, plant and equipment	23,155	21,901	-	-
- right-of-use assets	1,017	887	-	-
Gain on derecognition of right-of-use assets	(76)	(45)	-	-
Gain on disposal of:				
- a quoted investment	(2,066)	-	-	-
- assets classified as held for sale	(685)	-	-	-
- property, plant and equipment	(418)	(5,640)	-	-
- right-of-use assets	(9,999)	-	-	-

Notes to the Financial Statements

16. Profit before tax (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before tax is arrived at after charging/(crediting): (continued)				
<i>(Income)/Expenses (continued)</i>				
Interest expenses of financial liabilities:				
- amounts due to subsidiaries	-	-	6,887	6,867
- bank overdrafts	1,099	1,468	-	-
- hire purchase liabilities	79	277	-	-
- term loans	2,218	1,183	-	-
- other borrowings	21,472	24,714	-	-
Interest expenses on lease liabilities	81	120	-	-
Finance income of financial assets:				
- amounts due from subsidiaries	-	-	(3,097)	(3,124)
- receivables and deposits placed with licensed banks	(5,849)	(5,141)	-	-
- highly liquid investments with other institutions	_*	_*	-	-
Inventories written down	7,948	5,221	-	-
Personnel expenses (including key management personnel):				
- contributions to Employees Provident Fund	6,007	5,582	-	-
- wages, salaries and others	93,905	86,087	445	434
Property, plant and equipment written off	50	13	-	-
Realised gains on foreign exchange, net	(26)	(68)	-	-
Share of loss of an equity-accounted associate, net of tax	7	1	7	1
<i>Expenses/(Income) arising from leases</i>				
Expenses relating to:				
- short-term leases	2,331	2,276	-	-
- leases of low-value assets	37	32	-	-
Rental income on:				
- land and buildings	(1,664)	(1,255)	-	-
- machineries	-	(3)	-	-
- motor vehicles	(216)	(276)	-	-
<i>Net losses on impairment of financial instruments</i>				
Trade receivables	5,326	2,999	-	-

* Denotes amount less than RM500.

Notes to the Financial Statements

17. Key management personnel compensation

The key management personnel compensation are as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors' emoluments:				
Remunerations				
- Company's Directors	7,065	7,234	38	42
- Subsidiaries' directors	3,927	3,810	-	-
Fees				
- Company's Directors	521	502	411	392
- Subsidiaries' directors	50	50	-	-
	11,563	11,596	449	434
Other key management personnel:				
Remunerations	944	951	-	-
	12,507	12,547	449	434

Other key management personnel comprise persons other than the directors of the Company and subsidiaries, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

The estimated monetary value of benefits-in-kind in the Group for the Company's Directors are RM199,700 (2024: RM178,450).

18. Tax expense

Recognised in profit or loss

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Income tax expense					
- current financial year		14,894	11,697	1,224	357
- over provision in prior financial year		(303)	(270)	-*	(1)
		14,591	11,427	1,224	356
Real Property Gains Tax					
- current financial year		947	217	-	-
		15,538	11,644	1,224	356
Deferred tax expense					
- origination and reversal of temporary differences		1,439	(707)	-	-
- (over)/under provision in prior financial year		(1,239)	415	-	-
	7	200	(292)	-	-
		15,738	11,352	1,224	356

Notes to the Financial Statements

18. Tax expense (continued)

Recognised in profit or loss (continued)

Note	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Reconciliation of tax expense				
Profit before tax	42,256	21,543	33,652	1,386
Income tax using Malaysian tax rate of 24%	10,141	5,170	8,076	333
Non-deductible expenses	3,886	5,431	1,668	1,584
Utilisation of reinvestment allowances	(200)	(5,568)	-	-
Income not subjected to tax	(3,060)	(1,308)	(8,520)	(1,560)
Effect of deferred tax benefits not recognised	6,315	8,588	-	-
Real Property Gains Tax	947	217	-	-
Utilisation of previously unrecognised deferred tax benefits	(749)	(1,323)	-	-
	17,280	11,207	1,224	357
(Over)/Under provision in prior financial year	(1,542)	145	-*	(1)
Tax expense	15,738	11,352	1,224	356

* Denotes amount less than RM500.

19. Earnings per ordinary share

Basic earnings per ordinary share

The calculation of basic earnings per ordinary share was based on the profit attributable to owners of the Company and the weighted average number of ordinary shares outstanding, calculated as follows:

	Group	
	2025	2024
Profit attributable to owners of the Company (RM'000)	26,186	10,340
Weighted average number of ordinary shares ('000)		
Issued ordinary shares as at 1 January	794,302	443,319
Effect of treasury shares held	(1,496)	(861)
Effect of bonus issue	-	333,817
Effect of exercise of warrants	6,086	5,398
Weighted average number of ordinary shares as at 31 December	798,892	781,673
Basic earnings per ordinary share (sen)	3.28	1.32

Notes to the Financial Statements

19. Earnings per ordinary share (continued)

Diluted earnings per ordinary share

The calculation of diluted earnings per ordinary share was based on the profit attributable to owners of the Company and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	Group	
	2025	2024
<i>Profit attributable to owners of the Company (RM'000)</i>	26,186	10,340
<i>Weighted average number of ordinary shares ('000)</i>		
Weighted average number of ordinary shares (basic) as at 31 December	798,892	781,673
Effect of exercise of warrants	45,798	62,607
Weighted average number of ordinary shares as at 31 December	844,690	844,280
<i>Diluted earnings per ordinary share (sen)</i>	3.10	1.22

20. Dividend

Dividend recognised by the Company:

	Total amount RM'000	Date of payment
2025		
Final 2024 ordinary (single-tier) dividend of 0.50 sen per ordinary share	3,967	7 April 2025
2024		
Final 2023 ordinary (single-tier) dividend of 0.75 sen per ordinary share	3,325	3 July 2024

Subsequent to the reporting period, the dividend was paid on 31 March 2026. This dividend will be recognised in the subsequent financial period.

	Total amount RM'000
Final 2025 ordinary (single-tier) dividend of 0.60 sen per ordinary share	5,019

21. Operating segments

The Group has four reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different business segments, and are managed based on the Group's management and internal reporting structure. For each of the strategic business units, the Group Managing Director (the chief operating decision maker) and the Board of Directors review internal management reports at least on a quarterly basis.

Notes to the Financial Statements

21. Operating segments (continued)

The following summary describes the operations in each of the Group's reportable segments:

Wholesale and distribution	Includes wholesale and distribution of pipes, valves, fittings, plumbing materials, steel related products, general hardware products and construction materials.
Manufacturing	Includes manufacturing and sale of steel and ductile iron pipes and fittings, valves, manhole covers, hydrants, industrial casting products, welded wire mesh, hard-drawn wire, bitumen products and other steel-related products.
Property development	Includes property development and investment activities.
Hospitality	Includes operation of hotel rooms, food and beverage, meeting and function rooms, and other hospitality services.

Other non-reportable segments comprise operations related to the corporate assets and expenses, and other operations which are not sizeable to be reported separately.

Performance is measured based on segment profit before tax, interest and depreciation as included in the internal management reports that are reviewed by the Group Managing Director and the Board of Directors. Segment profit is used to measure performance as management believes that such information is relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment assets

The total of segment assets is measured based on all assets (including goodwill) of a segment, as included in the internal management reports that are reviewed by the Group Managing Director and the Board of Directors. Segment total assets is used to measure the return on assets of each segment.

Segment liabilities

The total of segment liabilities is measured based on all liabilities of a segment, as included in the internal management reports that are reviewed by the Group Managing Director and the Board of Directors. Segment total liabilities is used to measure the gearing of each segment.

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment, investment properties and right-of-use assets.

	Wholesale and distribution RM'000	Manu- facturing RM'000	Property development RM'000	Hospitality RM'000	Total RM'000
Group 2025					
Segment profit/(loss)	30,589	56,037	(999)	122	85,749
<i>Included in the measure of segment profit are:</i>					
Revenue from external customers	667,124	746,566	5,307	13,907	1,432,904
Inter-segment revenue	44,589	211,825	662	65	257,141
Write-down of inventories	(4,170)	(3,778)	-	-	(7,948)

Notes to the Financial Statements

21. Operating segments (continued)

	Wholesale and distribution RM'000	Manu- facturing RM'000	Property development RM'000	Hospitality RM'000	Total RM'000
Group					
2025					
<i>Not included in the measure of segment profit are:</i>					
Depreciation	(3,185)	(18,718)	(691)	(2,860)	(25,454)
Finance costs	(10,707)	(16,116)	(3,197)	(601)	(30,621)
Finance income	13,254	1,925	4	737	15,920
Segment assets	816,682	985,415	139,381	77,675	2,019,153
<i>Included in the measure of segment assets are:</i>					
Additions to non-current assets, other than financial instruments and deferred tax assets	10,280	18,513	261	414	29,468
Segment liabilities	(348,000)	(542,487)	(131,940)	(16,479)	(1,038,906)
2024					
Segment profit	31,373	31,821	275	5,763	69,232
<i>Included in the measure of segment profit are:</i>					
Revenue from external customers	696,418	743,919	7,016	13,712	1,461,065
Inter-segment revenue	52,138	217,923	565	103	270,729
Write-down of inventories	(4,372)	(849)	-	-	(5,221)
<i>Not included in the measure of segment profit are:</i>					
Depreciation	(3,003)	(16,695)	(692)	(3,270)	(23,660)
Finance costs	(13,273)	(19,354)	(3,481)	(557)	(36,665)
Finance income	15,616	1,626	2	270	17,514
Segment assets	874,351	954,835	144,406	79,609	2,053,201
<i>Included in the measure of segment assets are:</i>					
Additions to non-current assets, other than financial instruments and deferred tax assets	7,405	29,335	-	170	36,910
Segment liabilities	(393,872)	(520,528)	(132,082)	(15,627)	(1,062,109)

Notes to the Financial Statements

21. Operating segments (continued)

Reconciliations of reportable segment revenue, profit or loss, assets, liabilities and other material items

	Group	
	2025 RM'000	2024 RM'000
Profit or loss		
Total profit or loss for reportable segments	85,749	69,232
Other non-reportable segments	2,808	(71)
Elimination of inter-segment profits	(1,596)	(1,258)
Depreciation	(25,598)	(23,738)
Finance costs	(24,949)	(27,762)
Finance income	5,849	5,141
Share of loss of an equity-accounted associate, net of tax	(7)	(1)
Consolidated profit before tax	42,256	21,543

	External revenue RM'000	De- preciation RM'000	Finance costs RM'000	Finance income RM'000	Segment assets RM'000	Additions to non- current assets		Segment liabilities RM'000
						RM'000	RM'000	
Group								
2025								
Total reportable segments	1,432,904	(25,454)	(30,621)	15,920	2,019,153	29,468		(1,038,906)
Other non-reportable segments	845	(483)	(7,033)	2,775	47,901	4,878		(23,654)
Elimination of inter-segment transactions or balances	-	339	12,705	(12,846)	(461,762)	(1,034)		336,768
Consolidated total	1,433,749	(25,598)	(24,949)	5,849	1,605,292	33,312		(725,792)
2024								
Total reportable segments	1,461,065	(23,660)	(36,665)	17,514	2,053,201	36,910		(1,062,109)
Other non-reportable segments	238	(266)	(7,011)	2,818	36,987	6,969		(19,965)
Elimination of inter-segment transactions or balances	-	188	15,914	(15,191)	(520,925)	138		355,525
Consolidated total	1,461,303	(23,738)	(27,762)	5,141	1,569,263	44,017		(726,549)

Geographical segments

The Group operates primarily in Malaysia and as such, no geographical segment disclosures are made.

Major customers

There are no customers with revenue equal or more than 10% of the Group's total revenue.

Notes to the Financial Statements

22. Financial instruments

22.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Fair value through profit or loss ("FVTPL") and
(b) Amortised cost ("AC")

	Carrying amount RM'000	AC RM'000	FVTPL RM'000
2025			
Financial assets			
Group			
Receivables and deposits	403,863	403,863	-
Cash and cash equivalents	216,088	216,083	5
	<u>619,951</u>	<u>619,946</u>	<u>5</u>
Company			
Receivables and deposits	81,262	81,262	-
Cash and cash equivalents	57	57	-
	<u>81,319</u>	<u>81,319</u>	<u>-</u>
Financial liabilities			
Group			
Loans and borrowings	(600,486)	(600,486)	-
Payables and accruals	(105,007)	(105,007)	-
	<u>(705,493)</u>	<u>(705,493)</u>	<u>-</u>
Company			
Payables and accruals	(131,166)	(131,166)	-
2024			
Financial assets			
Group			
Receivables and deposits	421,186	421,186	-
Cash and cash equivalents	137,983	137,978	5
	<u>559,169</u>	<u>559,164</u>	<u>5</u>
Company			
Receivables and deposits	84,833	84,833	-
Cash and cash equivalents	91	91	-
	<u>84,924</u>	<u>84,924</u>	<u>-</u>
Financial liabilities			
Group			
Loans and borrowings	(583,644)	(583,644)	-
Payables and accruals	(124,147)	(124,147)	-
	<u>(707,791)</u>	<u>(707,791)</u>	<u>-</u>
Company			
Payables and accruals	(176,012)	(176,012)	-

Notes to the Financial Statements

22. Financial instruments (continued)

22.2 Net losses arising from financial instruments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net gains/(losses) arising on:				
Financial assets at amortised cost	542	2,202	3,097	3,124
Financial assets at fair value through profit or loss	-*	-*	-	-
Financial liabilities at amortised cost	(24,868)	(27,642)	(6,887)	(6,867)
	(24,326)	(25,440)	(3,790)	(3,743)

* Amount denotes amount less than RM500.

22.3 Financial risk management

The Group and the Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

22.4 Credit risk

Credit risk is the risk of a financial loss to the Group or the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its receivables from customers. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks and suppliers for banking and credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally financial guarantees given by banks, shareholders or directors of customers are obtained, and credit evaluations are performed on customers requiring credit over a certain amount.

At each reporting date, the Group assesses whether any of the trade receivables is credit impaired.

The gross carrying amounts of credit impaired trade receivables is written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that is written off could still be subject to recovery activities.

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers and the Group uses ageing analysis to monitor the credit quality of the receivables whilst significant portion of trade receivables for property development segment are purchasers that are backed by financiers. Any past due receivables, which are deemed to have higher credit risk, are monitored individually.

The Group receives financial guarantees given by banks, shareholders or directors of customers in managing exposure to credit risks. Trade receivables amounting to RM268,267,633 (2024: RM288,824,980) of the Group are supported by financial guarantees given by banks, shareholders or directors of the customers.

Notes to the Financial Statements

22. Financial instruments (continued)

22.4 Credit risk (continued)

Receivables (continued)

Concentration of credit risk

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region was:

	Group	
	2025 RM'000	2024 RM'000
Domestic	377,498	399,646
Singapore	2,621	1,488
New Zealand	585	90
	<u>380,704</u>	<u>401,224</u>

Recognition and measurement of impairment loss

In managing the credit risk of trade receivables, the Group manages its receivables and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will be repaid within 90 days. The Group's Credit Control Committee monitors past due debts at least on a bi-weekly basis. The Group will start to initiate a structured debt recovery process should there be indicators where the debts owing by a customer may not be fully recoverable. Should a structured debt recovery process is not possible, the Group will commence a legal proceeding against the customer.

The Group uses an allowance matrix to measure expected credit losses ("ECLs") of trade receivables. Invoices which are past due more than 365 days will be considered as credit-impaired. Nevertheless, the Group has not recognised any loss allowance on receivables that are supported by financial guarantees given by banks, shareholders or directors of customers, which are deemed to have low risk of default, other than specifically provided for.

In respect of trade receivables arising from the sale of completed properties, the Group retains the legal title to all properties sold until the full contracted sales value is settled. As such, under normal circumstances, the amounts due from property purchasers are not impaired.

Loss rate is based on actual credit loss experience over the past three years and is calculated using a flow rate method based on the probability of a receivable progressing through successive stages of delinquency to more than 365 days past due.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the end of the reporting period:

	Gross carrying amount RM'000	Loss allowance RM'000	Net RM'000
Group			
2025			
Current (not past due)	299,428	(35)	299,393
1 - 90 days past due	66,121	(11)	66,110
91 - 180 days past due	2,732	(5)	2,727
181 - 270 days past due	336	(5)	331
271 - 365 days past due	423	(2)	421
	<u>369,040</u>	<u>(58)</u>	<u>368,982</u>
Credit-impaired			
More than 365 days past due	1,231	(18)	1,213
Individually impaired	27,086	(16,577)	10,509
	<u>397,357</u>	<u>(16,653)</u>	<u>380,704</u>

Notes to the Financial Statements

22. Financial instruments (continued)

22.4 Credit risk (continued)

Receivables (continued)

Recognition and measurement of impairment loss (continued)

	Gross carrying amount RM'000	Loss allowance RM'000	Net RM'000
2024			
Current (not past due)	306,739	(27)	306,712
1 - 90 days past due	62,432	(9)	62,423
91 - 180 days past due	11,303	(1)	11,302
181 - 270 days past due	1,432	(7)	1,425
271 - 365 days past due	850	(11)	839
	382,756	(55)	382,701
Credit-impaired			
More than 365 days past due	1,428	(28)	1,400
Individually impaired	28,494	(11,371)	17,123
	412,678	(11,454)	401,224

Trade receivables which are credit-impaired amounting to RM28,317,373 (2024: RM29,922,166) are partially supported by financial guarantees given by banks, shareholders or directors of customers.

The movements in the allowance for impairment in respect of trade receivables during the financial year were shown below.

	Lifetime ECL RM'000	Individual impaired RM'000	Total RM'000
Group			
At 1 January 2024	149	10,080	10,229
Net remeasurement of loss allowance	(66)	3,065	2,999
Amount written off	-	(1,774)	(1,774)
	83	11,371	11,454
At 31 December 2024/1 January 2025			
Net remeasurement of loss allowance	(7)	5,333	5,326
Amount written off	-	(127)	(127)
	76	16,577	16,653

Cash and cash equivalents and deposits with licensed banks

The cash and cash equivalents and deposits are held with financial and other institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These financial and other institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries and to suppliers for credit facilities granted to certain subsidiaries. The Company monitors on an ongoing basis the results of the subsidiaries and repayments made by the subsidiaries.

Notes to the Financial Statements

22. Financial instruments (continued)

22.4 Credit risk (continued)

Financial guarantees (continued)

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk as represented by the outstanding banking and credit facilities of the subsidiaries are as follows:

	Company	
	2025	2024
	RM'000	RM'000
Corporate guarantees issued to:		
- financial institutions for bank facilities granted to its subsidiaries	599,972	582,741
- suppliers for credit facilities granted to its subsidiaries	4,152	4,605
	<u>604,124</u>	<u>587,346</u>

The financial guarantees are provided as credit enhancements to the subsidiaries' credit facilities.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit-impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed amounts individually using internal information available. As at the end of the reporting period, there was no indication that any subsidiary would default on repayment. The Company is of the view that the loss allowance is not material and hence, it is not provided for.

Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

Loans and advances provided are not secured by any collateral or supported by any other credit enhancement.

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiaries to have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advances to be credit-impaired when:

- The subsidiary is unlikely to repay its loan or advance to the Company in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

Notes to the Financial Statements

22. Financial instruments (continued)

22.4 Credit risk (continued)

Inter-company balances (continued)

Recognition and measurement of impairment loss (continued)

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' loans and advances as at the end of the reporting period:

	Gross carrying amount RM'000	Loss allowance RM'000	Net RM'000
Company			
2025			
Low credit risk	43,690	-	43,690
Credit-impaired	53,069	(16,172)	36,897
	<u>96,759</u>	<u>(16,172)</u>	<u>80,587</u>
2024			
Low credit risk	45,148	-	45,148
Credit-impaired	55,857	(16,172)	39,685
	<u>101,005</u>	<u>(16,172)</u>	<u>84,833</u>

The movements in the allowance for impairment in respect of subsidiaries advances during the financial year are shown below.

	Company	
	2025 RM'000	2024 RM'000
At 1 January/ 31 December	<u>16,172</u>	<u>16,172</u>

Other receivables and deposits

Credit risks on other receivables and deposits are mainly arising from other receivables and deposits paid for the procurement of trading goods, office buildings and fixture rented.

The maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of the reporting period, the Group and the Company are of the view that the loss allowance is not material due to the low probability of default and hence, it is not provided for.

22.5 Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet its financial obligations as they fall due. The Group's and the Company's exposure to liquidity risk arises principally from their various payables, lease liabilities, loans and borrowings.

The Group and the Company maintain a level of cash and bank balances and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet their liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Notes to the Financial Statements

22. Financial instruments (continued)

22.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities and lease liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM'000	Contractual interest rate/ coupon/ discount rate	Contractual cash flows RM'000	Under 1 year RM'000	1 - 2 years RM'000	2 - 5 years RM'000	More than 5 years RM'000
Group							
2025							
<i>Non-derivative financial liabilities</i>							
Secured							
Term loans	53,391	4.27% - 4.44%	65,731	9,176	8,878	19,976	27,701
Hire purchase liabilities	635	2.43% - 5.06%	653	644	9	-	-
Bankers' acceptances	117,551	3.73% - 5.48%	117,551	117,551	-	-	-
Bank overdrafts	1,544	6.47% - 7.95%	1,544	1,544	-	-	-
Unsecured							
Bankers' acceptances	344,100	3.76% - 4.89%	344,100	344,100	-	-	-
Bank overdrafts	3,820	7.51% - 8.05%	3,820	3,820	-	-	-
Revolving credit	79,445	4.11% - 5.30%	79,445	79,445	-	-	-
Payables and accruals	105,007	-	105,007	105,007	-	-	-
	<u>705,493</u>		<u>717,851</u>	<u>661,287</u>	<u>8,887</u>	<u>19,976</u>	<u>27,701</u>
Lease liabilities	476	5.05% - 5.06%	512	235	178	83	16
	<u>705,969</u>		<u>718,363</u>	<u>661,522</u>	<u>9,065</u>	<u>20,059</u>	<u>27,717</u>
2024							
<i>Non-derivative financial liabilities</i>							
Secured							
Term loans	58,080	4.52% - 6.42%	72,783	10,833	10,276	22,127	29,547
Hire purchase liabilities	1,814	2.24% - 4.86%	1,868	1,720	148	-	-
Bankers' acceptances	83,162	4.30% - 5.95%	83,162	83,162	-	-	-
Bank overdrafts	6,800	6.72% - 8.39%	6,800	6,800	-	-	-
Unsecured							
Bankers' acceptances	327,971	4.34% - 5.36%	327,971	327,971	-	-	-
Bank overdrafts	15,122	7.50% - 8.30%	15,122	15,122	-	-	-
Revolving credit	90,695	5.43% - 5.72%	90,695	90,695	-	-	-
Payables and accruals	124,147	-	124,147	124,147	-	-	-
	<u>707,791</u>		<u>722,548</u>	<u>660,450</u>	<u>10,424</u>	<u>22,127</u>	<u>29,547</u>
Lease liabilities	2,716	3.43% - 5.06%	3,986	378	292	636	2,680
	<u>710,507</u>		<u>726,534</u>	<u>660,828</u>	<u>10,716</u>	<u>22,763</u>	<u>32,227</u>

Notes to the Financial Statements

22. Financial instruments (continued)

22.5 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM'000	Contractual interest rate/ coupon	Contractual cash flows RM'000	Under 1 year RM'000
Company				
2025				
<i>Non-derivative financial liabilities</i>				
Unsecured				
Amounts due to subsidiaries	91,419	3.45% - 5.13%	91,419	91,419
Payables and accruals	39,747	-	39,747	39,747
Corporate guarantees	-	-	604,124	604,124
	<u>131,166</u>		<u>735,290</u>	<u>735,290</u>
2024				
<i>Non-derivative financial liabilities</i>				
Unsecured				
Amounts due to subsidiaries	143,171	4.00% - 5.10%	143,171	143,171
Payables and accruals	32,841	-	32,841	32,841
Corporate guarantees	-	-	587,346	587,346
	<u>176,012</u>		<u>763,358</u>	<u>763,358</u>

22.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Group's financial position or cash flows.

22.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases, borrowings and cash and bank balances that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar ("USD"), Singapore Dollar ("SGD"), Euro ("EUR") and Chinese Yuan ("CNY").

Risk management objectives, policies and processes for managing the risk

The Group's exposure to foreign currency risk is monitored on an ongoing basis and will use forward exchange contracts to hedge its foreign currency risk when necessary. Forward exchange contracts, if any, would have maturities of less than one year. Where necessary, the forward exchange contracts are rolled over at maturity.

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period was:

	USD RM'000	SGD RM'000	EUR RM'000	CNY RM'000
2025				
Cash and bank balances	3,977	551	-	-
Receivables	-	895	-	-
Payables	(633)	-	-	-
Exposure in the statements of financial position	<u>3,344</u>	<u>1,446</u>	<u>-</u>	<u>-</u>

Notes to the Financial Statements

22. Financial instruments (continued)**22.6 Market risk (continued)****22.6.1 Currency risk (continued)**

Exposure to foreign currency risk (continued)

	USD RM'000	SGD RM'000	EUR RM'000	CNY RM'000
2024				
Cash and bank balances	1,106	645	-	-
Receivables	-	69	-	-
Payables	(1,332)	-	(743)	(938)
Exposure in the statements of financial position	(226)	714	(743)	(938)

A 10% (2024: 10%) strengthening of the RM against foreign currencies at the end of the reporting period would have increased post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Group	
	2025 RM'000	2024 RM'000
USD	(254)	17
SGD	(110)	(54)
EUR	-	56
CNY	-	71

A 10% (2024: 10%) weakening of the RM against foreign currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amount shown above, on the basis that all other variables remained constant.

22.6.2 Interest rate risk

The Group's fixed rate instruments are exposed to a risk of change in their fair value due to changes in interest rates. The Group's and the Company's variable rate instruments are exposed to a risk of change in cash flows due to changes in interest rates. Short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group adopts a practice to continuously seek for alternative banking facilities, which provide competitive interest rates to finance and/or refinance its working capital requirements.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fixed rate instruments				
Financial assets	16,848	11,132	4,200	4,532
Financial liabilities	(541,731)	(503,642)	-	-
Lease liabilities	(476)	(2,716)	-	-

Notes to the Financial Statements

22. Financial instruments (continued)

22.6 Market risk (continued)

22.6.2 Interest rate risk (continued)

Exposure to interest rate risk (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Floating rate instruments				
Financial assets	-	-	58,896	61,461
Financial liabilities	(58,755)	(80,002)	(91,419)	(143,171)

Interest rate risk sensitivity analysis

(a) *Fair value sensitivity analysis for fixed rate instruments*

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group and the Company do not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) *Cash flow sensitivity analysis for variable rate instruments*

A change of 25 basis points ("bp") (2024: 25 bp) in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	2025		2024	
	Profit or loss 25 bp increase RM'000	Profit or loss 25 bp decrease RM'000	Profit or loss 25 bp increase RM'000	Profit or loss 25 bp decrease RM'000
Group				
Floating rate instruments	(112)	112	(152)	152
Cash flow sensitivity (net of tax)	(112)	112	(152)	152
Company				
Floating rate instruments	(62)	62	(155)	155
Cash flow sensitivity (net of tax)	(62)	62	(155)	155

22.6.3 Other price risk

Price risk arises from the Group's investments in highly liquid investments that are held with other institutions.

Risk management objectives, policies and processes for managing the risk

The Group's highly liquid investments are money market funds that are not exposed to significant risk of changes in fair value. Consequently, the Group and the Company are of the view that the highly liquid investments are not exposed to significant price risk.

Notes to the Financial Statements

22. Financial instruments (continued)

22.7 Fair value information

The carrying amounts of cash and bank balances, deposits with licensed banks, short-term receivables and payables and short-term borrowings reasonably approximate their fair values due to the relatively short-term nature of these financial instruments.

The Company provides financial guarantees to banks and suppliers for credit facilities extended to certain subsidiaries. The Directors are of the opinion that the fair values of such financial guarantees are not expected to be material as the probability of the subsidiaries defaulting on the credit lines is remote as described in Note 22.4.

The table below analyses the financial instruments carried at fair value and those not carried at fair value for which fair values are disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments		Total fair value RM'000	Carrying amount RM'000
	carried at fair value Level 2 RM'000	not carried at fair value Level 3 RM'000		
Group				
2025				
Financial assets				
Highly liquid investments with other institutions	5	-	5	5
Financial liabilities				
Hire purchase liabilities	-	(634)	(634)	(635)
Term loans	-	(53,391)	(53,391)	(53,391)
	-	(54,025)	(54,025)	(54,026)
2024				
Financial assets				
Highly liquid investments with other institutions	5	-	5	5
Financial liabilities				
Hire purchase liabilities	-	(1,801)	(1,801)	(1,814)
Term loans	-	(58,080)	(58,080)	(58,080)
	-	(59,881)	(59,881)	(59,894)

Level 2 fair value

Fair value of highly liquid investments with other institutions is calculated based on the net assets value of the highly liquid investments as advised by the said institutions.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

Non-derivative financial asset and liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the interest rate determined at the end of the reporting period.

For hire purchase liabilities, the market rate of interest is determined by reference to similar agreements. For term loans, the carrying amounts approximate the fair value as they bear variable rates of interest determined based on a margin over the lender bank's base lending rate.

Notes to the Financial Statements

22. Financial instruments (continued)

22.7 Fair value information (continued)

Level 3 fair value (continued)

Interest rates used to determine fair value

The interest rates used to discount estimated cash flows, when applicable, are as follows:

	2025	2024
Group		
Hire purchase liabilities	4.72%	4.70% - 5.35%

Transfers between Level 2 and Level 3 fair values

There has been no transfer between Level 2 and Level 3 fair values during the financial year (2024: no transfer in either direction).

22.8 Material accounting policy information

The Group or the Company applies settlement date accounting for regular way purchase or sales of financial assets.

23. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investors, creditors and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The net debt-to-equity ratios at 31 December were as follows:

		Group	
	Note	2025	2024
		RM'000	RM'000
Total loans and borrowings	13	600,486	583,644
Less: Cash and cash equivalents	10	(216,088)	(137,983)
Net debts		384,398	445,661
Total equity		879,500	842,714
Net debt-to-equity ratio		0.44	0.53

There was no change in the Group's approach to capital management during the financial year.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25 percent of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

The Group's debt-to-equity ratio should not exceed 1.5 times (2024: 1.5 times) to comply with a bank covenant, failing which, the bank may call an event of default. The Group has complied with this covenant at the end of the reporting period.

Notes to the Financial Statements

24. Commitments

	Group	
	2025	2024
	RM'000	RM'000
Property, plant and equipment		
Authorised but not contracted for	39,915	48,527
Contracted but not provided for	22,763	9,867
	62,678	58,394

25. Related parties**25.1 Identity of related parties**

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

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

25.2 Significant related party transactions

The significant related party transactions of the Group and the Company, other than key management personnel compensation which is disclosed in Note 17 are shown below. The balances related to the below transactions are shown in Notes 9 and 14.

	Note	Amounts transacted for the financial year ended 31 December	
		2025	2024
		RM'000	RM'000
Group			
<i>Companies in which certain Directors of the Company have interests</i>			
Sales	a	(2,602)	(1,973)
Disposal of plant and equipment	b	(472)	-
Rental income from properties	c	(72)	(72)
Rental income from motor vehicles	c	(216)	(276)
Expenses relating to short-term leases for properties	c	1,430	1,453
Acquisition of plant and equipment	b	-	25
Purchases	a	16,527	14,095
<i>Companies in which certain directors of certain subsidiaries have interests</i>			
Sales	a	(1,605)	(1,486)
Purchases	a	251	5,684
<i>Directors of the Company</i>			
Disposal of plant and equipment	b	(30)	-
Expenses relating to short-term lease for a property	c	24	24

Notes to the Financial Statements

25. Related parties (continued)

25.2 Significant related party transactions (continued)

	Note	Amounts transacted for the financial year ended 31 December	
		2025 RM'000	2024 RM'000
Group			
<i>A person connected to certain Directors of the Company</i>			
Expenses relating to short-term lease for a property	c	24	24
<i>Certain directors of certain subsidiaries</i>			
Expenses relating to short-term lease for a hostel	c	-	7
Consultancy fees expenses	d	494	487
<i>A person connected to a director of a subsidiary</i>			
Sales	a	-*	-*
Consultancy fees expenses	d	60	60
<i>An associate</i>			
Interest income	e	-	-*
Purchases	a	3	81
Company			
<i>A company in which certain Directors of the Company have interests</i>			
Purchases	a	31	31
<i>An associate</i>			
Interest income	e	-	-*
<i>Subsidiaries</i>			
Dividend income (gross)		(35,503)	(6,500)
Interest income		(3,097)	(3,124)
Interest expenses		6,887	6,867
Purchases		7	24
Management fees expenses		264	264

* Denotes amount less than RM500.

Note a

From time to time, the Group and the Company may sell and purchase goods and services with companies in which certain Directors of the Company, certain directors of certain subsidiaries have interests and a person connected to a director of a subsidiary. These sales or purchases are based on negotiated terms and are domestic in nature.

Note b

The Group acquired and disposed of plant and equipment with companies in which certain Directors of the Company have interests, a director of the Company and certain key management personnel. The transactions were carried out under normal commercial terms and conditions not more favourable than those generally available to other eligible employees of the Group.

Note c

The Group entered into rental agreements with companies in which certain Directors of the Company have interests, a Director of the Company, a person connected to certain Directors of the Company and a director of a subsidiary, for the letting of industrial properties and hostels, and motor vehicles. The rental terms are based on negotiated terms and amounts are receivable or payable on monthly basis for the duration of the agreements.

Notes to the Financial Statements

25. Related parties (continued)

25.2 Significant related party transactions (continued)

Note d

The Group entered into agreements with a director of certain subsidiaries and a person connected to a director of a subsidiary, for provision of consultancy services. The contract terms are based on negotiated terms and conditions.

Note e

From time to time, the Company may provide interest-bearing advances to the associate to meet its working capital requirement.

26. Significant events during the financial year

26.1 Acquisition of a property

In June 2025, a wholly owned subsidiary entered into an agreement with its customer to acquire a residential freehold three storey villa located at Bandar Sungai Buloh, Daerah Gombak, Selangor for a cash consideration of RM3,400,000. The purchase price was partially settled with the outstanding debts of RM1,754,412 by the customer and balance was paid by cash. The transaction was completed during the financial year.

26.2 Disposal of properties

- (i) In December 2024, a wholly owned subsidiary entered into an agreement with a third party to dispose of an industrial leasehold land located at Subang New Village, Mukim Sungai Buloh, Daerah Petaling for a total cash consideration of RM4,500,000. The transaction was completed during the financial year.
- (ii) In May 2025, a wholly owned subsidiary entered into an agreement with a third party to dispose of four (4) industrial leasehold land located at Bandar Rasa, Daerah Hulu Selangor, Selangor for a total cash consideration of RM13,700,000. The transaction was completed during the financial year.
- (iii) In December 2025, a wholly owned subsidiary entered into an agreement with a third party to dispose a residential freehold three storey villa located at Bandar Sungai Buloh, Daerah Gombak, Selangor for RM3,900,000 of which RM390,000 was received as deposit. The transaction was completed subsequent to the financial year end.

27. Significant event after the financial year end

Issuance of shares pursuant to the exercise of Warrants 2021/2026

A total of 10,285,250 warrants were exercised by the registered warrant holders to subscribe for 10,285,250 new ordinary shares in the Company at RM0.40 per ordinary share for every warrant exercised.

STATEMENT BY DIRECTORS

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

In the opinion of the Directors, the financial statements set out on pages 45 to 101 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Boards 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:

Tan Sri Dato' Ng Hook

Director

Dato' Ng Chooi Guan

Director

Sungai Buloh, Selangor Darul Ehsan

Date: 16 April 2026

STATUTORY DECLARATION

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

I, **Khoo Chong Keong**, the officer primarily responsible for the financial management of Engtex Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 45 to 101 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named Khoo Chong Keong, NRIC: 690107-10-5007, MIA CA11413 at Kuala Lumpur in the state of Wilayah Persekutuan on 16 April 2026.

Khoo Chong Keong

Before me:

Chandanjit Singh A/L Suran Singh

Commissioner of Oaths

No.A-W 594

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ENGTEx GROUP BERHAD

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of EngtEx Group 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 year then ended, and notes to the financial statements, including material accounting policies information, as set out on pages 45 to 101.

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 year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("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 auditors' report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Valuation of trade receivables	
Refer to Note 9 – Receivables, deposits and prepayments and Note 22.4 – Credit risk	
The key audit matter	How the matter was addressed in our audit
<p>The Group has significant trade receivables, comprising many customers, and certain customers with a portion of long outstanding debts, leading to the increase in credit risk exposure to the financial statements. These factors, together with the customers' credit risks could result in a risk over the recoverability of the Group's trade receivables.</p> <p>The adoption of the simplified approach to measure the loss allowance at an amount equal to lifetime expected credit loss, could increase the risk if not appropriately applied.</p> <p>We identified the valuation of trade receivables as a key audit matter because it required management to exercise judgement and estimation in assessing the recoverability of the Group's trade receivables.</p>	<p>Our audit procedures performed over this area included, among others:</p> <ul style="list-style-type: none"> • Assessed the Group's credit evaluation, control and monitoring processes by evaluating the design and implementation of control over the allowance for impairment loss on trade receivables and monitoring of credit limit; • Tested on a sample basis, the invoices of their respective age bracket to ascertain the accuracy of trade receivables ageing; • Assessed on a sample basis, the recoverability of trade receivables by testing the receipts of cash after year end and considering the historical trend of payments and bad debts record for debts deemed doubtful as well as financial guarantees; and • Challenged the key assumptions applied in determining the allowance for impairment loss on trade receivables by taking into account the historical trend of recoverability of the trade receivables within the Group.

Independent Auditors' Report

To the Members of Engtex Group Berhad

Key Audit Matters (continued)

Valuation of trade receivables (continued)	
The key audit matter	How the matter was addressed in our audit
	For expected credit loss of trade receivables: <ul style="list-style-type: none"> • Evaluated Group's judgements made, including selection and application of the method, assumptions and data in making the estimate; • Assessed the adequacy of the expected credit loss on trade receivables by comparing our expectations against the loss allowance made by Group; and • Assessed the adequacy of Group's disclosure on expected credit loss and relevant credit risks of trade receivables.
Valuation of inventories	
Refer to Note 8 – Inventories	
The key audit matter	How the matter was addressed in our audit
We identified valuation of inventories as one of the key audit matters due to the significance of the balance and the level of judgement required to assess the amount of impairment needed to record the value of the following inventories at the lower of cost and net realisable value and inventories that were slow moving: <ul style="list-style-type: none"> • Trading inventories • Manufactured inventories 	Our audit procedures performed over this area included, among others: <ul style="list-style-type: none"> • Assessed the Group's key controls and processes in place to track, monitor and record inventories movements; • Compared on a sample basis, the selling prices of sales invoices subsequent to year end to the carrying values of these inventories as at year end; and • Assessed the adequacy of the impairment on inventories by evaluating the basis used by the Group to calculate allowance for inventory impairment.

We have determined that there is no key audit matter in the audit of the financial statements of the Company to be communicated in our Auditors' Report.

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 Annual Report 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 Annual Report and, in doing so, consider whether the Annual Report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the Annual Report, 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 MFRS Accounting 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 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 ability of the Group and of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditors' Report

To the Members of Engtex Group Berhad

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:

- i) 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.
- ii) 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 internal control of the Group and of the Company.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv) 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 ability of the Group or of the Company 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.
- v) 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 gives a true and fair view.
- vi) 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 financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law 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 auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent Auditors' Report

To the Members of Engtex Group Berhad

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 5 to the financial statements.

Other Matter

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.

KPMG PLT

(LLP0010081-LCA & AF 0758)

Chartered Accountants

Petaling Jaya

Date: 16 April 2026

Ow Peng Li

Approval Number: 02666/09/2027 J

Chartered Accountant

LIST OF PROPERTIES

Location/ Address	Description / Existing Use	Tenure	Date of Acquisition	Approximate Land Area (Build Up)	Approximate Age of Building (Years)	Net Book Value as at 31.12.25 RM'000
Engtex Sdn Berhad						
H.S.(D) 31889 & H.S.(D) 31890 Lot No. P.T. 13177 & 13178 Mukim of Rawang, District of Gombak, Selangor D.E. Lot 36, Jalan BRP 9/2B, Putra Industrial Park, Bukit Rahman Putra, 47000 Sg. Buloh, Selangor D.E.	4 Storey Office Building annexed with a Single Storey Warehouse Building / Office cum Warehouse	Freehold	20-Oct-97	117,610 sq ft (122,705 sq ft)	25	14,222
H.S.(D) 31897 & H.S.(D) 31898 Lot No. P.T. 13185 & 13186 Mukim of Rawang, District of Gombak, Selangor D.E. Lot 37, Jalan BRP 9/2B, Putra Industrial Park, Bukit Rahman Putra, 47000 Sg. Buloh, Selangor D.E.	1 1/2 Storey Office Building annexed with a Double Storey Warehouse Building / Office cum Warehouse	Freehold	10-Sep-96	116,752 sq ft (99,207 sq ft)	25	6,810
Geran 62270, Lot No. 52407 Unit No: M1/1/1 & M1/N1/2 Daerah Gombak, Bandar Selayang, Selangor D.E. No.140 & 140M, Jalan SBC 3, Taman Sri Batu Caves, 68100 Batu Caves, Selangor D.E.	Shop Office Ground & Mezzanine / Tenanted	Freehold	19-Jan-05	N/A (2,081 sq ft)	27	321
Master Title No.H.S.(D) 320446, PTD 163045 Mukim of Plentong, District of Johor Bahru, State of Johor, Johor. No.11-02, Blok A, Taman Bayu Puteri 3, Jalan Bayu Puteri 2, 80150 Johor Baru, Johor.	Apartment / Vacant	Leasehold 99 years Expiry: 2097	6-Feb-07	N/A (1,002 sq ft)	20	112

List of Properties

Location/ Address	Description / Existing Use	Tenure	Date of Acquisition	Approximate Land Area (Build Up)	Approximate Age of Building (Years)	Net Book Value as at 31.12.25 RM'000
Engtex Marketing Sdn Bhd						
GM 4436, Lot 3198 Tempat Kuang, Mukim Rawang, Daerah Gombak, Selangor D.E.	Single Storey Warehouse / Tenanted	Freehold	14-Sep-09	114,345 sq ft (36,000 sq ft)	14	-*
Geran 348543, Lot 112268 Mukim of Tebrau, District of Johor Bahru, State of Johor, Johor. No.34, Jalan Setia Tropika 1/14, Taman Setia Tropika, 81200 Johor Bahru, Johor.	Double Storey Shop / Office	Freehold	31-Dec-14	1,680 sq ft (3,360 sq ft)	11	914
Geran 59401, Lot 52397 Unit No: M1/1/1 Daerah Gombak, Bandar Selayang, Selangor D.E. No.17, Jalan SBC 1, Taman Sri Batu Caves, 68100 Batu Caves, Selangor D.E.	Shop Office Ground Floor / Tenanted	Freehold	17-Aug-18	N/A (1,328 sq ft)	27	948
Geran 571248, Lot 49507 Township of Johor Bahru, District of Johor Bahru, State of Johor, Johor. #23-01, Block A3A-2, Mercu 1, Jalan Tanjung Puteri 1, R&F Tanjung Puteri, 80300 Johor Bahru, Johor.	Serviced Apartment / Vacant	Freehold	12-Mar-21	N/A (1,129 sq ft)	5	907

List of Properties

Location/ Address	Description / Existing Use	Tenure	Date of Acquisition	Approximate Land Area (Build Up)	Approximate Age of Building (Years)	Net Book Value as at 31.12.25 RM'000
<i>Hachita Enterprise Sdn Bhd</i>						
H.S.(D) 31967 & H.S. (D) 31968 Lot No. P.T. 34449 & 34450 Mukim of Batu, Daerah Gombak, Selangor D.E. Lot 34449 & Lot 34450, Jalan BRP 9/2, Putra Industrial Park, Bukit Rahman Putra, 47000 Sg. Buloh, Selangor D.E.	2 parcels of Adjoining Vacant Commercial Land / Stockyard	Freehold	28-Jul-04	34,785 sq ft & 34,787 sq ft (N/A)	-	2,590
H.S.(D) 119421 Lot 200461 Mukim Setapak, Dearah Kuala Lumpur. No.18, 18-1, Jalan Rampai Maju 3, Taman Sri Rampai, 53300 Kuala Lumpur, Wilayah Persekutuan.	A Light Factory Outlet / Tenanted	Leasehold 60 Years Expiry: 2070	6-Sep-11	1,625 sq ft (3,003 sq ft)	12	895
<i>Allpipes Technology Sdn Bhd</i>						
H.S.(M) 151 & PM 1688 P.T. 70 & Lot 29003 Respectively Mukim of Ulu Yam, District of Hulu Selangor, Selangor D.E. Lot 3757, Batu 29, Jalan KL-lpoh, 48200 Serendah, Selangor D.E.	A Single Storey Office Building with 5 Units of Single Storey Factory Buildings / Office cum Factory	Leasehold 99 Years Expiry: 2076 & 2082 Respectively	2-Jan-96	165,528 sq ft (136,640 sq ft)	26 to 28	4,529
Geran 37846, Lot 2470 Mukim of Ulu Yam, Daerah Hulu Selangor, Selangor D.E. Lot 2470, Batu 29, Jalan KL-lpoh, 48200 Serendah, Selangor D.E.	A Single Storey Factory / Factory	Freehold	28-Apr-04	98,825 sq ft (51,840 sq ft)	20	1,478

List of Properties

Location/ Address	Description / Existing Use	Tenure	Date of Acquisition	Approximate Land Area (Build Up)	Approximate Age of Building (Years)	Net Book Value as at 31.12.25 RM'000
<i>Allpipes Technology Sdn Bhd (continued)</i>						
PM 52, Lot 3763 Mukim of Ulu Yam, District of Hulu Selangor, Selangor D.E. Lot 3763, Batu 29, Jalan KL-Ipoh, Hulu Selangor, 48200 Serendah, Selangor D.E.	A parcel of Vacant Industrial Land / Stockyard	Leasehold 99 Years Expiry: 2079	4-Dec-18	130,680 sq ft (N/A)	-	1,471
PM 167 & PM 168 Lot 4073 & Lot 4074 Mukim of Ulu Yam, District of Hulu Selangor, Selangor D.E. Lot 4073 & Lot 4074 Jalan KL-Ipoh Hulu Selangor, 48200 Serendah, Selangor D.E.	2 parcels of Adjoining Industrial Land / Stockyard	Leasehold 99 Years Expiry: 2086	24-Jul-19	261,360 sq ft (N/A)	-	1,749
<i>Engtex Industries Sdn Bhd</i>						
H.S.(D) 54561, P.T.D. 103032 Mukim Kulai, District of Kulaijaya, State of Johor, Johor. PLO 24, Jalan Teknologi 5, Taman Teknologi Johor, 81400 Senai, Johor.	2 Storey Office annexed with a Single Storey Factory / Office cum Factory	Leasehold 60 Years Expiry: 2070	2-Jun-08	78,626 sq ft (33,388 sq ft)	15	3,209
H.S.(D) 57979, P.T.D. 87650 Mukim Kulai, District of Kulaijaya, State of Johor, Johor. No.16, Jalan Teknologi 2, Taman Teknologi Johor, 81400 Senai, Johor.	A Single Storey Factory / Factory	Leasehold 60 Years Expiry: 2071	24-Jan-11	91,476 sq ft (46,500 sq ft)	12	4,056
<i>Engtex Metals Sdn Bhd</i>						
Geran Mukim, No. G.M. 125 Lot 443, Mukim Ijok, District of Kuala Selangor, Selangor D.E. Lot 443, Batu 7, Jalan Kepong Ijok, 45600 Bestari Jaya, Selangor D.E.	A Single Storey Factory and Warehouse / Factory cum Warehouse	Freehold	13-Mar-01	220,522 sq ft (141,078 sq ft)	22	8,916

List of Properties

Location/ Address	Description / Existing Use	Tenure	Date of Acquisition	Approximate Land Area (Build Up)	Approximate Age of Building (Years)	Net Book Value as at 31.12.25 RM'000
Engtex Metals Sdn Bhd (continued)						
H.S.(M) 4591 P.T. 28607, Mukim Ijok, District of Kuala Selangor, Selangor D.E. Lot 442, Batu 7, Jalan Kepong Ijok, 45600 Bestari Jaya, Selangor D.E.	A Single Storey Factory and Warehouse / Factory cum Warehouse	Freehold	24-Aug-01	220,500 sq ft (134,120 sq ft)	14	9,440
H.S.(M) 4451, P.T. 26000 Tempat Kepong Road, Mukim Ijok, Selangor D.E. Lot 427, Batu 8, Jalan Kepong Ijok, 45600 Bestari Jaya, Selangor D.E.	A Single Storey Factory and Warehouse / Factory cum Warehouse	Freehold	12-Mar-04	216,436 sq ft (95,029 sq ft)	12	9,206
GM 443, Lot 441, Tempat Kepong Road, Mukim Ijok, Daerah Kuala Selangor, Selangor D.E. Lot 441, Jalan Kandar, Zon Industri Kecil Batu 8 Ijok, 45600 Bestari Jaya, Selangor D.E.	A Single Storey Factory / Factory	Freehold	14-Jul-20	220,520 sq ft (108,572 sq ft)	2	24,802
GM 1234, Lot 444 Pekan Simpang Tiga Ijok, Daerah Kuala Selangor, Selangor D.E. Lot 444, Batu 7, Jalan Kepong Ijok, Batu 7 Ijok, 45600 Bestari Jaya, Selangor D.E.	A Single Storey Factory and Warehouse / Factory cum Warehouse	Freehold	7-Apr-22	217,797 sq ft (38,750 sq ft)	1	5,287
Master Title GRN 334612, Lot 47703 Mukim Dengkil, Daerah Sepang, Selangor D.E. Unit J-21-10, Block J, Mutiara Ville, Cyber 11, 63000 Cyberjaya, Selangor D.E.	Condominium/ Vacant	Freehold	24-May-19	N/A (935 sq ft)	7	398

List of Properties

Location/ Address	Description / Existing Use	Tenure	Date of Acquisition	Approximate Land Area (Build Up)	Approximate Age of Building (Years)	Net Book Value as at 31.12.25 RM'000
<i>LYE Industries Sdn Bhd</i>						
H.S.(D) 53647, P.T. 543 Bandar Rasa, Daerah Hulu Selangor, Selangor D.E. No.9, Jalan Zurah 5, Kawasan Perindustrian Zurah, 44200 Rasa, Selangor D.E.	3 parcels of Adjoining Industrial Land/ Under Construction	Leasehold 99 Years Expiry: 2115	30-Oct-02	131,772 sq ft (N/A)	-	3,785
<i>Engtex Metals (Utara) Sdn Bhd</i>						
H.S.(D) 10829, Lot 20165 Mukim 13, Seberang Perai Tengah, Penang No. 910, Jalan Perindustrian Bukit Minyak, Mukim 13, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang.	A Double Storey Office cum a Single Storey Warehouse / Office cum Factory	Leasehold 99 Years Expiry: 2111	26-May-03	130,344 sq ft (65,970 sq ft)	21	3,847
GM 2672 , Lot 5571, Mukim 14, Daerah Seberang Perai Tengah, Penang No.51, Lorong Impian 11, Taman Impian Alma, 14000 Bukit Mertajam, Penang	A Single Storey Terrace House/ Hostel	Freehold	27-Nov-23	1,195 sq ft (1,100 sq ft)	11	308
<i>Engtex Ductile Iron Pipe Industry Sdn Bhd</i>						
H.S.(D) 15633, P.T. 46479 Mukim Sungai Karang, Daerah Kuantan, Pahang D.M. Lot 68, Jalan Gebeng 1/6, Gebeng Industrial Estate, 26080 Kuantan. Pahang D.M.	A Single Storey Office Building and Factory Building / Office cum Factory	Leasehold 66 Years Expiry: 2062	9-Aug-02	762,300 sq ft (91,937 sq ft)	27	12,363

List of Properties

Location/ Address	Description / Existing Use	Tenure	Date of Acquisition	Approximate Land Area (Build Up)	Approximate Age of Building (Years)	Net Book Value as at 31.12.25 RM'000
<i>Benton Corporation Sdn Bhd</i>						
H.S.(D) 1169, P.T. 9613 Mukim Batu, Tempat Batu 11, Jalan Kuala Selangor, Daerah Gombak , Selangor D.E. Lot 9613, Persiaran KIP Utama, Kepong, 52200 Kuala Lumpur.	3 Storey Office with a Single Storey Factory / Tenanted	Leasehold 99 Years Expiry: 2069	24-May-04	149,454 sq ft (46,505 sq ft)	15	9,982
Geran No.47032 Lot 6512, Mukim Kapar, Daerah Klang, Selangor D.E. Lot 6512, Lorong Haji Abdul Manan / KU6, Kawasan Industri Sungai Puloh, Sungai Kapar Indah, 42200 Kapar, Selangor D.E.	4 Storey Office with 2 unit Factory with Warehouse / Tenanted	Freehold	21-Jun-12	434,783 Sq ft (209,930 sq ft)	1	62,610
<i>East Coast Manufacturing Sdn Bhd</i>						
PN 7034, Lot 8937 Mukim Sungai Karang, Daerah Kuantan, Pahang D.M. Lot 107, Jalan Gebeng 1/6, Kawasan Perindustrian Gebeng, 26080 Kuantan, Pahang D.M.	2 Storey Office annexed with a Single Storey Factory / Office cum Factory	Leasehold 66 Years Expiry: 2064	25-Jul-12	127,613 sq ft (36,000 sq ft)	10	5,274
H.S.(D) 21408, P.T. No. 9129 Mukim Sungai Karang, Daerah Kuantan, Pahang D.M. Lot 10769, Jalan Gebeng 1/2, Kawasan Perindustrian Gebeng, 26080 Kuantan, Pahang D.M.	2 Storey Office with 3 Single Storey Factory / Office cum Factory	Leasehold 99 Years Expiry: 2102	27-May-19	222,275 sq ft (85,448 sq ft)	11 to 20	11,745

List of Properties

Location/ Address	Description / Existing Use	Tenure	Date of Acquisition	Approximate Land Area (Build Up)	Approximate Age of Building (Years)	Net Book Value as at 31.12.25 RM'000
<i>Engtex Leisure Sdn Bhd</i>						
H.S.(D) 72699 P.T.No.21537 Mukim Sungai Buloh, Daerah Petaling, Selangor D.E. <i>Ibis Styles Sri Damansara</i> No. 5, Jalan Cempaka SD 12/5, Bandar Sri Damansara, PJU 9, 52200, Kuala Lumpur	14 Storey, 144 Rooms / Hotel	Freehold	28-Sep-11	17,913 sq ft (100,269 sq ft)	10	26,625
<i>Mercure Selayang</i> No. B-G-12, Dataran Emerald, Jalan PS 11, Prima Selayang, 68100 Batu Caves, Selangor D.E.	7 Storey, 120 Rooms / Hotel	Freehold	23-Jan-14	N/A (85,498 sq ft)	9	21,019
<i>Engtex Emerald Sdn Bhd</i>						
Unit 33, 34, 35, A-G-1, A-1-1, A-2-1 A-3-1, C-G-03A, C-1-3A, C-2-3A, C-2-1, C-2-6, D1, D2 and D3 Dataran Emerald, Jalan PS 11, Prima Selayang, 68100 Batu Caves, Selangor D.E.	The Mall, Retail Units and Car Park / Partly Tenanted	Freehold	28-Mar-08	N/A (71,569 sq ft)	11	26,385
<i>Eng Lian Hup Marketing Sdn Bhd</i>						
H.S.(D) 11288, Lot 20011 Mukim 13, Seberang Perai Tengah, Penang. No.1171, Lorong Perindustrian Bukit Minyak 11, Taman Perindustrian Bukit Minyak, 14100 Simpang Ampat, Penang.	A Double Storey Office annexed with a Single Storey Factory / Office cum Factory	Leasehold 60 years Expiry: 2071	27-Apr-10	132,379 sq ft (72,014 sq ft)	11	6,816
<i>Engtex Platinum Sdn Bhd</i>						
Geran 44859, Lot 1885 Geran 44860, Lot 1886 Geran 45235, Lot 1888 All in Mukim Rawang, Daerah Gombak, Selangor D.E.	3 parcels of Vacant Housing Land/ Held for Development	Freehold	17-Feb-11	226,786 sq ft 1,400,740 sq ft 733,448 sq ft <hr/> 2,360,974 sq ft (N/A)	-	30,489

List of Properties

Location/ Address	Description / Existing Use	Tenure	Date of Acquisition	Approximate Land Area (Build Up)	Approximate Age of Building (Years)	Net Book Value as at 31.12.25 RM'000
Engtex Pipe Industry Sdn Bhd						
H.S.(M) 18215, P.T. 24669 Mukim Sungai Karang, Kawasan Perindustrian Gebeng, 26080 Kuantan, Pahang D.M.	A Single Storey Office Building and Factory / Office cum Factory	Leasehold 99 Years Expiry: 2118	25-Feb-11	853,776 sq ft (165,060 sq ft)	10	21,415
H.S.(M) 108, P.T. 25078 Bandar Gebeng, Daerah Kecil Gebeng, 26080 Kuantan, Pahang D.M.						
Lot 2A & Lot 2B Kawasan Perindustrian Harbour Park, Tg Gelang, 26080 Kuantan, Pahang D.M.						
Engtex Pipe Industry Sdn Bhd & Canova Manufacturing Sdn Bhd						
Geran 227726, Lot 10073 Mukim Batang Kali, Daerah Ulu Selangor, Selangor	A parcel of Industrial Land / Partly Tenanted cum Stockyard	Freehold	22-Dec-22	2,073,127 sq ft (N/A)	-	43,442
Lot 10073 Seksyen 5 Bandar Baru Batang Kali 44300 Batang Kali, Selangor D.E.						
East Coast Metals Sdn Bhd						
H.S.(D) 28495 & H.S.(D) 28496 P.T. 92077 & P.T. 92078 Bandar Kuantan, Daerah Kuantan, Pahang D.M.	2 Units of 3 Storey Shop House / Tenanted	Leasehold 99 Years Expiry: 2106	20-Jul-12	2,800 sq ft (8,000 sq ft)	14	1,473
No.46 & 48, Jalan Putra Square 7, Construction Town, Putra Square, 25000 Kuantan, Pahang D.M.						
H.S.(D) 20913 P.T. 65459 Mukim Kuala Kuantan, Daerah Kuantan, Pahang D.M.	A Double Storey Office Building and Factory / Tenanted	Leasehold 66 Years Expiry: 2041	12-Dec-17	9,988 sq ft (4,640 sq ft)	27	1,062
No. 5A, Jalan Industri Semambu 2, Kawasan Perindustrian Semambu, 25350 Kuantan, Pahang D.M.						

List of Properties

Location/ Address	Description / Existing Use	Tenure	Date of Acquisition	Approximate Land Area (Build Up)	Approximate Age of Building (Years)	Net Book Value as at 31.12.25 RM'000
EngLen Manufacturing Sdn Bhd						
Lot 5, Industrial Zone 7 (IZ 7), Kota Kinabalu Industrial Park (KKIP), Kota Kinabalu, Sabah.	A Single Storey Warehouse with 2 Storey Office / Office cum Factory cum Warehouse	Leasehold 99 years Expiry: 2093	31-Dec-09	113,256 sq ft (45,000 sq ft)	12	6,657
Lot 5, Industrial Zone 7-PH 1, Jalan Norowot, Kota Kinabalu Industrial Park (KKIP), 88460 Kota Kinabalu, Sabah.						
Lot No. 3, Block A, Level 17, Type T2 (Intermediate), Elemen Utara KK - Presint 2 (Phase 3) 88460 Kota Kinabalu. Sabah	Condominium / Hostel	Leasehold 99 years Expiry: 2116	19-Jun-25	N/A (1,152 sq ft)	4	565
Engtex Manufacturing Sdn Bhd						
PN 33061, Lot 8930 Bandar Gebeng, Daerah Kecil Gebeng Pahang D.M.	A Single Storey Office Building and Factory / Tenanted	Leasehold 66 years Expiry: 2064	15-Jan-13	228,302 sq ft (62,040 sq ft)	25	7,279
Lot 67A, Jalan Gebeng 1/6, Kawasan Perindustrian Gebeng, 26080 Kuantan, Pahang D.M.						
Majestic Genius Sdn Bhd						
H.S. (D) 123376 , P.T. 50001 Seksyen 49, Bandar Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur	A parcel of Freehold Land/ Tenanted	Freehold	21-Feb-13	11,227 sq ft (N/A)	-	14,924
Ivory Progression Sdn Bhd						
B-G-1 Block Baris @ Amanja Jalan Desa 2/2, Desa Aman Puri, Kepong, 52100, Kuala Lumpur.	Retail Unit / Tenanted	Freehold	8-Nov-12	N/A (5,360 sq ft)	7	761

List of Properties

Location/ Address	Description / Existing Use	Tenure	Date of Acquisition	Approximate Land Area (Build Up)	Approximate Age of Building (Years)	Net Book Value as at 31.12.25 RM'000
<i>Ivory Progression Sdn Bhd (Continued)</i>						
H.S.(M) 24818, PT No.2090	11 Plots of	Leasehold	05-Jan-23	18,056 sq ft	-	17,546
H.S.(M) 24819, PT No.2091	Vacant	99 Years		11,410 sq ft		
H.S.(M) 24820, PT No.2092	Industrial	Expiry:		13,140 sq ft		
H.S.(M) 24821, PT No.2093	Land /	2113		10,569 sq ft		
H.S.(M) 24822, PT No.2094	Held for			9,250 sq ft		
H.S.(M) 24823, PT No.2095	Development			10,845 sq ft		
H.S.(M) 24824, PT No.2096				7,187 sq ft		
H.S.(M) 24825, PT No.2097				6,350 sq ft		
H.S.(M) 24826, PT No.2098				7,597 sq ft		
H.S.(M) 24827, PT No.2099				7,998 sq ft		
H.S.(M) 24828, PT No.2100				12,189 sq ft		
				114,459 sq ft		
				(N/A)		
All in Mukim Bandar Sungai Buloh, Batu 11, Jalan Kuala Selangor, Daerah Gombak, Selangor D.E.						
<i>Blue Legacy Sdn Bhd</i>						
H.S.(M) 3572, Lot 9689 Mukim of Sungai Karang, Balok, District of Kuantan, Pahang D.M.	A parcel of Commercial Land/ Held for Development	Freehold	14-Feb-13	43,389 sq ft (N/A)	-	8,105
H.S. (M) 10290 , Lot 30997 Mukim of Sungai Karang, Batu 9, Jalan Kuantan / Kemaman, District of Kuantan , Pahang D.M.	A parcel of Commercial Land/ Held for Development	Freehold	27-Feb-13	58,071 sq ft (N/A)	-	2,544
GM 2054, Lot 1259 Mukim of Sungai Karang, Chengai Lempong, District of Kuantan, Pahang D.M.	A parcel of Commercial Land/ Held for Development	Freehold	23-Sep-13	112,440 sq ft (N/A)	-	9,584
<i>Tiara Mission Sdn Bhd</i>						
GM 243, Lot 599 Mukim Ceras, Daerah Hulu Langat, Selangor D.E.	A parcel of Housing Land / Held for Development	Freehold	18-Jun-14	109,716 sq ft (N/A)	-	18,980

List of Properties

Location/ Address	Description / Existing Use	Tenure	Date of Acquisition	Approximate Land Area (Build Up)	Approximate Age of Building (Years)	Net Book Value as at 31.12.25 RM'000
Mega Alliance Builder Supplies Sdn Bhd						
Parcel No.3, Block A Storey No: Ground Floor Storey No: 1 st Floor Storey No: 2 nd Floor Storey No: 3 rd Floor A-G-03 A-1-03 A-2-03 A-3-03 Dataran Emerald, Jalan PS11, Prima Selayang, 68100 Batu Caves, Selangor D.E.	4 Storey of Shop House / Partly Tenanted	Freehold	10-Jan-15	N/A (971 sq ft) (1,440 sq ft) (1,440 sq ft) (1,440 sq ft) <hr/> (5,291 sq ft)	11	1,880
Parcel No.2, Block A Storey No: Ground Floor Storey No: 1 st Floor Storey No: 2 nd Floor Storey No: 3 rd Floor A-G-02 A-1-02 A-2-02 A-3-02 Dataran Emerald, Jalan PS11, Prima Selayang, 68100 Batu Caves, Selangor D.E.	4 Storey of Shop House / Partly Tenanted	Freehold	10-Jun-15	N/A (1,066 sq ft) (1,561 sq ft) (1,561 sq ft) (1,561 sq ft) <hr/> (5,749 sq ft)	11	2,053
Engtex Steel Industries Sdn Bhd						
PM 476, Lot No 3250 PM 478, Lot No 3254 PM 480, Lot No.3257 PM 481, Lot No.3252 PM 482, Lot No.3256 PM 483, Lot No.3258 PM 484, Lot No.3259 PM 485, Lot No.3260 PM 486, Lot No.3261 HSM 4, P.T. No. 672 All in Mukim Sempang, District of Jasin, Melaka, Lot 1A, Kawasan Perindustrian Merlimau, 77300 Merlimau, Melaka.	10 pieces of Industrial lands together with 3 units of Single Storey detached Offices, 2 units of Single Storey detached Factories, 3 units of Single Storey detached Stores and other Ancillary Buildings/ Office cum Factory	Leasehold 99 years Expiry: 2082 2082 2082 2082 2082 2082 2082 2082 2082 2076	20-Oct-15	59,598 sq ft 74,797 sq ft 76,756 sq ft 78,833 sq ft 77,423 sq ft 78,338 sq ft 77,294 sq ft 61,363 sq ft 59,545 sq ft 249,997 sq ft <hr/> 893,944 sq ft (124,410 sq ft)	40	12,694

List of Properties

Location/ Address	Description / Existing Use	Tenure	Date of Acquisition	Approximate Land Area (Build Up)	Approximate Age of Building (Years)	Net Book Value as at 31.12.25 RM'000
<i>Variglobal Sdn Bhd</i>						
Lot 1220, Block 5, Muara Tebas, Land District, Senari , Kuching, Sarawak. Lot 1220, Block 5, MTLD Senari Synergy Industrial Complex, Jalan Bako, 93050 Kuching, Sarawak.	A parcel of Industrial Land/ Vacant	Leasehold 60 Years Expiry: 2084	25-Jun-24	197,679 sq ft (76,365 sq ft)	-	9,194
<i>Engtex Ductile Iron Marketing Sdn Bhd</i>						
Geran 331205/-/-/L33, Lot 77674 Bandar Sungai Buloh, Daerah Gombak, Selangor D.E. No.33, Park Manor Sierramas, 47000 Sungai Buloh, Selangor D.E.	A unit of 3 Storey Villa/ Held for Sale	Freehold	25-Jun-25	4,090 sq ft (5,142 sq ft)	3	3,383
Total						507,049

* Denotes amount less than RM500.

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
Total Income			
Revenue		1,433,749	1,461,303
Interest/Finance income		5,849	5,141
Other income		19,047	8,510
Total		1,458,645	1,474,954
Total Assets		1,605,292	1,569,263

(b) Business Activities

	Remarks	Group	
		2025 RM'000	2024 RM'000
Shariah Non-Compliant Activities			
Interest income	Conventional	3,461	3,521
Total		3,461	3,521

(c) Component of Financial Position

(i) Cash Component

	Remarks	Group	
		2025 RM'000	2024 RM'000
Islamic Account/Instruments			
Cash at bank		108,795	59,483
Total Cash		108,795	59,483
Conventional Account/Instruments			
Cash at bank		90,313	67,254
Deposits with licensed bank		16,848	11,132
Unit trust funds		5	5
Other cash equivalents	Cash in hand	127	109
Total Cash		107,293	78,500

Disclosure of Financial Data for Shariah Screening

(c) Component of Financial Position (Continued)

(ii) Debt Component

	Remarks	Group	
		2025 RM'000	2024 RM'000
Islamic Financing			
Current			
Banker's acceptances		103,488	105,732
Revolving credit and loans		41,600	46,350
Bank overdrafts		-	5,325
Non-Current			
		N/A	N/A
Total Financing		145,088	157,407
Conventional Borrowing			
Current			
Banker's acceptances		358,163	305,401
Revolving credit and loans		37,845	44,345
Bank overdrafts		5,364	16,597
Term loans		6,986	8,328
Hire purchase payables		626	1,667
Non-Current			
Term loans		46,405	49,752
Hire purchase payables		9	147
Total Debt		455,398	426,237

ANALYSIS OF SHAREHOLDINGS

AS AT 31 MARCH 2026

Total number of issued shares	:	838,912,931
Class of shares	:	Ordinary shares
Voting rights	:	1 vote per ordinary share

SHAREHOLDINGS DISTRIBUTION

Size of Holdings	No. of Shareholders/ Depositors	% of Shareholders/ Depositors	No. of Shares Held	% of Issued Capital
Less than 100	604	15.37	28,988	0.01
100 to 1,000	480	12.22	182,945	0.02
1,001 to 10,000	1,249	31.79	7,240,536	0.86
10,001 to 100,000	1,310	33.34	41,415,179	4.94
100,001 to less than 5% of issued shares	284	7.23	522,749,983	62.31
5% and above of issued shares	2	0.05	267,295,300	31.86
Total	3,929	100.00	838,912,931	100.00

Notes:

The number of 838,912,931 ordinary shares is inclusive of 2,367,901 treasury shares retained by the Company.

SUBSTANTIAL SHAREHOLDERS

as per Register of Substantial Shareholders as at 31 March 2026

	No. of Shares Held			
	Direct	%	Indirect	%
Tan Sri Dato' Ng Hook	-	-	267,295,300 [#]	31.95
Puan Sri Datin Yap Seng Kuan	-	-	267,295,300 [^]	31.95
NH Holdings Sdn. Bhd.	192,087,152	22.96	-	-
NKG Resources Sdn. Bhd.	75,208,148	8.99	-	-

Notes:

* Excluding a total of 2,367,901 shares bought-back by the Company and retained as treasury shares.

[#] Deemed interest via shareholding in NKG Resources Sdn. Bhd. and NH Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 ("Act").

[^] Deemed interest via spouse, Tan Sri Dato' Ng Hook's indirect shareholding in the Company.

DIRECTORS' INTEREST

as per Register of Directors' Shareholdings as at 31 March 2026

	No. of Shares Held			
	Direct	%	Indirect	%
Tan Sri Dato' Ng Hook	-	-	267,295,300 [#]	31.95
Dato' Ng Chooi Guan	34,711,405	4.15	124,950 [@]	0.02
Ng Yik Soon	17,123,379	2.05	-	-
Puan Sri Datin Yap Seng Kuan	-	-	267,295,300 [^]	31.95
Ng Koi Lin	-	-	-	-
Dr. Lim Pang Kiam	-	-	-	-
Ho Sin Kheong	-	-	-	-
Dato' Leanne Koh Li Ann	-	-	-	-

Notes:

* Excluding a total of 2,367,901 shares bought-back by the Company and retained as treasury shares.

[#] Deemed interest via shareholding in NKG Resources Sdn. Bhd. and NH Holdings Sdn. Bhd. pursuant to Section 8 of the Act.

[@] Deemed interest pursuant to Section 59(11)(c) of the Act.

[^] Deemed interest via spouse, Tan Sri Dato' Ng Hook's indirect shareholding in the Company.

Analysis of Shareholdings

AS At 31 March 2026

TOP 30 SHAREHOLDERS/ DEPOSITORS

No.	Name of Shareholder	No. of Shares Held	*% of Issued Capital
1.	NH Holdings Sdn. Bhd.	192,087,152	22.96
2.	NKG Resources Sdn. Bhd.	75,208,148	8.99
3.	Ng You Chai	28,941,119	3.46
4.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB for Lim Seng Chee & Sons Sdn Berhad</i>	23,299,037	2.79
5.	Ng Chin Man	20,437,333	2.44
6.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>National Trust Fund (Ifm Maybank)</i>	20,000,000	2.39
7.	Ng Chooi Guan	18,278,933	2.19
8.	Crystal Image Sdn. Bhd.	16,488,692	1.97
9.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board</i>	16,300,000	1.95
10.	Ng Yik Soon	15,957,774	1.91
11.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Great Eastern Life Assurance (Malaysia) Berhad</i>	15,224,400	1.82
12.	Radical View Sdn. Bhd.	14,466,534	1.73
13.	Ng Ah Leong	14,344,989	1.71
14.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Crystal Image Sdn. Bhd.</i>	14,000,000	1.67
15.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Employees Provident Fund Board</i>	13,489,700	1.61
16.	Ng Ai Swee	12,866,486	1.54
17.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Exempt an for AIA Public Takaful Bhd.</i>	11,848,675	1.42
18.	Citigroup Nominees (Asing) Sdn. Bhd. <i>CBNY for Norges Bank</i>	10,800,000	1.29
19.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Urusharta Jamaah Sdn. Bhd.</i>	10,000,000	1.20
20.	Lim Choo Hong	10,000,000	1.20
21.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>National Trust Fund</i>	9,423,400	1.13
22.	HSBC Nominees (Tempatan) Sdn. Bhd. <i>BNPP SIN/2S for Pertubuhan Keselamatan Sosial</i>	8,500,000	1.02
23.	Su Ming Ming	7,698,348	0.92
24.	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>Exempt an for Petroliam Nasional Berhad</i>	7,500,000	0.90
25.	CIMB Group Nominees (Tempatan) Sdn. Bhd. <i>Exempt an for Petroliam Nasional Berhad</i>	7,444,000	0.89
26.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Great Eastern Life Assurance (Malaysia) Berhad</i>	7,361,200	0.88
27.	Yayasan Guru Tun Hussein Onn	7,140,000	0.85
28.	Citigroup Nominees (Tempatan) Sdn. Bhd. <i>Urusharta Jamaah Sdn. Bhd.</i>	7,000,000	0.84
29.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lim Kiam Lam</i>	6,545,426	0.78
30.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ng Chooi Guan</i>	6,492,472	0.78

Note:

* Excluding a total of 2,367,901 shares bought-back by the Company and retained as treasury shares.

ANALYSIS OF WARRANTHOLDINGS

AS AT 31 MARCH 2026

Number of Warrants in issue	:	122,795,488
Exercise price of the Warrants	:	RM0.40
Expiry date of the Warrants	:	4 September 2026

WARRANTHOLDINGS DISTRIBUTION

Size of Holdings	No. of Warrantholders/ Depositors	% of Warrantholders/ Depositors	No. of Warrants Held	% of Issued Warrants
Less than 100	189	24.77	10,729	0.01
100 to 1,000	51	6.68	23,575	0.02
1,001 to 10,000	216	28.31	1,078,200	0.88
10,001 to 100,000	213	27.92	7,521,077	6.12
100,001 to less than 5% of issued shares	92	12.06	68,008,924	55.38
5% and above of issued shares	2	0.26	46,152,983	37.59
Total	763	100.00	122,795,488	100.00

SUBSTANTIAL WARRANTHOLDERS

as per Register of Substantial Warrantholders as at 31 March 2026

	No. of Warrants Held			
	Direct	%	Indirect	%
Tan Sri Dato' Ng Hook	-	-	38,496,933 [#]	31.35
Puan Sri Datin Yap Seng Kuan	-	-	38,496,933 [^]	31.35
NH Holdings Sdn Bhd	36,646,883	29.84	-	-
Ng Beng Hoo	10,425,050	8.49	-	-

Notes:

[#] Deemed interest via warrantholding in NKG Resources Sdn. Bhd. and NH Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 ("Act").

[^] Deemed interest via spouse, Tan Sri Dato' Ng Hook's indirect warrantholding in the Company.

DIRECTORS' INTEREST

as per Register of Directors' Warrantholdings as at 31 March 2026

	No. of Warrants Held			
	Direct	%	Indirect	%
Tan Sri Dato' Ng Hook	-	-	38,496,933 [#]	31.35
Dato' Ng Chooi Guan	486,200	0.40	-	-
Ng Yik Soon	4,878,175	3.97	-	-
Puan Sri Datin Yap Seng Kuan	-	-	38,496,933 [^]	31.35
Ng Koi Lin	-	-	-	-
Dr. Lim Pang Kiam	-	-	-	-
Ho Sin Kheong	-	-	-	-
Dato' Leanne Koh Li Ann	-	-	-	-

Notes:

[#] Deemed interest via warrantholding in NKG Resources Sdn. Bhd. and NH Holdings Sdn. Bhd. pursuant to Section 8 of the Act.

[^] Deemed interest via spouse, Tan Sri Dato' Ng Hook's indirect warrantholding in the Company.

Analysis of Warrant Holdings

AS At 31 March 2026

TOP 30 WARRANTHOLDERS/DEPOSITORS

No.	Name of Warrantholder	No. of Warrants Held	% of Issued Warrants
1.	NH Holdings Sdn. Bhd.	36,646,883	29.84
2.	Kenanga Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Ng Beng Hoo</i>	9,506,100	7.74
3.	Geoffrey Lim Fung Keong	5,245,100	4.27
4.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Toh Su See</i>	4,682,400	3.81
5.	Ng Han Joe	4,384,825	3.57
6.	Ng Yik Soon	3,388,175	2.76
7.	CIMSEC Nominees (Tempatan) Sdn. Bhd. <i>CIMB For Lim Seng Chee & Sons Sdn Berhad</i>	2,488,675	2.03
8.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Cheang Wai Kett</i>	2,378,475	1.94
9.	Lim Siong Kee	1,990,000	1.62
10.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account For Lim Aun Chuan</i>	1,944,825	1.58
11.	NKG Resources Sdn. Bhd.	1,850,050	1.51
12.	Susy Ding	1,750,000	1.43
13.	Goh Lai Soon	1,700,000	1.38
14.	Lim Boon Ngee	1,647,500	1.34
15.	Victor Lim Fung Tuang	1,604,500	1.31
16.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Ng Cheo Well</i>	1,510,012	1.23
17.	Ng Yik Soon	1,490,000	1.21
18.	Tan Teck Wee	1,355,200	1.10
19.	Susy Ding	1,255,025	1.02
20.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Tan Teck Wee</i>	1,156,800	0.94
21.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Soh Chee Yong</i>	1,145,700	0.93
22.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Ng Han Joe</i>	1,099,700	0.90
23.	Ng Ai Swee	1,075,300	0.88
24.	Alliancegroup Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Christina Loh Yoke Lin</i>	1,010,000	0.82
25.	Lee Nyek	973,225	0.79
26.	Ng Boon Ching	867,100	0.71
27.	Public Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Wong Yee Hui</i>	805,000	0.66
28.	Ambank (M) Berhad <i>Pledged Securities Account for Tan Kong Han</i>	774,725	0.63
29.	Maybank Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Ng Beng Hoo</i>	716,450	0.58
30.	RHB Capital Nominees (Tempatan) Sdn. Bhd. <i>Pledged Securities Account for Lee Nyek</i>	698,100	0.57

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the **Twenty-Fifth** (“25th”) Annual General Meeting (“AGM”) of the Company will be held at **The Orenda 1, 1st Floor, Mercure Selangor Selayang, B-G-12, Dataran Emerald, Jalan PS 11, Prima Selayang, 68100 Batu Caves, Selangor Darul Ehsan** on **Thursday, 28 May 2026** at **11.30 a.m.** for the following purposes: -

AGENDA

As Ordinary Business

- 1) To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon.
- 2) To approve the payment of Directors’ fees and benefits up to RM468,300.00 from 25th AGM until the next AGM of the Company. **(Ordinary Resolution 1)**
- 3) To re-elect the following Directors retiring pursuant to Article 86 of the Company’s Constitution and being eligible, offer themselves for re-election: -
 - 3.1 Puan Sri Datin Yap Seng Kuan **(Ordinary Resolution 2)**
 - 3.2 Dato’ Ng Chooi Guan **(Ordinary Resolution 3)**
 - 3.3 Ms. Ng Koi Lin **(Ordinary Resolution 4)**
- 4) To re-appoint Messrs KPMG PLT as Auditors of the Company to hold office until the conclusion of the next AGM and to authorise the Directors to fix their remuneration. **(Ordinary Resolution 5)**

As Special Business

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

5) Authority to Issue Shares and Waiver of Pre-emptive Rights

“THAT pursuant to Section 75 and 76 of the Companies Act 2016 (“Act”), and subject to the approvals from the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares in the Company from time to time and upon such terms and conditions and for such purposes and to such persons as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company at the time of submission to the authority AND THAT the Directors be and are also hereby empowered to obtain the approval from the Bursa Malaysia Securities Berhad (“Bursa Securities”) for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue in force until the conclusion of the next AGM of the Company.

AND THAT pursuant to Section 85 of the Act to be read together with Article 3 of the Company’s Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new Company shares ranking equally to the existing issued Company shares arising from any issuance of the new Company shares pursuant to Section 75 and 76 of the Act.” **(Ordinary Resolution 6)**

6) Proposed Renewal of Shareholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature (“Proposed Renewal of Shareholders’ Mandate”)

“THAT, the mandate granted by the shareholders of the Company at the 24th AGM held on 22 May 2025 pursuant to paragraph 10.09 of the Main Market Listing Requirements of Bursa Securities, authorising the Company and its subsidiary (“EngtEx Group”) to enter into recurrent transactions of a revenue or trading nature as set out in Section 2.3 of the Circular to Shareholders dated 29 April 2026 with the related parties mentioned therein which are necessary for EngtEx Group’s day-to-day operations, be and is hereby renewed.

THAT EngtEx Group be and is hereby authorised to enter into the recurrent transactions with the related parties mentioned therein provided that: -

- a) the transactions are in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company; and
- b) the disclosure will be made in the Annual Report of the breakdown of the aggregate value of the Recurrent Related Party Transactions conducted pursuant to the Proposed Renewal of Shareholders’ Mandate during the financial year based on the type of Recurrent Related Party Transactions made, the names of the related parties involved in each type of Recurrent Related Party Transactions and their relationships with the Company.

Notice of Annual General Meeting

THAT authority conferred shall continue to be in force until: -

- i) the conclusion of the next AGM of the Company following the forthcoming 25th AGM at which the Proposed Renewal of Shareholders' Mandate is approved, at which time it will lapse, unless by a resolution passed at the AGM, the authority is renewed;
- ii) the expiration of the period within which the next AGM is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is earlier;

AND THAT the Directors of the Company be and is hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Shareholders' Mandate.” **(Ordinary Resolution 7)**

7) Proposed Renewal of Share Buy-Back Authority

“THAT subject to the Act, the Constitution of the Company, the Main Market Listing Requirements of Bursa Securities and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to utilise an amount not exceeding the audited retained earnings of the Company as at 31 December 2025 of RM49,949,210 to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit and expedient in the interest of the Company provided that the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued shares of the Company;

THAT authority be and is hereby given to the Directors of the Company to decide at their absolute discretion to either retain the shares so purchased as treasury shares (as defined in Section 127 of the Act) and/or to cancel the shares so purchased and if retained as treasury shares, may resell the treasury shares and/or to distribute them as share dividend and/or subsequently cancel them;

THAT the authority conferred by this Resolution will be effective immediately upon the passing this Resolution and will expire at:

- i) the conclusion of the next AGM of the Company following the forthcoming 25th AGM at which the Proposed Renewal of Share Buy-Back Authority was passed, at which time it will lapse unless by a resolution passed at the AGM, the authority is renewed;
- ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- iii) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is the earlier but not so as to prejudice the completion of the purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the guidelines issued by Bursa Securities and/or any other relevant governmental and/or regulatory authorities (if any);

AND THAT the Directors of the Company be authorised to take all steps necessary to implement, complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Proposed Renewal of Share Buy-Back Authority as may be agreed or allowed by any relevant governmental and/or regulatory authority.” **(Ordinary Resolution 8)**

- 8) To transact any other business which may properly be transacted at an AGM for which due notice shall have been given.

By Order of the Board

KHOO CHONG KEONG (MIA CA11413) (SSM PC NO.: 202008001639)
LIM SECK WAH (MAICSA NO. 0799845) (SSM PC NO.: 202008000054)
TANG CHI HOE (KEVIN) (MAICSA NO. 7045754) (SSM PC NO.: 202008002054)

Secretaries

Selangor Darul Ehsan
 Date: 29 April 2026

Notice of Annual General Meeting

Notes: -

General Meeting Record of Depositors

For the purpose of determining a member who shall be entitled to attend the 25th AGM, the Company shall request the Record of Depositors as at 21 May 2026. Only a depositor whose name appears on the Record of Depositors as at 21 May 2026 shall be entitled to attend, speak and vote at this meeting or appoint proxy/proxies to attend, speak and vote in his stead.

Appointment of Proxy

1. A member may appoint up to two (2) proxies who need not be members of the Company to attend, speak and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
2. Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than 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.
3. Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account ("**omnibus account**"), the Exempt Authorised Nominee may appoint any number of proxy (no limit) in respect of each omnibus account it holds.
4. The completed Form of Proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation's seal or under the hand of an officer or attorney duly authorised.
5. The appointment of proxy(ies) may be made in hard copy form or by electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof at which the person named in the appointment proposes to vote, otherwise the Form of Proxy shall not be treated as valid:-

(a) In hard copy form

In case of an appointment made in hard copy form, the Form of Proxy must be deposited at the Company's Registered Office at Lot 36, Jalan BRP 9/2B, Putra Industrial Park, Bukit Rahman Putra, 47000 Sungai Buloh, Selangor Darul Ehsan or alternatively, to email Share Registrar at mega-sharereg@megacorp.com.my

(b) By electronic form

The Form of Proxy can be electronically lodged at <https://www.equiti.my>

6. By submitting the duly executed proxy form, a member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for this meeting and any adjournment thereof.

Explanatory Notes to Special Business

1. **Ordinary Resolution 6 - Authority to Issue Shares and Waiver of Pre-emptive Rights**

The proposed Resolution 6, if passed, will empower the Directors to issue shares up to 10% of the total number of issued shares of the Company at any one time during the validity of the authority granted for such purposes as they may consider being in the best interest of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

The general mandate sought to grant authority to Directors to issue shares is a renewal of the mandate that was approved by the shareholders at the 24th AGM held on 22 May 2025. The renewal of the general mandate is to provide flexibility to the Company to issue new shares without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring additional cost and time. The purpose of this general mandate is for possible fund raising exercises including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital and/or acquisitions.

The waiver of pre-emptive rights pursuant to Section 85 of the Act will allow the Directors of the Company to issue new shares of the Company which rank equally with the existing issued shares of the Company, to any person without having to offer new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the mandate.

The previous mandate granted by the shareholders had not been utilised and hence no proceed was raised therefrom.

2. **Ordinary Resolution 7 - Proposed Renewal of Shareholders' Mandate**

The explanatory note on Ordinary Resolution 7 is set out in the Circular to Shareholders dated 29 April 2026.

3. **Ordinary Resolution 8 - Proposed Renewal of Share Buy-Back Authority**

The explanatory note on Ordinary Resolution 8 is set out in the Circular to Shareholders dated 29 April 2026.

As at the date of notice, the Company has an accumulative of 2,367,901 treasury shares.

ADMINISTRATIVE NOTES

FOR THE TWENTY-FIFTH ANNUAL GENERAL MEETING (“**25TH AGM**” OR “**MEETING**”) OF ENGTEx GROUP BERHAD (“**ENGTEx**” OR “**THE COMPANY**”):

Day/Date	: Thursday, 28 May 2026
Time	: 11.30 a.m.
Venue	: The Orenda 1, 1 st Floor, Mercure Selangor Selayang, B-G-12, Dataran Emerald, Jalan PS 11, Prima Selayang, 68100 Batu Caves, Selangor Darul Ehsan

REGISTRATION OF THE DAY OF 25TH AGM

- Registration will commence at **10.00 a.m.** on **28 May 2026** and will remain open until the conclusion of the 25th AGM or such time as may be determined by the Chairman of the meeting.
- Please present your original National Registration Identity Card (NRIC) or Passport (for non-Malaysian) to the registration staff for verification.
- Upon verification, an identification wristband will be given to you for voting purpose thereafter. No one will be allowed to enter the meeting hall without an identification wristband. There will be no replacement for the identification wristband if it is lost or misplaced.
- Registration must be done in person. No person is allowed to register on behalf of another even with the original NRIC or Passport of the other person.
- The registration counter will handle verification of identify, registration and revocation of proxy/proxies.

GENERAL MEETING RECORD OF DEPOSITORS

- Only a member whose name appears on the ROD as at **21 May 2026** shall be entitled to attend, speak and vote (collectively “participate”) at the 25th AGM or appoint proxy(ies) to participate on his/her/its behalf.

CORPORATE MEMBERS

- Corporate members who wish to appoint corporate representatives instead of proxy(ies), must deposit their original certificate of appointment of corporate representative to Mega Corporate Services Sdn. Bhd. (“**Mega**”) before the 25th AGM or bring the original certificate of appointment of corporate representative to the 25th AGM.
- Attorneys appointed by power of attorney are required to deposit their power of attorney with Mega not later than **26 May 2026** at **11.30 a.m.** to attend and vote at the 25th AGM.

PROXY

The appointment of proxy(ies) may be made in hard copy form or by electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 25th AGM or adjourned general meeting at which the person named in the appointment proposes to vote, otherwise the Proxy Form shall not be treated as valid:-

- In hard copy form**
In case of an appointment made in hard copy form, the proxy form must be deposited at the Company's Registered Office at Lot 36, Jalan BRP 9/2B, Putra Industrial Park, Bukit Rahman Putra, 47000 Sungai Buloh, Selangor Darul Ehsan or alternatively, to email Share Registrar at mega-sharereg@megacorp.com.my
- By electronic form**
The proxy form can be electronically lodged at <https://www.equiti.my>

ELECTRONIC LODGEMENT OF PROXY FORM

The procedures to lodge your Form of Proxy electronically via The Portal website are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User at The Portal	<ol style="list-style-type: none"> 1. Visit the website at https://www.equiti.my 2. Click “Register” and select “individual Holder” and complete the New User Registration Form. 3. Complete the registration form with your personal details. 4. Once registration is completed, you will receive a verification code to your email to verify your registered email address. 5. After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by logging in with your email address and password. <p><i>If you are an existing user with Equiti.my previously, you are not required to register again.</i></p>

Administrative Notes

Procedure	Action
i. Steps for Individual Shareholders	
Proceed with submission of proxy form	<ol style="list-style-type: none"> 1. After the release of the Notice of Meeting by the company, login with your email address and password. 2. Select the corporate event: “ENGTEX GROUP BERHAD 25TH AGM”. 3. Navigate to the “SUBMISSION OF E PROXY FORM”. 4. Indicate the CDS account number (last 9 digit) and the total number of shares assigned to your proxy(ies) to vote on your behalf. 5. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint the Chairman as your proxy. 6. Indicate your voting instructions – FOR or AGAINST or ABSTAIN. 7. Read and agree to the Terms and Conditions and confirm the Declaration. 8. Download the Proxy Form for your record at “MY SUBMISSION”
ii. Steps for Corporation or Institutional Shareholders	
Register as a User at The Portal	<ol style="list-style-type: none"> 1. Visit the website at https://www.equiti.my 2. Click “Register” and select “Nominee/Corporate” and complete the New User Registration Form. 3. Complete the registration form with your personal details. 4. Once registration is completed, you will receive a verification code to your email to verify your registered email address. 5. After verification, your registration will be reviewed and approved within two (2) working days. A confirmation email will be sent once approved. 6. Once you receive the confirmation, activate your account by logging in with your email address and password. <p><i>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact Mega if you need clarifications on the user registration.</i></p>
Proceed with submission of proxy form	<ol style="list-style-type: none"> 1. Login to https://www.equiti.my with your email address and password. 2. Select the corporate event: “ENGTEX GROUP BERHAD 25TH AGM”. 3. Navigate to the “SUBMISSION OF E PROXY FORM”. 4. Indicate the CDS account number (last 9 digit) and the total number of shares assigned to your proxy(ies) to vote on your behalf. 5. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint the Chairman as your proxy. 6. Indicate your voting instructions – FOR or AGAINST or ABSTAIN. 7. Read and agree to the Terms and Conditions and confirm the Declaration. 8. Download the Proxy Form for your record at “MY SUBMISSION”

POLL VOTING

- The voting at the 25th AGM will be conducted by poll in accordance with Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. The Company has appointed Mega Corporate Services as a Poll Administrator to conduct the poll.
- Upon completion of the voting session for the 25th AGM, the Independent Scrutineers will verify the poll results followed by the Chairman’s declaration whether the resolutions are duly passed.

NO RECORDING OR PHOTOGRAPHY

- Strictly NO recording and photography of the proceedings of the 25th AGM is allowed.

ENQUIRY

If you have any enquiries on the above, please contact the Share Registrar during office hours on Monday to Friday from 9:00 a.m. to 6:00 p.m. (except on public holidays):

Mega Corporate Services Sdn Bhd

General Line : +603-2692 4271

Direct Line : +603-2694 8984

E-mail Address : mega-sharereg@megacorp.com.my

ENGTEX GROUP BERHAD

 Registration No. 200101000937 (536693-X)
 (Incorporated in Malaysia)

CDS Account No.	
No. of ordinary shares held	

I/We _____ (Full name in block letters)

I.C. No./Co.No.: _____ of _____

_____ (Full address) being a member/members of

ENGTEX GROUP BERHAD hereby appoint the following person(s):-

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings
		%
Address		
Email Address		
Mobile Phone No.		

and / or*

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings
		%
Address		
Email Address		
Mobile Phone No.		

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the 25th Annual General Meeting (“AGM”) of the Company to be held at **The Orenda 1, 1st Floor, Mercure Selangor Selayang, B-G-12, Dataran Emerald, Jalan PS 11, Prima Selayang, 68100 Batu Caves, Selangor Darul Ehsan on Thursday, 28 May 2026 at 11.30 a.m.** and at any adjournment thereof. My/our proxy is to vote as indicated below:-

No.	Resolution	First Proxy		Second Proxy	
		For	Against	For	Against
Ordinary Resolution 1	Approval of Director’s fees and benefits up to RM468,300.00 from 25 th AGM until next AGM.				
Ordinary Resolution 2	Re-election of Puan Sri Datin Yap Seng Kuan as Director.				
Ordinary Resolution 3	Re-election of Dato’ Ng Chooi Guan as Director.				
Ordinary Resolution 4	Re-election of Ms. Ng Koi Lin as Director.				
Ordinary Resolution 5	Re-appointment of Messrs KPMG PLT as Auditors of the Company.				
Ordinary Resolution 6	Authority to Issue Shares and Waiver of Pre-emptive Rights.				
Ordinary Resolution 7	Proposed Renewal of Shareholders’ Mandate.				
Ordinary Resolution 8	Proposed Renewal of Share Buy-Back Authority.				

(Please indicate with a “√” or “X” in the space provided how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion. All votings will be conducted by way of poll.)

Dated this _____ day of _____ 2026

 Signature/Common Seal

Notes :-

General Meeting Record of Depositors

- A. For the purpose of determining a member who shall be entitled to attend the 25th AGM, the Company shall request the Record of Depositors as at 21 May 2026. Only a depositor whose name appears on the Record of Depositors as at 21 May 2026 shall be entitled to attend, speak and vote at this meeting or appoint proxy/proxies to attend, speak and vote in his stead.

Appointment of Proxy

- A member may appoint up to two (2) proxies who need not be members of the Company to attend, speak and vote at the same meeting. Where a member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- Where a member is an Authorised Nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than 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.
- Where a member is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one Securities Account (“omnibus account”), the Exempt Authorised Nominee may appoint any number of proxy (no limit) in respect of each omnibus account it holds.
- The completed Form of Proxy shall be in writing under the hand of the appointer or of his/her attorney duly authorised in writing or if the appointer is a corporation, either under the corporation’s seal or under the hand of an officer or attorney duly authorised.
- The appointment of proxy(ies) may be made in hard copy form or by electronic form in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof at which the person named in the appointment proposes to vote, otherwise the Form of Proxy shall not be treated as valid:-
 - In hard copy form
In case of an appointment made in hard copy form, the Form of Proxy must be deposited at the Company’s Registered Office at Lot 36, Jalan BRP 9/2B, Putra Industrial Park, Bukit Rahman Putra, 47000 Sungai Buloh, Selangor Darul Ehsan or alternatively, to email Share Registrar at mega-sharereg@megacorp.com.my
 - By electronic form
The Form of Proxy can be electronically lodged at <https://www.equiti.my>
- By submitting the duly executed proxy form, a member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for this meeting and any adjournment thereof.

Fold this flap for sealing

Fold Here

Affix
stamp

The Company Secretary
ENGTEX GROUP BERHAD
(Registration No. 200101000937 (536693-X))

Lot 36, Jalan BRP 9/2B,
Putra Industrial Park, Bukit Rahman Putra,
47000 Sungai Buloh, Selangor Darul Ehsan.

Fold Here

Engtex

ENGTEX GROUP BERHAD

Company No. : 200101000937(536693-X)

Lot 36, Jalan BRP 9/2B, Putra Industrial Park,
Bukit Rahman Putra, 47000 Sungai Buloh,
Selangor Darul Ehsan.

Tel : 603-6140 1111 **Fax** : 603-6157 0348

Email : enquiry@engtexgroup.com.my

www.engtexgroup.com.my