



**TEXCHEM RESOURCES BHD**

Company Registration No. 197301002868 (16318-K)



# IGNITING TRANSFORMATION

ANNUAL REPORT **2025**

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## CORPORATE STRUCTURE



### **TEXCHEM RESOURCES BHD.**

[Registration No.: 197301002868 (16318-K)]

#### **INDUSTRIAL DIVISION**

##### **Texchem Materials Sdn. Bhd.** [Registration No.: 199901012055 (486955-M)]

- New Material (Malaysia) Sdn. Bhd.  
[Registration No.: 198901012436 (189744-V)]
- Texchem Malaysia Sdn. Berhad  
[Registration No.: 197301002067 (15608-V)]
- Lifeon Asia Sdn. Bhd.  
[Registration No.: 201501006207 (1131539-X)]
- PT. Texchem Indonesia  
[Business Registration No.: 8120216141745]
- Texchem Materials (Thailand) Ltd.  
[Registration No.: 0105543051246]
- Texchem Materials (Vietnam) Co., Ltd.  
[Business Licence No.: 0306121266]
- Texchem Singapore Private Limited  
[Registration No.: 197401175C]

#### **POLYMER ENGINEERING DIVISION**

##### **Konix Holdings Sdn. Bhd.** (Formerly known as **Texchem Polymer Engineering Sdn. Bhd.**) [Registration No.: 201401000097 (1076167-T)]

- Texchem Life Sciences Sdn. Bhd.  
[Registration No.: 199001010362 (201932-M)]
- Texchem-Pack (Johor) Sdn. Bhd.  
[Registration No.: 199301017194 (271932-P)]
- Texchem-Pack (M) Sdn. Bhd.  
[Registration No.: 197901000413 (44673-D)]
- Texchem-Pack (PP) Sdn. Bhd.  
[Registration No.: 197901009434 (53719-T)]
- ▶ Texchem Advanced Products Incorporated Sdn. Bhd.  
[Registration No.: 200901029123 (872228-T)]
- Eye Graphic Sdn. Bhd.  
[Registration No.: 199001015004 (206673-D)]
- Texchem-Pack (Thailand) Co., Ltd.  
[Registration No.: 0105540086839]
- Texchem-Pack (Vietnam) Co., Ltd.  
[Enterprise Registration No.: 3600633200]
- Texchem Trading Co., Ltd.  
[Unified Business No.: 60619811]

#### **Notes:**

1. The above companies are operating subsidiaries and associates of Texchem Resources Bhd. Group.
2. The complete list of Texchem Resources Bhd. Group as at 31 December 2025 is disclosed in Note 5 to the Financial Statements of this Annual Report.

#### **FOOD DIVISION**

##### **Texchem Food Sdn. Bhd.** [Registration No.: 200101029232 (564990-P)]

- A.S.K Andaman Limited  
[Registration No.: 106589542]
- Texchem Aquaculture (Myanmar) Limited  
[Registration No.: 108288299]
- Texchem Food (Myanmar) Limited  
[Registration No.: 116411652]
- Texchem Marine Labutta Limited  
[Registration No.: 116434741]

##### **Wilpack Food Services Sdn. Bhd.** [Registration No.: 197901007808 (52094-A)]

- Sea Master Food Sdn. Bhd.  
[Registration No.: 199001012771 (204341-V)]

#### **RESTAURANT DIVISION**

##### **Sushi King Holdings Sdn. Bhd.** [Registration No.: 201401047182 (1123371-P)]

- Kokubu Food Logistics Malaysia Sdn. Bhd.  
[Registration No.: 201601021215 (1192154-D)]
- Miraku Sdn. Bhd.  
[Registration No.: 200601022908 (742662-X)]
- Sushi King Sdn. Bhd.  
[Registration No.: 199501001007 (330201-V)]
- ▶ Sushi King (East Malaysia) Sdn. Bhd.  
[Registration No.: 200701025301 (783322-M)]
- PT Sushi King Asia  
[Business Registration No.: 1210230125543]

##### **D&N Coffee and Restaurant Malaysia Sdn. Bhd.** [Registration No.: 201501022554 (1147883-H)]

#### **CORPORATE SERVICES DIVISION**

##### **Texchem Corporation Sdn. Bhd.** [Registration No.: 198001005857 (59641-U)]

- Texchem Risk Management Sdn. Bhd.  
[Registration No.: 199001002612 (194178-K)]

#### **VENTURE BUSINESS DIVISION**

##### **Texchem Sustainable Sdn. Bhd.** (Formerly known as **Texchem Polymers Sdn. Bhd.**) [Registration No.: 200501000940 (677985-M)]

#### **ASSOCIATES**

##### **Otafuku Sauce Malaysia Sdn. Bhd.** [Registration No.: 201601011761 (1182692-D)]

##### **Mascot Industries Company Limited** [Registration No.: 185324737]

## PRESIDENT'S MANAGEMENT DISCUSSION AND ANALYSIS

**Dear Valued Shareholders,**

**On behalf of the Board of Directors, I am pleased to present the Annual Report of Texchem Resources Bhd ("Texchem Group") for the financial year ended 31 December 2025 ("FY2025") together with the President's Management Discussion and Analysis.**

### OPERATING ENVIRONMENT

The economic and geopolitical challenges faced in the previous year extended into FY2025, followed by global trade uncertainties, pricing pressures and supply chain disruptions. Despite these headwinds, we achieved emerging growth opportunities particularly in Artificial Intelligence (AI) Data-driven high-tech segments such as Data Memory (Wafer/ Semiconductor) and Data Storage (Mass-capacity Hard Disk Drive) that positively contributed to the performance of Polymer Engineering Division. Throughout the year, Texchem Group remained resilient by leveraging our experience, diversifying business portfolio and executing our strategic plan to resist market volatility while capitalising on strategic growth business domains.

### GROUP OVERVIEW

Established in 1973, Texchem has started up as a small humble textile chemical trading company and today it turned into a diversified Malaysian multinational conglomerate. Publicly listed on the Main Market of Bursa Malaysia, the group operates through 5 core business divisions, namely **Industrial, Polymer Engineering, Food, Restaurant and Venture Business**.

**Industrial Division** provides integrated trading and distribution solutions for a wide range of polymers, resins, chemicals and additives to serve those global and domestic customers.

**Polymer Engineering Division** possesses strong in-house polymer processing technologies and product design capabilities supported by 8 strategically located manufacturing facilities and service site across Malaysia, Thailand, Vietnam and Taiwan. The division engages in strategic industries including data storage, data memory (Wafer/Semiconductors), medical/life sciences and electric vehicle ("EV")/mobility.

**Food Division** engages in marine product processing, Halal food service production, trading and aquaculture. The division continues its strong commitment to food safety standards with processing facilities certified under HACCP and other international hygiene standards. Besides, the division also operates food trading and distribution business with their joint venture ("JV") partner.

**Restaurant Division** operates Malaysia and world's largest Halal Kaiten Sushi Japanese restaurant chain "Sushi King", with 129 outlets, kiosks & cafe in Malaysia and Indonesia as at December 2025, supported by our integrated Halal supply chains. In addition, the division also operates Halal food logistics/warehousing business and Halal sauce manufacturing/distribution business with their JV partners.

**Venture Business Division** focuses on identifying and developing new venture business opportunities that enhance and align with our core strengths. The division is advancing the commercialisation of TEXa, a biomass processing and waste biocomposite sustainable material technologies patented in various countries that supports circular economy principles. Encouraging progress was observed in the second half of FY2025 that positioning TEXa for further economy of scale in FY2026.

Texchem Group's diversified business model enables Texchem Group to balance cyclical headwinds in certain divisions while to strategically grow the other divisions. Our unique positioning reflects strategic growth in those high-value specialty and technology driven markets, stronger supply chain resilience across ASEAN, enhanced operational efficiencies and excellence with continued embedding ESG principles into business strategy.



## PRESIDENT'S MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### FINANCIAL REVIEW

#### Overall Group Performance

The Group recorded revenue of RM1.11 billion in FY2025 compared to RM1.12 billion in FY2024. Despite the marginal decline in revenue, the profit before tax ("PBT") improved to RM20.5 million in FY2025 (FY2024: RM14.8 million) mainly driven by stronger performance from the **Polymer Engineering Division** and the successful turnaround of the **Restaurant Division**. Net profit stood at RM4.9 million compared to RM5.3 million in FY2024.

#### Revenue & Profit Before Tax ("PBT") Breakdown by Segments

**Industrial Division** continues to account for the largest share of FY2025 revenue at RM474.0 million or 39.6% to FY2025 total revenue. The **Restaurant Division** contributed RM287.9 million or 24.1% of FY2025 total revenue followed by the **Polymer Engineering Division** accounted for RM250.1 million or 20.9% revenue contribution. Lastly, the **Food Division**, **Venture Business Division** and **Others** contributed the remaining revenue for the financial year under review at RM162.8 million or 13.6%, RM5.5 million or 0.5% and RM16.0 million or 1.3% respectively.

**Industrial Division** recorded a decrease in revenue to RM474.0 million (FY2024: RM499.3 million) with PBT of RM4.6 million (FY2024: RM6.4 million). The division's performance was impacted by weaker customer demand, intensify pricing competition from China-based manufacturers, and global trade uncertainties related to reciprocal US tariff measures. Lower material prices also contributed to the decline in Revenue.

**Polymer Engineering Division** achieved record high revenue of RM250.1 million (FY2024: RM231.9 million) and PBT of RM21.6 million (2024: RM19.3 million). Growth was primarily driven by robust demand from its core strategic segments such as Data Memory/Semiconductor, Data Storage/Hard Disk Drive and EV/Mobility further enhanced by operational efficiency improvement.

**Food Division** registered a lower revenue of RM162.8 million in FY2025 (FY2024: RM181.1 million), resulted in loss before tax of RM4.4 million (FY2024: RM3.3 million loss) driven by lower raw material landings and higher raw material cost.

**Restaurant Division** achieved a higher revenue of RM287.9 million (FY2024: RM274.4 million) with a turnaround to PBT of RM5.0 million (FY2024: Loss before tax of RM0.5 million). The successful turnaround was attributed to stronger Sushi King Malaysia's sales momentum from strategic growth initiatives, complemented by effective cost optimisation measures that enhanced profit margins. The division recorded an asset impairment of RM2.8 million at Sushi King Indonesia in Q4 of FY2025 as part of the optimisation plan.

#### PBT and Profit After Tax ("Net Profit")

Texchem reported a PBT of RM20.5 million for FY2025 compared to RM14.8 million posted a year ago, mainly driven by the improved profitability performance of the **Polymer Engineering** and **Restaurant divisions**. At group level, the net profit at RM4.9 million in FY2025 compared to RM5.3 million in FY2024.

#### Cash Flows and Liquidity

The Group maintained a healthy cash position with total cash equivalent of RM94.6 million as at 31 December 2025 (FY2024: RM78.4 million). We also generated positive net operating cash flow ("NOCF") of RM89.7 million during the year (FY2024: RM72.9 million), reflecting disciplined working capital management and operational resilience.

### FORGING AHEAD

The global economy growth is projected to remain at 3.3% in 2026 with emerging markets and developing countries expected to achieve above 4.0%<sup>1</sup>.

On the domestic front, the Malaysian economy grew by 5.2% in 2025 and the growth momentum is expected to continue into 2026 mainly driven by healthy domestic demand and favourable labour market condition<sup>2</sup>.

**Polymer Engineering Division** is expected to benefit from the continued growth in the AI-Data-driven supply chain and medical/life sciences segments. We are focusing on expanding our market share in these growing segments that we served and sustaining operational excellence. The division is building on the strong set of results posted in FY2025 to chart new horizons moving forward.

<sup>1</sup> Source: IMF World Economy Outlook Update, January 2026

<sup>2</sup> Source: BNM Quarterly Bulletin Fourth Quarter 2025 published on 13 February 2026

## PRESIDENT'S MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

**Industrial Division** continues to focus on strategic business growth (Semiconductor, Medical/life science and sustainable material products), high-margin product business development and cross division strategic collaboration to drive long-term value creation. Strengthening supplier partnerships will always be the key to bolster supply chain resilience and to ensure cost efficiencies. The division will also focus on high-value specialty products in those niche markets.

**Food Division** continues to face headwinds while the division is charting good progress in enhancing its new supply chain development in Thailand installing flexibility, mitigating supply risks from Myanmar operation and improving cost efficiencies. The division will further focus on operational efficiency and site optimisation to improve its performance.

**Restaurant Division** will further focus on Sushi King brand refreshing and pursue the next phase of revitalisation initiatives and revenue growth by rebuilding the Sushi King's store portfolio, refreshing menu and optimising its cost structure.

Finally, **Venture Business Division** will continue advancing TEXa sustainable material innovation aligned with the Group's ESG commitment aiming for massive commercial breakthroughs in sustainability and green technology. This further enhances TEXa's importance and the Group's commitment in the sustainability journey.

The Group stays cautious while focusing on financial year 2026's growth. Meanwhile, the Group continues to monitor the impact from global trade and tariff developments, geopolitical risks, commodity and energy price volatility, foreign exchange fluctuations, competitive pricing pressures and cybersecurity risks. Barring any unforeseen circumstances, the Group continue to focus on its strategic initiatives and enterprise risk management to deliver better performance in 2026.

### TRANSFORMATION AND PEOPLE

Since my appointment as the President and Group CEO, a series of transformation initiatives has been implemented with positive progress. These include (3+2) 5-Year plans growth strategic initiative, human capital development, digital transformation and IT enhancement, implementation of the 5 management principles<sup>3</sup> to strengthen operating model discipline and each divisions' profitability. I strongly believe and confident that these initiatives may build a stronger foundation and organisation as well as the Group's competitive culture for pride in excellence, resilience and growth.

I am pleased to update that the Group was recognised with the prestigious Malaysia Best Employer Brand Awards 2025 of CHRO Asia. This recognition affirms the strength of our people and organisational culture which will continue to be the key driver of operational excellence.

### DIVIDEND

The Board decides or recommends any dividend payments by carefully examining the profitability, liquidity and cashflow position of the Group. In FY2025, the Board did not declare or propose any dividend, allowing the Group to preserve capital flexibility to support strategic initiatives and strengthen financial resilience.

### RECOGNITION AND APPRECIATION

On behalf of the Executive Chairman and the Board, I would like to commend our management and employees for their resilience, adaptability and commitment in navigating the challenging year.

I extend my sincere appreciation to our Executive Chairman, fellow Board members, shareholders, business partners and employees for their continued trust and support. Together, we shall steer Texchem into its next phase of exponential growth.

### Dr Yuma Konishi

President and Group Chief Executive Officer  
Texchem Resources Bhd.

<sup>3</sup> Texchem 5 Management Principles covers: "Kasegu" – creating more value, revenue and income through innovation and a focus on customer-centricity; "Kezuru" – elevating operational efficiency and fully embracing digital transformation to streamline processes; "Fusegu" – proactively identifying and mitigating risks to safeguard our business; "Kiwameru" – striving to be the Best of the Best in all we do, fostering a culture of continuous improvement and "Sodateru" – investing in our people by nurturing their growth and development to create a supportive environment where talent thrives.

## BOARD OF DIRECTORS



**TAN SRI DATO' SERI (DR.) FUMIHIKO KONISHI**  
Executive Chairman

**Gender/Age/Nationality**

Male, 82, Japanese

**Date of appointment to the Board**

20 February 1974

**Membership of Board Committees**

Chairman of Executive Committee

**Working experience/Occupation**

- Founder of Texchem Resources Bhd. Group of Companies ("Texchem Group")
- He is responsible for the overall business strategy for Texchem Group from its humble beginnings in 1973 to a diversified manufacturing, services and trading group
- Instrumental in bringing and promoting many other Japanese joint venture groups to Penang and Malaysia
- Executive Chairman of Restaurant Division, Food Division, Industrial Division, Polymer Engineering Division and Corporate Services Division of Texchem Group
- President and Chief Executive Officer of Restaurant Division of Texchem Group

**Academic/Professional Qualification/Membership(s)**

- Bachelor of Pharmacy Degree from Tokyo University of Pharmacy and Life Science
- Bestowed an Honorary Fellowship by the Limkokwing University College of Creative Technology in 2001
- Conferred the Honorary Degree of Doctor Of Science by the Universiti Sains Malaysia in 2013

**Accolades/Recognition**

- Granted permanent residency status by the Malaysian Government in 1990
- Bestowed the following honorary titles
  - Darjah Johan Negeri (D.J.N.) by the Governor of Penang in 1991
  - Darjah Setia Pangkuan Negeri (D.S.P.N.) in 1994
  - Darjah Gemilang Pangkuan Negeri (D.G.P.N.) in 2000
  - Darjah Kebesaran Panglima Setia Mahkota (P.S.M.) in 2007
- Awarded Certificate of Commendation by the Minister of Foreign Affairs, Japan in 2007
- Conferred the award "The Order Of The Rising Sun, Gold and Silver Rays" by His Majesty, the Emperor of Japan in 2017
- Minister's Award by the Japan Ministry of Agriculture, Forestry and Fisheries (MAFF) in Tokyo in 2019

**Present Directorship**

**Listed Entity:**

- Texchem Resources Bhd.

**Public Companies:**

- Nil

## BOARD OF DIRECTORS (CONT'D)



**DR YUMA KONISHI**  
President and Group Chief Executive Officer

**Gender/Age/Nationality**

Male, 48, Japanese

**Date of appointment to the Board**

1 January 2020

**Membership of Board Committees**

- Member of Executive Committee
- Member of Sustainability Committee

**Working experience/Occupation**

- Joined Texchem Resources Bhd. Group of Companies (“Texchem Group”) in 2005. Dr Yuma Konishi has more than 21 years of experience in the plastics industries and almost a decade spearheading Texchem’s venture into medical life sciences industry
- President and Chief Executive Officer of Polymer Engineering Division of Texchem Group

**Academic/Professional Qualification/Membership(s)/Award**

- Bachelor of Science in Industrial Engineering from Nihon University, Chiba, Japan
- Master of Science in Polymer Engineering from The University of Akron, Ohio, USA
- Doctor of Engineering in Chemistry and Materials Science from Tokyo Institute of Technology, Tokyo, Japan
- Member of Penang Strategic Investment Advisory Council (PSIAC)
- Member of the Board of Directors and Vice Chairman of Association of Malaysian Medical Industries (AMMI), Leader of Membership & Industry Development Committee and Member of Government Affairs Committee of AMMI
- Ex-Officio of Penang Skills Development Centre (PSDC) Management Council representing AMMI
- Darjah Johan Negeri (D.J.N.)

**Present Directorship**

**Listed Entity:**

- Texchem Resources Bhd.

**Public Companies:**

- Nil



**DATO' AZMAN BIN MAHMUD**  
Independent Non-Executive Director

**Gender/Age/Nationality**

Male, 64, Malaysian

**Date of appointment to the Board**

1 January 2023

**Membership of Board Committees**

Chairman of Remuneration Committee

**Working experience/Occupation**

- Dato' Azman Bin Mahmud was the former Chief Executive Officer (“CEO”) of the Malaysian Investment Development Authority (“MIDA”), Malaysia’s investment promotion and industrial development agency, having served in various positions across many divisions within MIDA since 1989 until his retirement on 1 April 2021
- During his tenure with MIDA, he also served in overseas posting. As the CEO of MIDA, he led MIDA in driving the investment agenda of Malaysia to achieve national investment targets from 2014 till 2021. He also led the transformation of MIDA towards a world-class investment promotion agency

**Academic/Professional Qualification/Membership(s)**

- Bachelor of Engineering (Agricultural) from University Putra Malaysia
- Attended several leadership and professional development courses from renowned training institutes such as ‘A Cutting Edge of Development Thinking’, Harvard Kennedy School, John F. Kennedy School of Government, USA; ‘Leading Change & Organisation Renewal’, Harvard Business School, USA; Strategy Execution Programme, INSEAD France; APAC Government Leadership Programme (AGLP) in Crotonville, New York, USA; and Temasek Foundation International Asia Leader’s Connect, Singapore

**Present Directorship**

**Listed Entities:**

- Texchem Resources Bhd.
- Cnerez Berhad
- Panasonic Manufacturing Malaysia Berhad
- Privasia Technology Berhad

**Public Companies:**

- Nil

**Private Companies/Other organisations:**

- Akademi Transformasi Asnaf Perlis MAIPs Sdn. Bhd.
- Panasonic Group of Companies Malaysia
- Scientex Lestari Sdn. Bhd.

## BOARD OF DIRECTORS (CONT'D)



**MR JONY RAW**  
Independent Non-Executive Director

**Gender/Age/Nationality**

Male, 70, Malaysian

**Date of appointment to the Board**

2 May 2019

**Membership of Board Committees**

- Chairman of Audit Committee
- Member of Nomination Committee
- Member of Remuneration Committee

**Working experience/Occupation**

- More than 45 years of experience in the areas of audit, financial management, corporate finance and corporate secretarial
- Worked with KPMG, Kuala Lumpur before moving on to hold senior positions in several public listed companies
- Joined Texchem Resources Bhd. ("TRB") from 1988 to 2011 and rose to the position of Group Chief Financial Officer
- Appointed as Joint Company Secretary of TRB from 1999 to 2013

**Academic/Professional Qualification/Membership(s)**

- Member of the Malaysian Institute of Certified Public Accountants (Certified Public Accountant)
- Member of the Malaysian Institute of Accountants (Chartered Accountant)

**Present Directorship**

**Listed Entity:**

- Texchem Resources Bhd.

**Public Companies:**

- Nil



**PUAN AZIAN BINTI MOHD YUSOF**  
Independent Non-Executive Director

**Gender/Age/Nationality**

Female, 68, Malaysian

**Date of appointment to the Board**

27 January 2022

**Membership of Board Committees**

- Chairperson of Nomination Committee
- Member of Audit Committee

**Working experience/Occupation**

- Worked with the Malaysian Investment Development Authority ("MIDA") for more than 30 years in promoting the growth of investments in Malaysia from June 1982 until July 2018
- Served as a Director of various divisions within MIDA from 2007 to 2018
- Held the position of Deputy Chief Executive Officer in charge of Strategic Planning and Coordination in MIDA before retirement in July 2018

**Academic/Professional Qualification/Membership(s)**

- Bachelor of Economics from the University of Malaya

**Present Directorship**

**Listed Entities:**

- Texchem Resources Bhd.
- Bonia Corporation Berhad
- Solarvest Holdings Berhad
- Wellcall Holdings Berhad

**Public Companies:**

- Nil

## BOARD OF DIRECTORS (CONT'D)



**PUAN MARIAM BINTI JAMAL**  
Independent Non-Executive Director

**Gender/Age/Nationality**

Female, 66, Malaysian

**Date of appointment to the Board**

2 May 2024

**Membership of Board Committees**

- Chairperson of Sustainability Committee
- Member of Audit Committee
- Member of Remuneration Committee

**Working experience/Occupation**

- Worked for 2 American Multinational Corporations in diverse positions spanning 24 years in various countries
- Started career at General Electric (USA) in Singapore with management assignments in USA and Malaysia
- Subsequently, joined Intel Malaysia in Penang and held positions in different fields with work assignments in the US. Experience includes transferring new C4 manufacturing technology from technology development in the US to Intel's worldwide Assembly and Test chipset factories. Held position as Marketing Director and travelled worldwide to meet customers, grow new businesses and launch new products at technical conferences. Assumed position as General Manager (8 and 16 Bit Microcontrollers) with full P&L responsibilities for Intel Corporation. Last position prior to retirement was as General Manager of the FCBGA factory in Intel Malaysia plus responsibilities as the Package Platform Steering Committee Chairperson for FCBGA Factories (Malaysia, China, Costa Rica)

**Academic/Professional Qualification/Membership(s)**

- BA in Political Science from William Smith College, New York, USA
- MBA from the University of Strathclyde, UK

**Present Directorship**

**Listed Entity:**

- Texchem Resources Bhd.

**Public Companies:**

- Nil



**MS CYNTHIA OOI GAIK SEE**  
Non-Independent Non-Executive Director

**Gender/Age/Nationality**

Female, 61, Malaysian

**Date of appointment to the Board**

1 October 2024

**Membership of Board Committees**

- Member of Executive Committee
- Member of Sustainability Committee

**Working experience/Occupation**

- Joined Texchem Resources Bhd. Group of Companies as Chief Human Resources Officer in 2018. In addition, she was appointed as the Group Chief Administrative Officer in 2024
- More than 39 years of experience in talent & leadership development, organization capability development, attraction & retention strategies, total rewards solutions, employee engagement, HR business partnering, HR systems infrastructures, finance & accounting, cost & management accounting and general management
- Worked in multi-national corporations, manufacturing, retail, trading, public accounting firms and professional consultancy services

**Academic/Professional Qualification/Membership(s)**

- Affiliated member of the Association of International Accountants, UK
- Lifetime member of Malaysian Institute of Human Resource Management (MIHRM)
- Certified Coaching & Mentoring Professional (CCMP)
- Trained and accredited in psychometric assessment tools (Harrison / DISC / Hogan)

**Present Directorship**

**Listed Entity:**

- Texchem Resources Bhd.

**Public Companies:**

- Nil

**Notes:**

**Any family relationship with any director and/or major shareholder of the listed issuer**

- Tan Sri Dato' Seri (Dr.) Fumihiko Konishi, the Executive Chairman and deemed major shareholder of Texchem Resources Bhd. ("TRB"), is the father of Dr Yuma Konishi, President and Group Chief Executive Officer of TRB.
- The direct and deemed interests of Tan Sri Dato' Seri (Dr.) Fumihiko Konishi in TRB are set out in the Analysis of Shareholdings section of this Annual Report.
- Save as disclosed herein, none of the other Directors has any family relationship with any Directors and/or major shareholder of TRB.

**Any conflict of interest or potential conflict of interest, including interest in any competing business that the person has with the listed issuer or its subsidiaries**

- None of the Directors has any conflict of interest or potential conflict of interest, including interest in any competing business with TRB or its subsidiaries.

**Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any**

- None of the Directors has been convicted for any offences (other than traffic offences) within the past 5 years and no public sanction or penalty was imposed by the relevant regulatory bodies during the financial year.

**Number of board meetings attended in the financial year**

- The Directors' attendance record for financial year 2025 is disclosed in the Corporate Governance Overview Statement, page 30 of this Annual Report.

## KEY SENIOR MANAGEMENT

### MS LOH SAU MUN | Group Chief Financial Officer and Company Secretary

**Gender/Age/Nationality**

Female, 49, Malaysian

**Date of appointment to the key senior management position**

1 July 2023

**Membership of Board Committees**

Member of Sustainability Committee

**Working experience/Occupation**

- More than 26 years of working experience in the areas of audit, accounting, taxation, finance, initial public offering exercise and retail operation
- Started her career as audit assistant in 2000. Over the years, she worked in international accounting firms in Malaysia and China and venture capital company in Singapore before joining Texchem Resources Bhd. Group in 2010

**Academic/Professional Qualification/Membership(s)**

- Member of the Malaysian Institute of Accountants
- Member of the Association of Chartered Certified Accountants
- Attended Chartered Financial Analyst (CFA) programme

### MR YEO AUN HUA | Chief Operating Officer, Industrial Division

**Gender/Age/Nationality**

Male, 53, Malaysian

**Date of appointment to the key senior management position**

1 September 2024

**Membership of Board Committees**

Member of Executive Committee

**Working experience/Occupation**

- More than 31 years of global leadership experience in the chemicals, electronic and engineering plastics industry. His expertise lies in driving sustainable business growth, strategic market positioning and fostering innovative solutions across various industries, including consumer electronics, data storage, telecommunications, healthcare, automotive and home appliances
- He was an Executive Director of a chemical manufacturing company before joining Texchem Resources Bhd. Group in 2022

**Academic/Professional Qualification/Membership(s)**

- Bachelor of Engineering (Hons.) in Mechanical Engineering from University of South Australia (UniSA), Mawson Lake Campus, Adelaide. Graduated with 1<sup>st</sup> Class Honours
- Attended several leadership and management courses such as "Accelerating Leadership Performance (ALP)", "Customer Centred Leadership (CCL)" from GE Crotonville, "Leading the Business", "Leading the People" from London Business School / SABIC Academy and "Advanced Management Program (AMP)" from INSEAD Singapore

## KEY SENIOR MANAGEMENT (CONT'D)

### MR WINYOO CHAIYAKUL | Chief Operating Officer, Food Division

**Gender/Age/Nationality**

Male, 52, Thailand

**Date of appointment to the key senior management position**

1 September 2024

**Membership of Board Committees**

Member of Executive Committee

**Working experience/Occupation**

- More than 27 years of working experience in the areas of production, sales and marketing in food, beverages and seafood processing industry
- Started his career with Nippon Ham as Assistant General & Production Manager in 1999. Over the years, he held several managerial positions in various industries for private companies in Thailand before joining Texchem Resources Bhd. Group in 2024

**Academic/Professional Qualification/Membership(s)**

- Bachelor Degree of Technology Engineering, Bielefeld University, Germany
- Master Degree of Aviation & Flight Engineering from St Petersburg State University of Aerospace Instrumentation, Russia

### MR LAM SIANG CHOONG | Chief Operating Officer, Polymer Engineering Division

**Gender/Age/Nationality**

Male, 53, Malaysia

**Date of appointment to the key senior management position**

15 April 2025

**Membership of Board Committees**

Member of Executive Committee

**Working experience/Occupation**

- More than 30 years of working experience spanning across engineering, automation, project management, business development and large-scale operations in E&E, semiconductor, contract manufacturing industries
- Started his career as an engineer in 1996. Over the years, he has progressed to lead cross-regional commercial and operation teams in large MNCs before joining Texchem Resources Bhd. Group in 2025

**Academic/Professional Qualification/Membership(s)**

- Bachelor of Science Mechanical Engineering (Minor in Mathematic), University of Kentucky
- Master of Business Administrations, University Science Malaysia

**Notes:**

**Directorship in other public companies/listed issuers**

- None of the Key Senior Management members ("KSM members") is holding any directorship in other public companies/ listed issuers.

**Any family relationship with any director and/or major shareholder of the listed issuer**

- None of the KSM members has any family relationship with any Directors and/or major shareholder of Texchem Resources Bhd ("TRB").

**Any conflict of interest or potential conflict of interest, including interest in any competing business that the person has with the listed issuer or its subsidiaries**

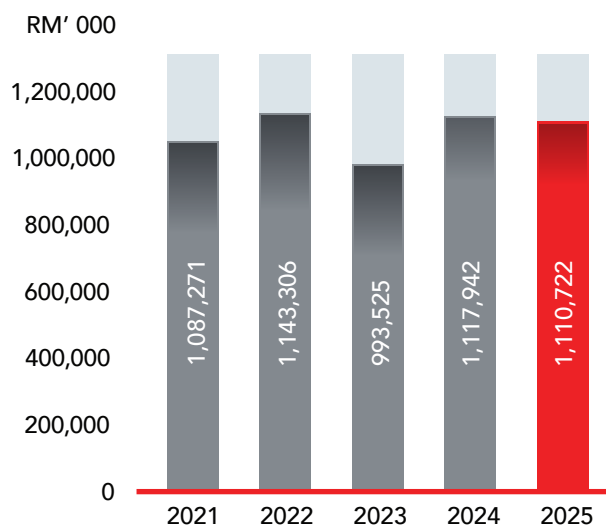
- None of the KSM members has any conflict of interest or potential conflict of interest, including interest in any competing business with TRB or its subsidiaries.

**Other than traffic offences, the list of convictions for offences within the past 5 years and particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year, if any**

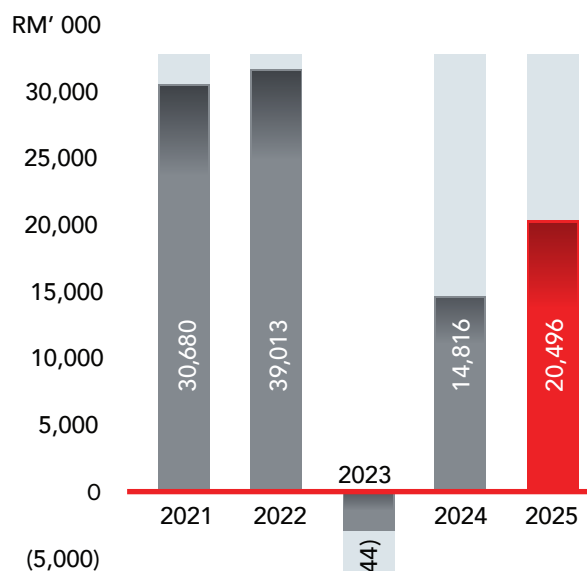
- None of the KSM members has been convicted for any offences (other than traffic offences) within the past 5 years and no public sanction or penalty was imposed by the relevant regulatory bodies during the financial year.

## GROUP FINANCIAL HIGHLIGHTS

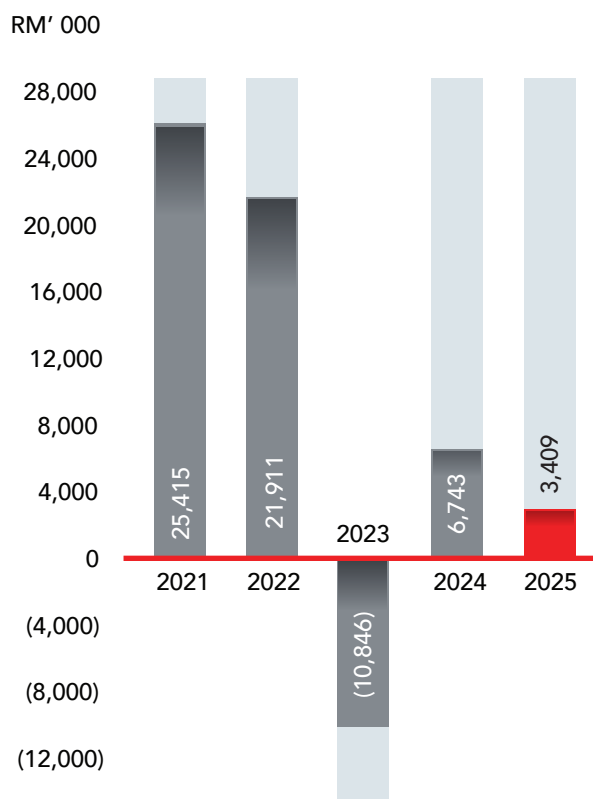
### REVENUE



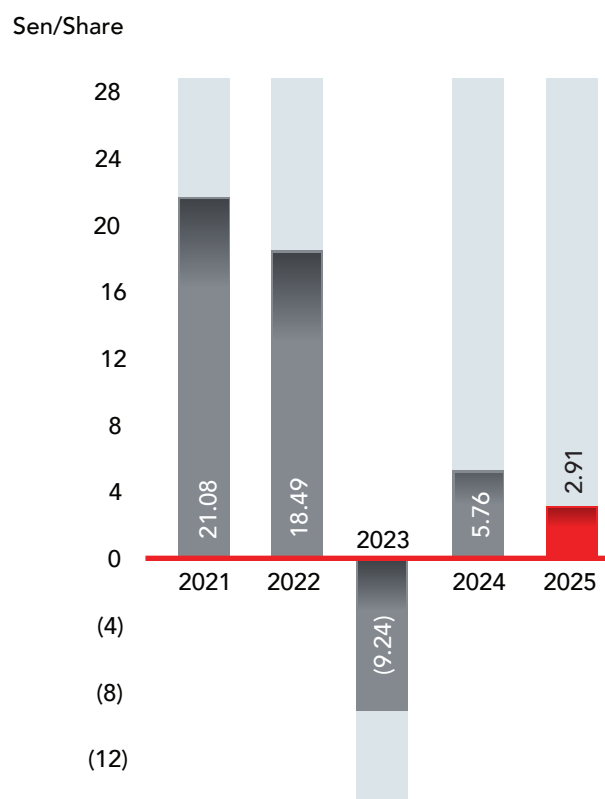
### PROFIT/(LOSS) BEFORE TAX



### NET PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY



### EARNINGS/(LOSS) PER SHARE (SEN)



## GROUP FINANCIAL HIGHLIGHTS (CONT'D)

	2021	2022	2023	2024	2025
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	1,087,271	1,143,306	993,525	1,117,942	1,110,722
Profit/(Loss) Before Tax	30,680	39,013 <sup>&gt;</sup>	(2,744) <sup>^</sup>	14,816	20,496
Net Profit/(Loss) Attributable to Owners of the Company	25,415	21,911	(10,846)	6,743	3,409
Total Equity Attributable to Owners of the Company/Net Assets	270,823	191,304	177,903	180,651	188,287
Net Tangible Assets	214,941	135,422	122,021	124,769	132,405
No. of Ordinary Shares Issued ('000)	124,099	126,373	126,373	126,373	126,373
No. of Ordinary Shares Issued Less Treasury Shares ('000)	120,571	119,145	117,091	117,091	117,091
Dividend per share (sen)	10	13	-	-	-
Earnings/(Loss) Per Share (Sen)	21.08	18.49	(9.24)	5.76	2.91
Net Assets Per Share (RM/Share) #	2.25	1.61	1.52	1.54	1.61
Net Tangible Assets Per Share (RM/Share) #	1.78	1.14	1.04	1.07	1.13
Gearing Ratio (Times) ^^	0.19	0.30	0.46	0.60	0.56

# Divided by number of ordinary shares issued less treasury shares

^^ Gearing ratio is defined as net borrowings (total loans and borrowings less cash and cash equivalents) divided by total equity including non-controlling interests

> Includes share-based payments of RM9.45 million and gain on deconsolidation of a subsidiary of RM1.58 million

^ Includes share-based payments of RM2.98 million and gain on disposal of an associate of RM2.49 million

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

#### Executive Chairman

Tan Sri Dato' Seri (Dr.)  
Fumihiko Konishi

#### President and Group Chief Executive Officer

Dr Yuma Konishi

#### Independent

##### Non-Executive Directors

Dato' Azman Bin Mahmud  
Jony Raw  
Azian Binti Mohd Yusof  
Mariam Binti Jamal

#### Non-Independent

##### Non-Executive Director

Cynthia Ooi Gaik See

### NOMINATION COMMITTEE

#### Chairperson

Azian Binti Mohd Yusof

#### Member

Jony Raw

### REMUNERATION COMMITTEE

#### Chairman

Dato' Azman Bin Mahmud

#### Members

Jony Raw  
Mariam Binti Jamal

### SUSTAINABILITY COMMITTEE

#### Chairperson

Mariam Binti Jamal

#### Members

Dr Yuma Konishi  
Cynthia Ooi Gaik See  
Loh Sau Mun  
Lee Puay Img  
Chan Eng Hong

### COMPANY SECRETARIES

Lee Puay Img  
Licence No.: LS 0009427  
SSM PC No.: 202008001167

Loh Sau Mun  
MIA No.: CA22775  
SSM PC No.: 202308000826

### REGISTERED OFFICE

Level 18, Menara Boustead Penang  
39 Jalan Sultan Ahmad Shah  
10050 George Town, Penang  
Tel : 604-2296000  
Website : www.texchemgroup.com  
E-mail : trb@texchemgroup.com

### SHARE REGISTRAR

Securities Services (Holdings)  
Sdn. Bhd.  
Suite 18.05, MWE Plaza  
No. 8 Lebuhr Farquhar  
10200 George Town, Pulau Pinang  
Tel : 604-2631966  
Fax : 604-2628544  
E-mail : info@sshsb.com.my

### AUDITORS

KPMG PLT  
LLP0010081-LCA & AF 0758  
Chartered Accountants  
Level 18, Hunza Tower  
163E, Jalan Kelawei  
10250 George Town, Penang  
Tel : 604-3751800  
Fax : 604-2382222

### PRINCIPAL BANKERS

Malayan Banking Berhad  
Hong Leong Bank Berhad  
HSBC Bank Malaysia Berhad  
AmBank (M) Berhad

### SOLICITORS

Presgrave & Matthews  
Zaid Ibrahim & Co.

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia  
Securities Berhad  
Stock name: TEXCHEM  
Stock code: 8702  
Stock sector: Industrial Products &  
Services  
Sub sector: Diversified Industrials  
Listing date: 17 May 1993

### SUBSIDIARIES AND ASSOCIATES

Please refer to the Corporate  
Structure section of this Annual  
Report for the list of subsidiaries  
and associates of the Company

### EXECUTIVE COMMITTEE

#### Chairman

Tan Sri Dato' Seri (Dr.) Fumihiko Konishi

#### Members

Dr Yuma Konishi  
Cynthia Ooi Gaik See  
Yeo Aun Hua  
Winyoo Chaiyakul  
Lam Siang Choong

### AUDIT COMMITTEE

#### Chairman

Jony Raw

#### Members

Azian Binti Mohd Yusof  
Mariam Binti Jamal

## EXECUTIVE COMMITTEE

### TERMS OF REFERENCE

To assist the Board of Directors ("Board") in decision-making by undertaking the necessary business deliberations and operational activities necessary for the day-to-day running of the organisation and to seek necessary Board approvals where applicable.

## NOMINATION COMMITTEE

### TERMS OF REFERENCE

#### Objective

In accordance with the Malaysian Code on Corporate Governance, the Nomination Committee is set up to provide recommendations to the Board of Directors ("Board") on the candidates for all directorships of Texchem Resources Bhd. ("TRB"). Final decision on the appointment of any directors of TRB shall be made by the Board.

The Nomination Committee shall be responsible in ensuring the appropriate Board balance and size, and that the Board has a required mix of skills, knowledge, experience, independence and diversity (diversity in gender, ethnicity and age) and that candidates for directorships meet the criteria set out in the Directors' Fit and Proper Policy ("F&P Policy"). An annual review of the mix of skills, knowledge, experience and other core competencies of the Board shall be made by the Nomination Committee.

#### Size and Composition

The composition of Nomination Committee must not be less than (2) members. The Nomination Committee shall comprise wholly of Non-Executive Directors, the majority of whom are independent. The members of the Nomination Committee shall elect a Chairman from amongst any of its members who shall be an Independent Director. The Chairman shall attend the Annual General Meetings and provide response to questions addressed to the Chairman.

#### Meetings

The Nomination Committee shall meet as and when is necessary. The quorum for any meetings shall be two (2) members subject to any laws, guidelines or rules that may be imposed by Bursa Malaysia Securities Berhad and/or any other relevant authority(ies).

The Nomination Committee may from time to time and if deemed appropriate, consider and approve and/or recommend relevant matters via a Circular Resolution in writing in lieu of formally convening a meeting. The Circular Resolution shall be as valid and effectual as if it has been passed by a meeting of the Nomination Committee duly convened.

#### Notice

The Company Secretaries shall issue and circulate the notice for the Nomination Committee's meetings at least five (5) working days before each meeting to the members and invitees.

#### Secretaries

The Company Secretaries shall act as Secretaries to the Nomination Committee and shall be responsible for keeping minutes of meetings of the Nomination Committee and circulating them to the Nomination Committee members.

## NOMINATION COMMITTEE (CONT'D)

### Duties and Responsibilities

- 1) To review regularly the Board structure, size and composition and make recommendations to the Board with regard to any adjustments thereof and/or the appointment of Directors as the Nomination Committee deems necessary.
- 2) To consider, in making its recommendations, candidates for directorships proposed by the President/Managing Director/Chief Executive Officer of TRB, any other senior executive or any other Director or shareholder of TRB or identified via independent sources, as well as make recommendations to put in place the plans for succession, in particular for the Chairman/President and the Managing Director/Chief Executive Officer. Factors to be taken into consideration when evaluating any candidates are as follows:
  - (a) skills, knowledge, expertise, experience, character, professionalism, integrity and such other criteria which are more particularly set out in the F&P Policy;
  - (b) diversity in age, gender and background;
  - (c) any business interest or relationship that may result in a real, apparent conflict of interest or potential conflict of interest, including interest in any competing business that could affect the execution of the role;
  - (d) in the case of candidates for the position of independent non-executive directors, the Nomination Committee should also evaluate the candidates' independence, ability to discharge such responsibilities/functions as expected from independent non-executive directors; and
  - (e) time commitment and number of directorships held by the candidate.
- 3) To conduct a performance evaluation annually in order to assist the Board to review the required mix of skills, knowledge, experience, independence, diversity (diversity in gender, ethnicity and age) and other qualities including core competencies which Directors should bring to the Board and to assess the effectiveness of the Board as a whole and any other committees of the Board and the contributions of each individual Director of TRB based on the process and procedures laid out by the Board.
- 4) To review the term of office and performance of the Audit Committee and each of its members annually to determine whether the Audit Committee and members have carried out their duties in accordance with the terms of reference of the Audit Committee.
- 5) To review the induction and training needs of Directors under the continuing education programmes.
- 6) To recommend to the Board for continuation or discontinuation in service of Directors as an Executive Director or Non-Executive Director.
- 7) To recommend Directors who are retiring by rotation to be put forward for re-election.
- 8) To recommend to the Board the Directors to fill the seats on any committees of the Board.
- 9) To recommend to the Board the employment of the services of such advisers as it deems necessary to fulfill the Board's responsibilities.
- 10) To carry out other responsibilities, functions or assignments as may be defined by the Board from time to time.

### Review of the Terms of Reference

The Terms of Reference shall be reviewed every 2 years and updated as and when necessary and the Nomination Committee shall recommend any change to its Terms of Reference as the Nomination Committee deems appropriate to the Board for approval.

## AUDIT COMMITTEE

### TERMS OF REFERENCE

#### Objective

- The principal objective of the Audit Committee ("AC") is to assist the Board in fulfilling its oversight responsibilities of the Texchem Group's financial reporting process and internal control system.

#### Membership

- The AC shall be appointed by the Board from among its members and shall consist of no fewer than three (3) non-executive directors. All AC members should be non-executive directors, with a majority of them being independent directors. All members of the AC shall be financially literate and at least one (1) member should be a member of an accountancy association or body.
- No former audit partner shall be appointed as a member of the Committee before observing a cooling-off period of at least five (5) years.
- No alternate director shall be appointed as a member of the Committee.
- The AC shall elect a Chairman from among its members who shall be an Independent Non-Executive Director who is not the Chairman of the Board. In the absence of the Chairman, the remaining members shall among themselves elect a Chairman who must be an independent director to chair the meeting.
- In the event of any vacancy in the AC, resulting in the non-compliance with the above, the Board shall fill the vacancy within three months.

#### Authority

- The AC is authorised by the Board to investigate any activity within its terms of reference. AC is authorised to seek any information it requires from any employee and all employees shall co-operate with any request made by the AC.
- The AC is authorised by the Board to obtain external, legal or independent professional advice and to secure the attendance of such external advisors with relevant experience in meetings, if considered necessary.
- The AC is authorised to convene meetings with the external auditors, internal auditors or both without the presence of Management, other directors and employees whenever deemed necessary.
- The AC is authorised to have direct communication channels with the external auditors, internal auditors or both.

#### Duties

The duties of the AC are:

#### ***Oversight of Financial Reporting***

- Review the quarterly unaudited financial statements of the Texchem Group with Management and recommend to the Board for consideration and approval;
- Review the annual audited financial statements of the Company and the Texchem Group with Management and the external auditors and recommend to the Board for consideration and approval; and
- Review the Texchem Group's Statement on Risk Management and Internal Control with Management and the external auditors and present to the Board for consideration and approval for inclusion in the Annual Report.

#### ***Oversight of External Auditors***

- Review with them, their audit plan, scope and areas of audit;
- Review with them, their understanding of the internal control environment and systems which obtained in the course of designing their audit procedures;
- Review with them, their audit reports;
- Review with them, their management letters and management responses;
- Review with them, the adequacy of the co-operation given by the Company's officers in the course of the audits;
- Review with Management annually, the appointment/re-appointment of the external auditors based on factors including but not limited to suitability, resources, competency and independence of the external auditors as well as their audit fees; and
- Review with Management annually, the non-audit services performed by the external auditors taking into consideration the types of services rendered and their fees in accordance with the Policies and Procedures for the Assessment of Suitability and Independence of External Auditor to ensure that the independence of the external auditors is not compromised.

## AUDIT COMMITTEE (CONT'D)

### **Oversight of Internal Auditors**

- Review the adequacy of the scope, function and competency of the Group Internal Assurance and Consulting Department ("GIACD") as well as the necessary authority in order to ensure the department is operating effectively;
- Review the annual Internal Audit Plan, processes and reports of the GIACD to improve the Texchem Group's governance, risk management and internal control environment;
- Review the performance of the GIACD on a yearly basis; and
- Review and ensure that the GIACD's resources are adequate to support the department's daily operations.

### **Sustainability Reporting**

- Review the Texchem Group's Sustainability Statement with Management and present to the Board for consideration and approval for inclusion in the Annual Report.

### **Corporate Governance Reporting**

- Review the Texchem Group's Corporate Governance Overview Statement and Corporate Governance Report with Management and present to the Board for consideration and approval for inclusion in the Annual Report and Company's website respectively.

### **Recurrent Related Party Transactions and Share Buy-back Statement**

- Review with Management the Circular to Shareholders in relation to the proposed renewal of existing shareholders' mandate for recurrent related party transactions and the statement for the proposed renewal of existing share buy-back authority and present to the Board for consideration;
- Review and approve the inclusion of the AC statements on the procedures for Recurrent Related Party Transactions in the said Circular;
- Review with Management to ensure that the actual recurrent related party transactions are within the limits which approved by shareholders; and
- Review with Management any recurrent related party transaction and conflict of interest situation that arose, persist or may arise within the Texchem Group including any transaction, procedure or course of conduct that raises questions of management integrity as well as the measures taken to resolve, eliminate or mitigate such conflicts.

### **Attendance, Quorum and Frequency of Meeting**

- The Chairman of the AC shall engage on a continuous basis with Senior Management, such as the Group Chief Executive Officer, Group Chief Financial Officer, Chief Audit Executive and the external auditors in order to be kept informed of matters affecting the Company and the Texchem Group.
- The Group Chief Financial Officer, Chief Audit Executive and representatives of the external auditors shall attend the meetings. Other Board members and employees may attend the meetings upon invitation of the AC. However, the AC shall meet with the external and internal auditors without the presence of Management at least twice a year and whenever necessary.
- In order to form a quorum in the AC meeting, the majority of members must be Independent Directors.
- AC shall meet not less than 4 times a year. The external auditors may request for meeting if necessary.
- Questions arising at any meeting of the AC shall be decided by a majority of votes of the members. In the case of equality of votes, the Chairman of the AC shall have a second or casting vote.

### **Minutes**

- The Minutes of each AC meeting shall be kept at the registered office and distributed to each member of the AC and other members of the Board. The AC Chairman shall report on each meeting to the Board.
- The Minutes of the AC meetings shall be signed by the Chairman of the meetings at which the proceedings are held or by the Chairman of the next succeeding meeting.

### **Review of the Terms of Reference**

- The members of the Committee shall assess, review and update the terms of reference periodically or as and when there are changes to the regulatory requirements or the strategies of the Company that may affect the Committee's roles and recommend the changes for approval by the Board.

## REMUNERATION COMMITTEE

### TERMS OF REFERENCE

#### Objective

In accordance with the Malaysian Code on Corporate Governance, the Remuneration Committee is set up to provide recommendations to the Board of Directors ("Board") on:

- a) a formal and transparent procedure for developing the remuneration policy that meets the Company's business strategies and long-term objectives.
- b) the remuneration of the Executive Directors and senior management in all its forms such that the component parts of remuneration are structured to link rewards to corporate and individual performance.

Executive Directors should play no part in decisions on their own remuneration while the remuneration of the Non-Executive Directors should be a matter for the Board as a whole to determine. The individuals concerned should abstain from discussion of and voting on his or her own remuneration.

#### Size and Composition

The Remuneration Committee shall consist wholly of Non-Executive Directors and a majority of them must be independent Directors. The members of the Remuneration Committee shall elect a Chairman from amongst its members.

#### Meetings

The Remuneration Committee shall meet as and when is necessary. The quorum for any meetings shall be two (2) members subject to any laws, guidelines or rules that may be imposed by Bursa Malaysia Securities Berhad and/or any other relevant authority(ies).

#### Secretaries

The Company Secretaries shall act as Secretaries of the Remuneration Committee and shall be responsible for keeping minutes of meetings of the Remuneration Committee and circulating them to the Remuneration Committee members.

#### Duties and Responsibilities

- 1) To determine and recommend to the Board the framework or broad policy for the remuneration, in all forms, of the Executive Directors, Board Committees, senior management and/or any other persons as the Remuneration Committee is designated to consider by the Board, having regard to the Company's operating results, individual performance, comparable market statistics and drawing from outside advice as necessary.
- 2) To determine and recommend to the Board the remuneration packages and any performance related pay schemes for the Executive Directors, senior management and/or any other persons as the Remuneration Committee is designated to consider by the Board.
- 3) To determine the policy for and scope of service agreements for the Executive and Non-Executive Directors, termination payment and compensation commitments.
- 4) To report to the Board any matters that the Remuneration Committee considers should be brought to the attention of the Board and to provide sufficient information to the Board to ensure that the Board makes an informed decision in relation to the Remuneration Committee's recommendations.
- 5) To produce any required reports as may be required from time to time.
- 6) To recommend to the Board the appointment of the services of such advisers or consultants as it deems necessary to fulfill its responsibilities.
- 7) To carry out other responsibilities, functions or assignments as may be assigned by the Board from time to time.
- 8) The Chairman shall attend the Annual General Meetings to answer any questions relating to the Remuneration Committee's activities.

#### Review of the Terms of Reference

The Terms of Reference shall be reviewed every 2 years and updated as and when necessary and the Remuneration Committee shall recommend any change to its Terms of Reference as the Remuneration Committee deems appropriate to the Board for approval.

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the 52<sup>nd</sup> Annual General Meeting (“52<sup>nd</sup> AGM”) of Texchem Resources Bhd. [Registration No.: 197301002868 (16318-K)] (“the Company”) will be held at the Grand Ballroom, Level 2, G Hotel Gurney, 168A Persiaran Gurney, 10250 George Town, Penang on Wednesday, 29 April 2026 at 2.30 p.m. for transacting the following businesses:

### **Ordinary Business**

- |    |  |   |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon.         | <b>Please refer to Explanatory Note (i)</b> |
| 2. | To re-elect the following Directors who retire in accordance with Article 22.3 of the Company's Constitution and being eligible, offer themselves for re-election: |   |
|    | (i) Dato' Azman Bin Mahmud; and  | <b>Ordinary Resolution 1</b>                |
|    | (ii) Mr Jony Raw.  | <b>Ordinary Resolution 2</b>                |
| 3. | To approve the Directors' Fees of RM1,000,000 for the financial year ended 31 December 2025 (2024: RM1,000,000).   | <b>Ordinary Resolution 3</b>                |
| 4. | To approve the payment of Directors' benefits of RM30,000 to the 3 members of the Audit Committee for the financial year ended 31 December 2025 (2024: RM30,000).  | <b>Ordinary Resolution 4</b>                |
| 5. | To re-appoint Messrs KPMG PLT as Auditors of the Company for the financial year ending 31 December 2026 and to authorise the Directors to fix their remuneration.  | <b>Ordinary Resolution 5</b>                |

### **Special Business**

- |    |  |                              |
|----|--|------------------------------|
| 6. | To consider and if deemed fit to pass the following Ordinary Resolutions:                        |                              |
|    | <b>(A) Power to Issue Shares pursuant to Section 75 and Section 76 of the Companies Act 2016</b> | <b>Ordinary Resolution 6</b> |

“**THAT** subject always to the Companies Act 2016 (“Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of the relevant regulatory authorities, where such approval is necessary, the Directors be and are hereby authorised and empowered pursuant to Section 75 and Section 76 of the Act to allot and issue shares in the Company from time to time at such price, upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority as abovementioned shall continue in force until the conclusion of the next Annual General Meeting of the Company.”

- |   |                              |
|---|------------------------------|
| <b>(B) Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature</b> | <b>Ordinary Resolution 7</b> |
|---|------------------------------|

“**THAT** subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties as set out in Part A [section 2.4(a)] of the Circular to the Shareholders of the Company dated 30 March 2026 (“Proposed Mandate”) which transactions are necessary for the day-to-day operations and/or in the ordinary course of business of the Company and/or its subsidiaries on terms 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 THAT such approval shall only continue to be in force until:

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company following the 52<sup>nd</sup> AGM at which time it will lapse unless such authority is renewed by a resolution passed at the next AGM of the Company;
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("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 of the Company in a general meeting,

whichever is the earlier.

**AND THAT** the Directors of the Company, whether solely or jointly, be and are hereby authorised to complete and do all such acts and things including executing such relevant documents as they may consider expedient or necessary to give effect to the Proposed Mandate."

### **(C) Proposed Renewal of Existing Share Buy-Back Authority**

### **Ordinary Resolution 8**

**"THAT** subject to the Companies Act 2016 ("Act"), the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company's Constitution and other applicable laws, rules, regulations and guidelines of the relevant authorities, the Directors of the Company be and are hereby authorised to purchase such amount of ordinary shares ("Texchem Shares") in the Company through Bursa Securities at any time and upon such terms and conditions and for such purposes as the Directors may in their discretion deem fit subject to the following:

- (i) the maximum number of Texchem Shares which may be purchased and/or held by the Company shall not exceed 10% of the total number of issued shares of the Company for the time being;
- (ii) the maximum funds to be allocated by the Company for the purpose of purchasing the Texchem Shares shall not exceed the total retained profits of the Company;
- (iii) the authority conferred by this Resolution will be effective immediately upon the passing of this Resolution and will continue in force until:
  - (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the 52<sup>nd</sup> AGM in which the resolution is passed at which time the authority will lapse unless renewed by ordinary resolution, either unconditionally or subject to conditions; or
  - (b) the expiration of the period within which the next AGM is required by law to be held; or
  - (c) revoked or varied by ordinary resolution passed by the shareholders of the Company in a general meeting,

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

whichever is the earlier, but so as not to prejudice the completion of purchase(s) by the Company made before the aforesaid expiry date and in any event, in accordance with the provisions of the Main Market Listing Requirements of Bursa Securities or any other relevant authorities;

- (iv) upon completion of the purchase(s) of the Texchem Shares by the Company, the Directors of the Company be and are hereby authorised to deal with the Texchem Shares in the following manner:
- (a) to cancel the Texchem Shares so purchased; and/or
  - (b) to retain the Texchem Shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resell on the market of Bursa Securities and/or for cancellation subsequently; and/or
  - (c) to retain part of the Texchem Shares so purchased as treasury shares and cancel the remainder; and/or
  - (d) to transfer the Texchem Shares or any of the Texchem Shares for the purposes of or under an employees' share scheme; and/or
  - (e) in such other manner as Bursa Securities and such other relevant authorities may allow from time to time.

**AND THAT** authority be and is hereby given to the Directors of the Company to take all such steps as are necessary including to enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the aforesaid with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities or as may be deemed necessary by the Directors and to do all such acts and things as the Directors may deem fit and expedient in the interest of the Company."

**FURTHER NOTICE IS HEREBY GIVEN THAT** for the purpose of determining a member who shall be entitled to attend this 52<sup>nd</sup> AGM, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd., in accordance with Article 19.9 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 22 April 2026. Only a depositor whose name appears on the Record of Depositors as at 22 April 2026 shall be entitled to attend the said meeting or appoint proxies to attend, speak and/or vote on his/her behalf.

### BY ORDER OF THE BOARD

Lee Puay Img  
(Licence No.: LS 0009427)  
(SSM PC No.: 202008001167)  
Company Secretary

Loh Sau Mun  
(MIA No.: CA22775)  
(SSM PC No.: 202308000826)  
Company Secretary

Penang  
Date: 30 March 2026

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### NOTES:

1. A member of the Company entitled to attend and vote at the meeting may appoint more than one (1) proxy to attend and vote instead of him/her. If a member appoints more than one (1) proxy, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholdings to be represented by each proxy.
2. Every member including authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991 and Exempt Authorised Nominees which hold ordinary shares in the Company for multiple beneficial owners in one securities account ("Omnibus Account") are entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote instead of him at the 52<sup>nd</sup> AGM and that such proxy need not be a member.
3. The instrument appointing a proxy shall be in writing under the hand of the member or of his attorney duly authorised in writing or if the member is a corporation, shall either be executed under its common seal or under the hand of 2 authorised officers, one of whom shall be a director or of its attorney duly authorised in writing. The instrument appointing a proxy authorises the proxy(ies) to demand or join in demanding a poll.
4. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a duly notarised certified copy of that power or authority may be made in hardcopy form or by electronic means in the following manner and shall be received by the Company not less than 48 hours before the time for holding the meeting or any adjournment thereof:
  - (a) In hardcopy form  
The proxy form shall be deposited at the Company's Registered Office at Level 18, Menara Boustead Penang, 39 Jalan Sultan Ahmad Shah, 10050 George Town, Penang, Malaysia.
  - (b) By electronic means to Securities Services (Holdings) Sdn. Bhd.  
The proxy form shall be electronically lodged by email to [eservices@sshshb.com.my](mailto:eservices@sshshb.com.my).
5. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 52<sup>nd</sup> AGM of the Company shall be put to vote by way of poll.

### Explanatory Notes on Ordinary Business:

#### (i) Audited Financial Statements for the financial year ended 31 December 2025

The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Act for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

#### (ii) Ordinary Resolutions 1 and 2

Article 22.3 of the Company's Constitution provides that 1/3 of the Directors are subject to retirement by rotation or, if their number is not 3 or a multiple of 3, then the number nearest to 1/3 shall retire from office so that all Directors shall retire from office at least once in every 3 years.

Dato' Azman Bin Mahmud ("Dato' Azman") and Mr Jony Raw ("Mr Jony") are due to retire at the 52<sup>nd</sup> AGM in accordance with Article 22.3 of the Company's Constitution and being eligible, they have offered themselves for re-election.

The Board via the Nomination Committee had conducted assessments on, *inter alia*, individual Directors and considered the results of the assessments based on the criteria set out in the Directors' Fit and Proper Policy ("F&P Policy") which include commitment, contributions, knowledge, integrity and experience and the overall performance of the retiring Directors and was satisfied that both Dato' Azman and Mr Jony have met the performance criteria set out in the F&P Policy in the discharge of their duties and responsibilities. Accordingly, the Board would like to recommend the re-election of both Dato' Azman and Mr Jony at the 52<sup>nd</sup> AGM.

The retiring Directors standing for re-election have abstained from deliberation and decision on their own eligibility to stand for re-election at the relevant Nomination Committee and Board meetings.

The profile of the respective Directors is set out in the Board of Directors' section of the Annual Report.

#### (iii) Ordinary Resolutions 3 and 4

Section 230(1) of the Act provides that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval will be sought at this 52<sup>nd</sup> AGM on the Directors' fees and the Directors' benefits for the 3 members of the Audit Committee, all of whom are Independent Non-Executive Directors, for the financial year ended 31 December 2025.

The breakdown of the proposed payment of Directors' Fees of RM1,000,000 for the financial year ended 31 December 2025 is as set out below:

Position	Directors' Fees per annum
Executive Chairman/President/Group Chief Executive Officer	RM250,000
Independent Non-Executive Director/ Non-Independent Non-Executive Director	RM100,000

The Directors' benefits is RM10,000 per annum for each member of the Audit Committee.

## NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

### (iv) Ordinary Resolution 5

The Board, through the Audit Committee, had conducted an annual assessment on the suitability, objectivity and independence of Messrs KPMG PLT and was satisfied with their independence and performance. The Board hereby recommends the re-appointment of Messrs KPMG PLT as external Auditors of the Company at the 52<sup>nd</sup> AGM.

### Explanatory Notes on Special Business:

#### (i) Ordinary Resolution 6

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM of the Company held on 23 April 2025 and the said mandate will lapse at the conclusion of this 52<sup>nd</sup> AGM.

This proposed Ordinary Resolution, if passed, will give the Directors of the Company from the date of this 52<sup>nd</sup> AGM, the authority to allot and issue ordinary shares in the Company up to an aggregate of not exceeding 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being pursuant to Section 75 and Section 76 of the Act ("Renewed Mandate"). This Renewed Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The Renewed Mandate will provide flexibility to the Company for any possible fund raising activities, including but not limited to further placement of shares, for the purpose of funding future investment project(s), working capital and/or acquisitions without any delay and without incurring additional expenses in convening a general meeting to approve the issuance of such shares.

#### (ii) Ordinary Resolution 7

This Ordinary Resolution, if passed, will empower the Company and/or its subsidiaries to enter into the recurrent related party transactions under the Proposed Mandate without the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur. This would reduce substantially administrative time and expenses in convening such meetings and enhancing the ability to pursue more business opportunities and without compromising the corporate objectives of Texchem Resources Bhd Group of Companies.

This authority, unless revoked or varied at a general meeting of the Company, will expire at the conclusion of the next AGM of the Company.

The details of this proposed Ordinary Resolution are set out in Part A of the Circular to the Shareholders of the Company dated 30 March 2026, which is accessible online on the Company's website at [www.texchemgroup.com](http://www.texchemgroup.com) or on Bursa Malaysia Securities Berhad's website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

#### (iii) Ordinary Resolution 8

This Ordinary Resolution, if passed, will enable the Company to purchase its own shares up to 10% of the total number of issued shares of the Company (inclusive of shares that have been purchased and/or retained as treasury shares). This authority, unless revoked or varied by the Company in general meeting, will expire at the conclusion of the next AGM of the Company.

The details of this proposed Ordinary Resolution are set out in Part B of the Circular to the Shareholders of the Company dated 30 March 2026, which is accessible online on the Company's website at [www.texchemgroup.com](http://www.texchemgroup.com) or on Bursa Malaysia Securities Berhad's website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

### Personal Data Privacy

By submitting an instrument appointing proxy(ies) and/or representatives to attend, speak and vote at the 52<sup>nd</sup> AGM and/or any adjournment thereof, a member of the Company:- (i) consents to the processing of the member's personal data by the Company (or its agents): (a) for processing and administration of proxies and representatives appointed for the 52<sup>nd</sup> AGM; (b) for preparation and compilation of the attendance lists, minutes and other documents relating to the 52<sup>nd</sup> AGM (which includes any adjournments thereto); and (c) for the Company's (or its agents') compliance with any applicable laws, listing rules, regulations and/or guidelines (collectively, "the Purposes"); (ii) warrants that he/she has obtained such proxy(ies) and/or representative(s)' prior consent for the Company's (or its agents') processing of such proxy(ies) and/or representative(s)' personal data for the Purposes; and (iii) agrees that the member will indemnify the Company for any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Note: The term "processing" and "personal data" shall have the meaning as defined in the Personal Data Protection Act, 2010.

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING (Pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad's Main Market Listing Requirements)

### 1. Details of individuals who are standing for election as Directors

No individual is seeking election as a Director at the 52<sup>nd</sup> Annual General Meeting ("52<sup>nd</sup> AGM") of the Company save for Directors standing for re-election.

The profiles of the Directors who are standing for re-election as per Ordinary Resolutions 1 and 2 of the Notice of the 52<sup>nd</sup> AGM are stated in the section on the Profile of Directors in this Annual Report.

### 2. Statement relating to general mandate for issue of securities in accordance with Paragraph 6.03(3) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Details of the general mandate to allot securities in the Company pursuant to Sections 75 and 76 of the Companies Act 2016 are stated in the Explanatory Notes on Special Business (i) of the Notice of the 52<sup>nd</sup> AGM as set out in this Annual Report.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

### CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Texchem Resources Bhd. (“Company”) is entirely committed to the maintenance of high standards of corporate governance by supporting and implementing the prescriptions of the principles, practices and guidances set out in the Malaysian Code on Corporate Governance (“Code”) revised by the Securities Commission Malaysia on 28 April 2021 to enhance its accountability, transparency and sustainability. In addition, the Board follows the Corporate Governance Guide published by Bursa Malaysia Securities Berhad (“Bursa Securities”) and global developments of internationally recognised corporate governance practices and though the Board is already in compliance with many respects, it continually reviews the corporate governance processes adopted by the Company and its subsidiaries (collectively “the Group”) and strives to make appropriate adjustments to reflect its position as a good corporate citizen. The key intent is to adopt the substance behind good governance and not merely the form, with the aim of ensuring Board effectiveness in enhancing shareholder value.

The Board presents this statement to provide shareholders with an overview of the corporate governance practices of the Company which were based on the principles and best practices as set out in the Code, the governance standards prescribed in the Main Market Listing Requirements (“Listing Requirements”) of Bursa Securities and the requirements under the Companies Act 2016 and applied under the leadership of the Board during the financial year ended 31 December 2025 (“FY2025”).

This statement is to be read together with the Corporate Governance Report 2025 (“CG Report”) of the Company which is available on the Company’s website at [www.texchemgroup.com](http://www.texchemgroup.com). The detailed explanation on the application of the corporate governance practices are reported under the CG Report.

### PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

#### I. Board Responsibilities

The Board acknowledges its pivotal role in the stewardship of its direction and operations, and ultimately the enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall corporate governance of the Group, including its strategic direction and the Board oversees the establishment of goals for management and monitors the achievement of these goals. Operational effectiveness, cost rationalisation and human capital management continue to be the key areas of focus for the Group.

The Board is led by the Executive Chairman and the Group Chief Executive Officer (“CEO”) whose roles are separated. The Executive Chairman is responsible for running the Board and ensures that all Directors receive sufficient relevant information on financial and non-financial matters to enable them to participate actively in Board decisions and the Executive Chairman works with the Board and the Group CEO to develop strategies for the Group’s future growth whereas the Group CEO is responsible for the day to day management of the business as well as the implementation of Board policies and decisions.

In order to ensure orderly and effective discharge of the above functions and responsibilities of the Board, the Board has set up various Board Committees to assist the Board. The Board Committees set up by the Board are:

- (a) Executive Committee (“EXCO”)
- (b) Audit Committee (“AC”)
- (c) Nomination Committee (“NC”)
- (d) Remuneration Committee (“RC”)
- (e) Sustainability Committee (“SC”)

The EXCO, AC, RC, NC and SC play a pivotal role in channelling pertinent operational and assurance related issues to the Board. The Board Committees partly function as a filter to ensure that only pertinent matters are tabled at the Board level. All Board Committees have written Terms of Reference which can be found at the Company’s website, [www.texchemgroup.com](http://www.texchemgroup.com). There is also a formal procedure sanctioned by the Board, whether as a full Board or in their individual capacity, for Directors to obtain independent professional advice at the Company’s expense.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The prime objective of the Company's Board Charter is to set out the principles governing the Board and adopts the principles and practices of good corporate governance in the management of the Company. The Board is guided by the Board Charter which outlines, inter alia, the duties and responsibilities of the Board, Board Committees, Chairman, CEO, Individual Directors and management, matters reserved for the Board as well as those which the Board may delegate to the Board Committees, CEO and management.

The Board has also formalised a Code of Conduct and Ethics ("CoCE") to govern the conduct of the Directors, management and employees in the operation of the Company. The CoCE includes mechanism amongst others, the requirement to disclose any actual or potential conflict of interest and a whistleblower policy for the Company's Directors and employees as well as external parties to report genuine suspicions of non-compliance without fear of retribution or retaliation.

With the introduction of the corporate liability provision under Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Board established the Anti-Corruption Policy and Procedures ("ACPP") which were formulated based on the T.R.U.S.T. principles set out in the Guidelines on Adequate Procedures issued by the Prime Minister's Department. The ACPP including the revised CoCE and the Vendor Code of Conduct were approved by the Board on 15 May 2020. The ACPP was designed to assist Directors and employees to identify and avoid corrupt acts and provide guidance on the standards of behaviour which all Directors and employees must adhere to.

The Board has periodically reviewed the Company's policies to ensure they remain aligned with applicable laws and regulations and reflect current best practices.

Further details pertaining to the Board Charter, CoCE, ACPP, Vendor Code of Conduct, Whistleblower Policy and Conflict of Interest Policy are set out in the CG Report. The Board Charter, CoCE, Vendor Code of Conduct, Anti-Bribery and Corruption Policy, Whistleblower Policy and Conflict of Interest Policy can be found at the Company's website, [www.texchemgroup.com](http://www.texchemgroup.com).

The Group is committed towards sustainable development and believes that sustainable corporate success requires the highest standard of corporate behaviour including measuring up to public expectations on its economic, environmental, social and corporate governance responsibilities. As a socially responsible citizen, the Company shall approach the process of addressing higher expectations of economic, environmental, social and corporate governance responsibilities as part of how the Company normally works and thinks. This is a key focus area for the Group for the future and the Board will provide the appropriate guidance and oversight to the senior management as they work towards developing a more robust sustainability agenda for the Group. The Group's effort in this regard including the corporate responsibility activities in the financial year under review have been set out in the Sustainability Statement in this Annual Report. A copy of the Sustainability Policy is available on the Company's website at [www.texchemgroup.com](http://www.texchemgroup.com).

Every Director has unhindered access to the advice and services of the Company Secretaries. The Company Secretaries are accountable directly to the Board on all matters to do with the proper functioning of the Board and provide unimpeded advice and services to the Company's Directors, as and when the need arises. The Company Secretaries also ensure that the Board Committees function effectively based on the respective Terms of Reference.

The Board recognises that the decision making process is highly contingent on the quality of information furnished. As such, all Directors have unrestricted access to any information pertaining to the Company and/or the Group. The Directors are provided with relevant and timely information on matters to be discussed or considered at meetings of the Board and Board Committees. The Directors take cognisance of their responsibility for avoiding an actual, potential or perceived conflict of interest and they will declare their interests and abstain from the decision-making process whenever such a conflict arises.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### II. Board Composition

The NC comprised the following members during the financial year under review:

Members	
Azian Binti Mohd Yusof	Chairperson, Independent Non-Executive Director
Jony Raw	Independent Non-Executive Director

The NC consists entirely of Non-Executive Directors, all of whom are independent.

The NC is empowered by the Board and its Terms of Reference to bring to the Board recommendations as to the appointment of new Directors and appointment of Directors to Board Committees. The NC also keeps under review the Board structure, size and composition, the Board succession planning as well as training programmes.

The Company has in place a Directors' Fit and Proper Policy ("F&P Policy") as a guide for assessment of new appointments and re-election of Directors. In assessing the candidates for the Board appointments, the NC will take into account, inter alia, the overall composition and the mix of expertise and experience of the Board as a whole and having regard to the criteria set out in the F&P Policy, amongst others, candidates' integrity, qualifications, skills, experience, expertise, competence, time and commitment.

The NC met once on 23 January 2025. The meeting was attended by all members of the NC. The Chairperson of the NC invited the following Directors to attend the NC meeting:

- (i) Tan Sri Dato' Seri (Dr.) Fumihiko Konishi;
- (ii) Dato' Azman Bin Mahmud; and
- (iii) Puan Mariam Binti Jamal

The activities undertaken by the NC for FY2025 and up to the date of this statement were as follows:

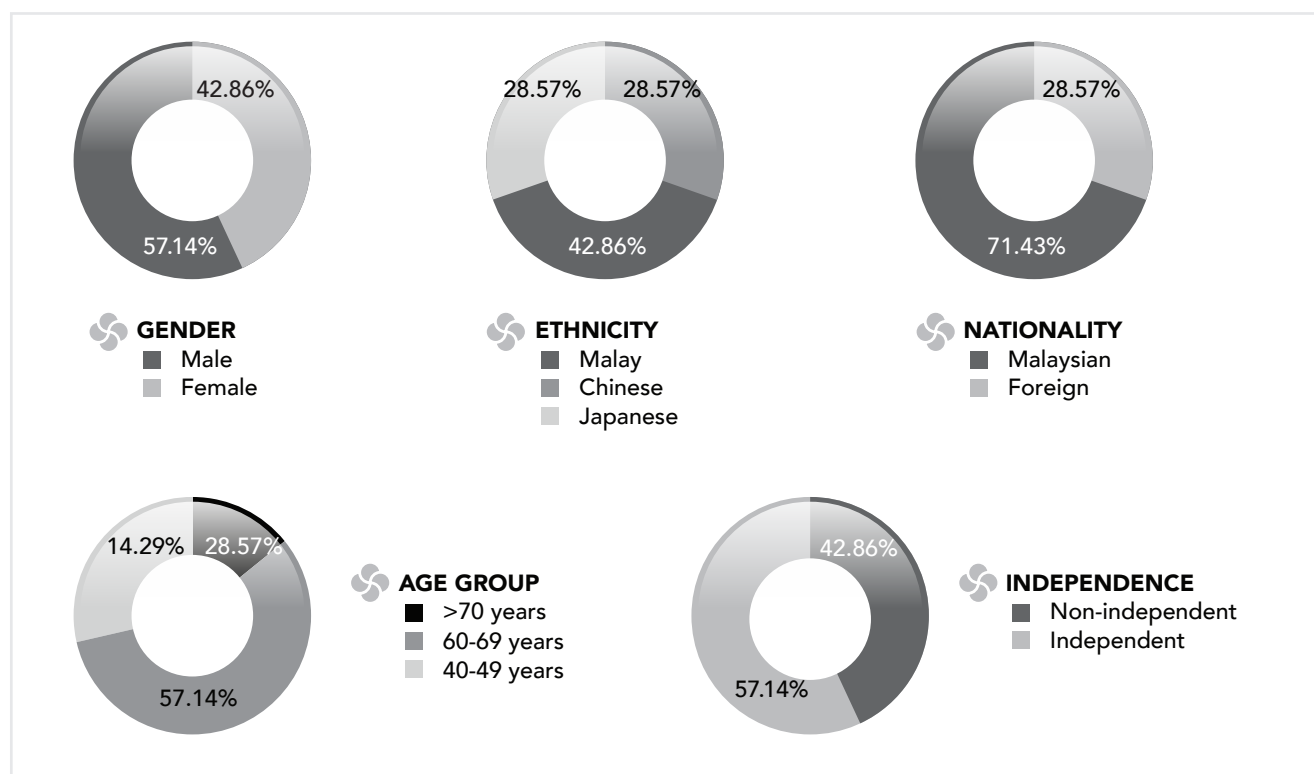
1. Reviewed the overall composition of the Board and Board Committees.
2. Conducted the annual assessment and the performance evaluation of the individual Directors, the Board Committees and each of the AC members and the Board as a whole; summarised the results of the annual assessment and the performance evaluation and reported to the Board on the outcome of such assessment.
3. Reviewed the succession planning of Directors and senior management.
4. Reviewed the independence of the Directors.
5. Reviewed Directors' Fit and Proper Policy and enhanced Terms of Reference of NC.
6. Made recommendation to the Board for the re-election of Dato' Azman Bin Mahmud and Mr Jony Raw who are subject to retirement at the forthcoming Annual General Meeting ("AGM").

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

During FY2025, there was no change in the Board's composition.

As at 31 December 2025, the Board consisted of seven (7) members comprising four (4) Independent Non-Executive Directors, two (2) Executive Directors and one (1) Non-Independent and Non-Executive Director. The Directors, with their different backgrounds and specialisations, collectively bring with them a wide range of experience and expertise in areas such as chemistry and material science, accountancy, political science, human resource management, corporate finance and economics. A brief profile of each Director is presented in the Profile of Directors section of this Annual Report.

A summary of the Board composition is set out below:



The Board has complied with the recommendation in Practice 5.2 of the Code by having Board composition where majority of the Board comprises independent directors.

The Board has complied with the recommendation in Practice 5.3 of the Code given that the tenure of all 4 Independent Non-Executive Director of the Board does not exceed a term limit of nine (9) years.

Based on the review of the Board's composition, the assessment of individual Directors and the recommendation of the NC, the Board recommended for Dato' Azman Bin Mahmud and Mr Jony Raw to be re-elected at the 52<sup>nd</sup> AGM as they have met the performance criteria set out in the assessments, which comprised the criteria in the F&P Policy, in the discharge of their duties and responsibilities.

In the aspect of gender diversity of the Board, the Board has complied with Practice 5.9 of the Code which provides for at least 30% women directors on the Board and also the requirement of the Enhanced Director Amendments which requires a public listed company to have at least 1 woman director on its board. As at 31 December 2025, the Board has 3 women directors whereby the percentage of women directors on the Board was 42.86%.

The Board ordinarily meets at least four (4) times a year with additional meetings convened when urgent and important decisions need to be made in between the scheduled meetings. During the financial year under review, the Board met five (5) times on 23 January 2025, 27 February 2025, 24 April 2025, 24 July 2025 and 30 October 2025 where it deliberated upon and considered various matters.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

Details of each Director's meeting attendance during FY2025 are as follows:

**Meetings Attended (Out of 5)**

<b>Directors</b>		
Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	Executive Chairman	5/5
Dr Yuma Konishi	President and Group CEO	5/5
Dato' Azman Bin Mahmud	Independent Non-Executive Director	5/5
Jony Raw	Independent Non-Executive Director	5/5
Azian Binti Mohd Yusof	Independent Non-Executive Director	5/5
Mariam Binti Jamal	Independent Non-Executive Director	5/5
Cynthia Ooi Gaik See	Non-Independent Non-Executive Director	4/5

Based on the level of time commitment demonstrated by individual Directors in attending Board meetings, Board Committee meetings and AGMs, the Board is confident that the Directors are able to devote sufficient time commitment to their roles and responsibilities as Directors of the Company.

As of the date of this Statement, all Directors have attended and successfully completed Part I and Part II of the Mandatory Accreditation Programme (MAP).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

During the financial year under review, the details of the seminars attended by the Directors to enhance their knowledge and expertise are set out below:

Directors	Training/ Seminars/ Conferences
Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme Part II: Leading for Impact</li> <li>• Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and perspectives of National Anti-Corruption Strategy 2024 - 2028</li> <li>• Enhanced Conflict of Interest disclosure requirements and expanded roles of the Audit Committee</li> <li>• Texchem Group of Companies - 2026 Tax Budget</li> </ul>
Dr Yuma Konishi	<ul style="list-style-type: none"> <li>• Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and perspectives of National Anti-Corruption Strategy 2024 - 2028</li> <li>• Enhanced Conflict of Interest disclosure requirements and expanded roles of the Audit Committee</li> <li>• Texchem Group of Companies - 2026 Tax Budget</li> <li>• Giving Speech at Kumamoto EXPO 2025 on behalf of Invest Penang, Malaysia</li> <li>• ASEAN-Japan Insights Series Webinar "Inducing Innovation: Reinvigorating ASEAN-Japan Growth and Collaboration in the Semiconductor Industry with AI"</li> <li>• CPHI Japan 2025</li> <li>• SEMICON Southeast Asia 2025 (SEMICON SEA 2025)</li> <li>• Lifestyle Week Tokyo 2025</li> <li>• INTERPHEX Japan 2025</li> <li>• Malaysia Medtech Industry Summit 2025</li> <li>• B.Braun Asia Pacific Innovation Day 2025</li> <li>• Driving Malaysia's Semiconductor Future Through IC Design   Lift-Off with PSD@5KM+</li> <li>• ESG/Sustainability: Carbon Footprint Assessment Workshop with SA Consultant</li> <li>• MSIAX Intel Executive Roundtable: Navigating Global Complexities amid Geoeconomics Realities</li> <li>• Creating High Performance, Coaching Culture and CCMC Briefing Seminar</li> </ul>
Dato' Azman Bin Mahmud	<ul style="list-style-type: none"> <li>• Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and perspectives of National Anti-Corruption Strategy 2024 - 2028</li> <li>• Enhanced Conflict of Interest disclosure requirements and expanded roles of the Audit Committee</li> <li>• Food &amp; Drinks Malaysia by SIAL ("FDM 2025")</li> <li>• Future Food-Ag-Tech Festival ("FFF2025")</li> </ul>
Jony Raw	<ul style="list-style-type: none"> <li>• Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and perspectives of National Anti-Corruption Strategy 2024 - 2028</li> <li>• Enhanced Conflict of Interest disclosure requirements and expanded roles of the Audit Committee</li> </ul>
Azian Binti Mohd Yusof	<ul style="list-style-type: none"> <li>• Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and perspectives of National Anti-Corruption Strategy 2024 - 2028</li> <li>• Enhanced Conflict of Interest disclosure requirements and expanded roles of the Audit Committee</li> <li>• Directors' Briefing on Sustainability Reporting and Governance Review</li> </ul>
Mariam Binti Jamal	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme Part II: Leading for Impact</li> <li>• Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and perspectives of National Anti-Corruption Strategy 2024 - 2028</li> <li>• Enhanced Conflict of Interest disclosure requirements and expanded roles of the Audit Committee</li> </ul>
Cynthia Ooi Gaik See	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme Part II: Leading for Impact</li> <li>• Section 17A of the Malaysian Anti-Corruption Commission Act 2009 and perspectives of National Anti-Corruption Strategy 2024 - 2028</li> <li>• Enhanced Conflict of Interest disclosure requirements and expanded roles of the Audit Committee</li> <li>• Texchem Group of Companies - 2026 Tax Budget</li> </ul>

The Directors will continue to undergo other relevant training programmes to further enhance their skills and knowledge where relevant.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### III. Remuneration

The RC comprised the following members during the year under review:

Members	
Dato' Azman Bin Mahmud	Chairman, Independent Non-Executive Director
Jony Raw	Independent Non-Executive Director
Mariam Binti Jamal	Independent Non-Executive Director

The RC consists of Non-Executive Directors, all of whom are independent.

During the financial year under review, the RC met 2 times on 23 January 2025 and 27 February 2025 respectively. The meetings were attended by all the members of the RC. Tan Sri Dato' Seri (Dr.) Fumihiko Konishi and Puan Azian Binti Mohd Yusof were invited by the Chairmen of the RC to attend the RC meetings.

The RC is responsible for *inter alia* recommending to the Board the remuneration of the Executive Directors and senior management in all its forms such that the component parts of remuneration are structured to link rewards to corporate and individual performance.

The Board has in place a Remuneration Policy and Procedures which is designed to:

- (a) provide an overall remuneration package for Directors and senior management which is able to attract, engage and retain the right talent and to motivate Directors and senior management to drive the Company's long term objectives and to ensure business sustainability and growth; and
- (b) ensure that the Directors and senior management are offered an appropriate level of remuneration which is in line with the Company's strategic objectives and corporate value and which will not give rise to conflicts between the objectives and interests of the Company and the interests of individual Directors and senior management.

The RC assisted the Board to set up and implement the Remuneration Policy and Procedures by developing and administering fair and transparent procedures relating to determining, reviewing, assessing and recommending the remuneration packages for the Directors and senior management.

The Board will recommend the Director's fees and other benefits payable to Directors to the shareholders for approval at the AGM in accordance with Section 230(1) of the Companies Act 2016. Details of the remuneration of Directors and senior management for the year under review are provided in the CG Report.

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### I. Audit Committee

During the year ended 31 December 2025, the AC of the Company comprised 3 Independent Non-Executive Directors and was chaired by Jony Raw.

The AC is chaired by an Independent Non-Executive Director and is not the Board Chairman. All AC members are financially literate and the AC's composition and performance are reviewed by the NC annually and recommended to the Board for its approval.

In order to maintain an independent and effective AC, the NC ensures that all AC members appointed are Independent Non-Executive Directors who are financially literate with an appropriate level of expertise and experience and a strong understanding of the Company and Group's business. Further details on the AC are set out in the AC Statement of this Annual Report.

The AC's terms of reference stated that a former partner of the external audit firm of the listed company must observe a cooling-off period of five years before being appointed as a member of the AC. None of the AC members were formerly an audit partner of the Company's external auditors.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

The AC has formal policies and procedures to assess the suitability, objectivity and independence of the external auditors to safeguard the quality and reliability of audited financial statements.

### II. Risk Management and Internal Control Framework

The Board fulfils its responsibilities in risk governance by providing oversight of the Group's overall risk management process and risk exposure.

The Divisional Management and the Chief Risk Officer assessed and monitored the suitability and effectiveness of the risk management controls and measures taken whilst the adequacy and compliance of these and related internal controls were reviewed by the AC in conjunction with the activities and reports of the Group Internal Assurance and Consulting Department.

The Board is of the view that the system of risk management and internal control in place during the year was sound and sufficient to safeguard the Group's assets, shareholders' investments and the interests of customers, employees and other stakeholders. Details of the Risk Management and Internal Control Framework are set out in the Statement on Risk Management and Internal Control of this Annual Report.

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

#### I. Communication with stakeholders

The Company acknowledges the importance of transparent, timely and equal dissemination of quality material information to shareholders, investors and public at large. As such, the Board observed the Corporate Disclosure Guide issued by Bursa Malaysia Berhad which can be viewed from Bursa Securities' website at [www.bursamalaysia.com](http://www.bursamalaysia.com) as well as adhering to and complying with the disclosure requirements of the Listing Requirements.

The Company reaches out to its shareholders through the distribution of its annual report, the announcements on quarterly financial results, circulars to shareholders, press release, analyst briefings and the various disclosures and announcements made to Bursa Securities.

In addition, the Company maintains a corporate website with links to Bursa Securities' website, through which shareholders may access for among others the latest information on the Company, the Board Charter and Terms of Reference of Board Committees.

The Company also maintains LinkedIn page "Texchem Group", Facebook pages "Texchem Group - Official" and "Texchemer ENGAGE" and Sushi King mobile application to foster closer engagement with the stakeholders.

#### II. Conduct of General Meetings

The Company's Annual General Meeting ("AGM") is an important means of communication with shareholders. The Company fully recognises the rights of the shareholders and encourages them to exercise their rights at the AGM. Shareholders will be accorded ample opportunity and time to raise questions and concerns, and the Board and senior management will provide appropriate answers and clarifications. The key element of the Company's dialogue with its shareholders at the AGM is the opportunity to gather views of, and answer questions from, both individual and institutional shareholders on all issues relevant to the Company.

The Company's 51<sup>st</sup> AGM in 2025 was held physically at G Hotel Gurney. The Notice of the 51<sup>st</sup> AGM was issued more than twenty-eight (28) days before the AGM date.

To ensure effective participation of and engagement with shareholders, the Company encouraged the shareholders and proxies to raise questions to the Company during the AGM. Members of the Board, senior management and external auditors were present at the 51<sup>st</sup> AGM to respond to questions raised by the shareholders or proxies.

The Company had conducted poll voting via electronic means for all resolutions set out in the Notice of the 51<sup>st</sup> AGM. The shareholders were briefed on the voting procedures by the share registrar, Securities Services (Holdings) Sdn Bhd while the results of the poll were verified by the independent scrutineer, Commercial Quest Sdn Bhd. The Company continues to explore on ways to leverage on technology to enhance the quality of engagement with its shareholders and facilitate further participation by shareholders at AGMs of the Company.

This statement was approved by the Board of the Company on 11 March 2026.

## AUDIT COMMITTEE STATEMENT

### MEMBERSHIP

The composition of the Audit Committee during the year was as follows:

Mr Jony Raw, Chairman, Independent Non-Executive Director  
 Puan Azian Binti Mohd. Yusof, Independent Non-Executive Director  
 Puan Mariam Binti Jamal, Independent Non-Executive Director

### MEETINGS

During the year, the Audit Committee ("AC") convened a total of eight (8) meetings, of which two (2) meetings were with the external and internal auditors without the presence of Management. The AC meetings were held on 26 February, 3 March, 17 March, 23 April, 23 July and 29 October.

All meetings were held with sufficient notification and with the agenda being distributed to the members. The AC members attended all the meetings.

### SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

During the year, the AC discharged its duties in accordance with its terms of reference as follows:

#### Oversight of Financial Reporting

- Reviewed with Management before recommending to the Board for consideration, the quarterly unaudited financial statements of the Texchem Group and ensured that they were in compliance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and Bursa Malaysia Securities Berhad's Main Market Listing Requirements.
- Reviewed with Management and external auditors before recommending to the Board for consideration, the annual audited financial statements of the Company and the Texchem Group and ensured that they were in compliance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and Bursa Malaysia Securities Berhad's Main Market Listing Requirements.
- Reviewed with Management and external auditors on changes in or implementation of major accounting policy changes, if any and significant matters relating to financial reporting, significant judgements made by Management, significant and unusual events or transactions and resolution of these matters.
- Reviewed with Management and external auditors before presenting to the Board for consideration, the Texchem Group's Statement on Risk Management and Internal Control for inclusion in the Annual Report.

#### Oversight of External Auditors

- Reviewed with them, their annual audit plans and strategies, scope of works and reporting requirements for the year.
- Reviewed with them, their understanding of the system of internal controls obtained in the course of designing their audit procedures, recommendations for improvement, management letters and management responses thereon.
- Reviewed with them, their audit reports.
- Confirmed with them, their audit independence.
- Reviewed with them without the presence of Management, matters arising from the external audits or any other issues, of which there were no significant issues that should be brought to the AC and Board's attention.
- Reviewed with them without the presence of Management to confirm that the cooperation given by the Company's officers during the audit were adequate.
- Reviewed with Management, their audit fees and annual evaluation of their performance, technical competency, audit independence and suitability before recommending to the Board for their reappointment. Further information on the assessment of the external auditors by the AC is provided in the Corporate Governance Report in accordance with Practice 9.3 of the Malaysian Code of Corporate Governance. In 2025, the non-audit fees incurred amounted to RM31,000 and RM510,000 for the Company and Texchem Group constituting approximately 37% and 34% of the total fees of RM84,000 and RM1,482,000 paid respectively. The non-audit fees were mainly for tax compliance and transfer pricing documentation.

## AUDIT COMMITTEE STATEMENT (CONT'D)

### Oversight of Group Internal Assurance and Consulting Department ("GIACD")

- Reviewed and approved the annual risk-based Internal Audit Plan on the audit frequency and timing, work scope, areas of audit focus and adequacy of resources.
- Reviewed and approved the annual cost budget.
- Reviewed the GIACD's reports on a quarterly basis to ensure the adequacy and effectiveness of the Texchem Group's governance, risk management, whistle-blowing, anti-corruption and internal control system.
- Reviewed with them without the presence of Management, matters arising from the internal audits or any other issues, of which there were no significant issues that should be brought to the AC and Board's attention.
- Conducted an annual evaluation of the performance of the GIACD.
- Reviewed the Internal Audit Charter to ensure the GIACD's activities are consistent with the Institute of Internal Auditors' International Professional Practices Framework, prior to its recommendation to the Board for approval.

### Sustainability Reporting

- Reviewed with Management the Texchem Group's Sustainability Statement and presented to the Board for consideration and approval for inclusion in the Annual Report.

### Corporate Governance Reporting

- Reviewed with Management the Texchem Group's Corporate Governance Overview Statement and Report and presented to the Board for consideration and approval for inclusion in the Annual Report.

### Related Party Transactions and Share Buy-back

- Reviewed with Management the Circular to Shareholders in relation to the proposed renewal of existing shareholders' mandate for recurrent related party transactions and Statement for the proposed renewal of existing share buyback authority and presented to the Board for consideration.
- Reviewed and approved the inclusion of the AC statements on the procedures for Recurrent Related Party Transactions in the said Circular.
- Reviewed with Management to ensure actual related party transactions were within the limits which approved by shareholders.

### Conflict of Interest ("COI")

- Reviewed and adopted a COI Policy, together with the 'COI Disclosure Form' for the purpose of identifying, evaluating, disclosure/reporting, monitoring, maintenance and management of COI situations.
- Reviewed the disclosure of actual or potential COI, including interest in any competing business, submitted by the Directors, key Senior Management of the Company and its subsidiaries and all other employees via the 'COI Disclosure Form'.

## AUDIT COMMITTEE STATEMENT (CONT'D)

### INTERNAL AUDIT FUNCTION

The Group Assurance and Consulting Department (“GIACD”) is established to add value and improve the Texchem Group’s operations by conducting independent and objective activities to ensure the adequacy and effectiveness of the Texchem Group’s governance, risk management and internal control system.

The in-house GIACD reports administratively to the President and Group Chief Executive Officer and functionally to the Audit Committee (“AC”). AC reviews the adequacy of the job scope, resources, competency and experience of the GIACD. All GIACD personnel are free from any relationships or conflicts of interest, which could impair their objectivity and independence. Further information on the resources, objectivity and independence of the GIACD is set out in the Corporate Governance Report in accordance with Practice 11.2 of the Malaysian Code of Corporate Governance.

During the year, the GIACD conducted assurance assignments in accordance with the annual risk-based plan. The AC reviewed with Management the audit findings, management’s responses and their action plans. Follow-up reviews were also conducted by the GIACD to ensure that audit matters adequately addressed by the Management. More information on the GIACD is set out in the Corporate Governance Report in accordance with Practice 11.1 of the Malaysian Code of Corporate Governance.

In 2025, the total costs of the GIACD which comprised of staff payroll and benefits, training, travelling and others were amounted to approximately RM585,344 (2024:RM439,517).

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### BOARD'S RESPONSIBILITY

The Board of Directors ("Board") affirms its responsibility for ensuring the integrity, adequacy and effectiveness of Texchem Resources Bhd. Group of Companies ("Texchem Group") risk management and internal control system. This system covers governance, enterprise risk management, organisational, financial, operational, regulatory and compliance controls.

The Board recognises that the system is an ongoing process designed to manage, rather than eliminate the risk of not complying with the Texchem Group's policies and achieving its long-term strategic objectives. Therefore, the system provides reasonable, but not absolute assurance against the occurrence of any material misstatement of information, loss or fraud.

During the year, Management has assisted the Board in implementing the Board's policies and procedures on risks and controls by:

- Identifying, analysing and evaluating risks
- Designing, executing and monitoring suitable controls to manage key risks
- Identifying emerging risks or changes in risks, taking appropriate remedial action and highlighting them to the Board's attention.

### KEY RISK MANAGEMENT AND INTERNAL CONTROL FEATURES AND PROCESSES

The key features and processes that have been established to ensure the adequacy and effectiveness of the Texchem Group's governance, risk management and internal control system are as follows:

- a) Organisational and Reporting Structure
  - The Texchem Group has an organisational structure with clearly defined lines of responsibility and delegation of authority. A hierarchical reporting system is in place with appropriate authority limits, proper segregation of duties, annual budgeting, monthly reporting of variances between the actual and budgeted results for corrective action to be taken and human resource management policies. Policies and procedures to ensure compliance with risk management, internal controls and relevant laws and regulations are set out in the standard operating procedures of the individual companies.
- b) Executive Committee
  - An Executive Committee ("EXCO") was established by the Board to manage the Texchem Group's key risks and operations in accordance with its annual budget, objectives and strategies as well as the policies and business directions as approved by the Board. The EXCO executes the strategies approved by the Board and addresses issues arising from changes in the external environment and internal operating conditions.
- c) Risk Management Framework
  - The Group has an Enterprise Risk Management ("ERM") framework which in line with ISO 31000, aligned with corporate objectives and embedded in the daily operations of individual companies. The ERM system is an ongoing and systematic process to identify, analyse, evaluate, respond, monitor and report on risks.
  - The Texchem Group has a Risk Management Policy which is a statement of its overall intention and commitment to adopt and use enterprise risk management to achieve corporate objectives. The policy is available on the Company's website which shall apply to the Texchem Group excluding associates where the Company has influence but not control over their operations.
  - The current risk governance structure comprises the following:
    - 1) Individual companies' management and risk owners who perform and monitor day-to-day risk management activities and controls.
    - 2) Risk and compliance oversight in which the Group Chief Risk Officer and Divisional Management and their risk officers are responsible for designing, reviewing and improving the risk management framework and process to ensure effective risk management.
    - 3) The provision of independent reasonable assurance by the Group Internal Assurance and Consulting function on the adequacy and effectiveness of risk management and internal control system.
    - 4) Board's oversight and monitoring of the effectiveness of the Texchem Group's risk management activities and internal controls.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

- d) Risk Management Process (Operational, Financial and Anti-Bribery and Corruption)
- On a half-yearly basis, at the individual company level, risk events were identified, analysed and evaluated using risk (heat) map based on their likelihood of occurrence and severity of consequence expressed as the financial impact on revenue, cash flow, profit, legal and compliance and reputation. Risk events were rated as critical, high, moderate and low and its risk controls were executed and monitored by risk owners for mitigating the risks.
  - The Divisional President/CEO reviewed the divisional risks and their controls' effectiveness and had it submitted to the Chief Risk Officer for review.
  - The Chief Risk Officer presented the Texchem Group's Risk Report to the Board to highlight the status of the Texchem Group's enterprise risk management process, changes in risk profiles and internal control system.
- e) Internal Control System
- An enterprise risk based annual audit plan setting out the audit frequencies, areas of focus and scope of works has been approved by the Audit Committee at the beginning of the year.
  - The Company's in-house Group Internal Assurance & Consulting function has conducted independent reviews on major subsidiaries on the adequacy and effectiveness of their governance, enterprise risk management and internal control system, operational effectiveness and compliance with policies and procedures.
  - During the year, the Group Internal Assurance & Consulting function has provided the Board, Audit Committee and Management with reports on the audit findings, recommendations for improvement, management's responses and action plans and subsequent execution status of the action plans. Findings and actions taken by Management were discussed and deliberated during the Audit Committee meetings.
- f) Anti-Corruption Policies and Procedures
- Pursuant to Section 17A of the Malaysian Anti-Corruption Commission Act 2009, the Texchem Group has implemented its Anti-Corruption Policies and Procedures based on the T.R.U.S.T. principles set out in the Guidelines on Adequate Procedures. The Anti-Corruption Policies and Procedures including the revised Code of Conduct and Ethics and the Vendor Code of Conduct are designed to assist Directors and employees to identify and avoid corrupt acts and provide guidance on the standards of behavior to which all Directors and employees must adhere to.
  - The Texchem Group has established its Conflict of Interest Policies and Procedures which adhered to MMLR, chapter 8,9 and 15.
  - An awareness training has been conducted during the year and the Texchem Group shall continue its efforts in strengthening the measures in relation to its Anti-Corruption Policies and Procedures from time to time.
- g) Sustainability Management
- Led by the Sustainability Committee, focuses on the overall sustainability management within the Texchem Group, including planning and executing the sustainability programmes across Texchem Group. The Sustainability Committee progressively assesses the emerging Environment, Social and Governance ("ESG") risks of which they are managed within Texchem Group's overall strategy. The Committee ensures compliance with relevant local and international sustainability frameworks, guidelines, and standards. The Committee has continued the proactive approach in optimising opportunities in ESG while mitigating associated risks. Action plans to address key ESG risks and achievement of ESG Key Performance Indicators will be managed by the Committee, including initiatives to reduce carbon emissions from the operations. Progress on these efforts will be reported to the Board on a periodic basis.
  - Internal assessment on the sustainability data will be performed by the Group Internal Assurance and Consulting function. Upon completion of the assessment, a Statement of Assurance for selected common sustainability matters will be issued by the Group Internal Assurance and Consulting function.
- h) Assurance by the President and Group Chief Executive Officer and Group Chief Financial Officer
- The Board has also received assurance from the President and Group Chief Executive Officer and Group Chief Financial Officer that the risk management and internal control system of the Company and its subsidiaries were operating adequately and effectively, in all material aspects based on the risk management and internal control system adopted during the year.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

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

- (a) has not been prepared in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Companies; or
- (b) is factually inaccurate.

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

This Statement was approved by the Board on 25 March 2026.

This Statement on Risk Management and Internal Control does not cover the associate companies in the financial statements.

### **CONCLUSION**

The Board is of the view that the risk management and internal control system implemented during the year under review and up to the date of approval of this Statement was sound and adequate to safeguard shareholders' investment, the interests of customers, regulators, employees and other stakeholders of the Texchem Group.

## SUSTAINABILITY STATEMENT

### Dear Valued Shareholders,

On behalf of the Board of Directors, it is my honour, in my capacity as Chairman of the Sustainability Committee of Texchem Resources Bhd, to present the Sustainability Statement for the financial year ended 31 December 2025 ("FY2025").

The global environment in FY2025 continued to be characterised by economic uncertainties, evolving geopolitical developments and shifting market dynamics. Amid these complexities, sustainability remains firmly embedded at the core of Texchem Resources Bhd Group of Companies' ("Texchem Group") corporate strategy. We recognise that responsible and sustainable business practices are essential to ensuring long-term resilience, value creation and stakeholder confidence.

This Sustainability Statement outlines the key initiatives undertaken by Texchem Group during the year under review. It reflects our continued commitment to integrating Environmental, Social and Governance ("ESG") principles into our business strategies, operational frameworks and decision-making processes.

Our sustainability agenda is guided by the Texchem Sustainable Approach which aspires to build a sustainable world through continuous green innovations, this approach encompasses:

- Continuous pioneering **Sustainable Material Innovation** through Green Tech., namely TEXa bio-composites derived from biomass waste resources such as oil palm empty fruit bunches;
- Accelerating **Circular Economy Business Models**, notably our Resources Recycle Alliance initiative with our strategic partners;
- Further investing into **Research and Development**, to drive new sustainable product innovations; and
- Execution on implementing **Renewables Energy** through photovoltaic solar system and other energy saving systems.

I am pleased to share that Texchem Group's Industrial Division was awarded the EcoVadis Gold Medal in recognition of its strong sustainability performance and corporate social responsibility practices. This achievement places us among the top 5% of companies assessed globally and affirms our commitment to ethical governance, environmental stewardship and continuous improvement.

In line with our commitment to strengthening sustainability reporting and enhancing transparency, we have further expanded our emissions disclosures in FY2025. Our reporting now provides broader coverage of Scope 1, Scope 2 and Scope 3 emissions, including upstream and downstream transportation and distribution activities within our supply chain, as well as operational waste generated. These enhancements reflect our proactive approach to climate-related risk management and accountability.

### Looking Ahead

Sustainability will continue to shape the way we conduct our business. We remain committed to improving our ESG performance and ensuring measurable progress through robust governance structures, clear targets and transparent reporting. As our business evolves, we will continue refining our sustainability disclosures to align with best practices and regulatory expectations. We are also advancing initiatives to digitalise our ESG data tracking systems to strengthen data integrity, monitoring and reporting efficiency.

We firmly believe that achieving meaningful and long-term sustainability outcomes requires collaboration and shared responsibility. Texchem Group will continue engaging constructively with our stakeholders to identify innovative solutions that create sustainable value. Our objective remains clear – to deliver enduring value to our shareholders and stakeholders while contributing positively to the environment and society for future generations.

Thank you for your continued trust and support.

**Puan Mariam Binti Jamal**  
Chairman of Sustainability Committee  
Texchem Resources Bhd

## SUSTAINABILITY STATEMENT (CONT'D)

### ABOUT THIS STATEMENT

The annual Sustainability Statement of Texchem Resources Bhd Group of Companies ("Texchem Group") reflects our unwavering commitment to building a legacy of environmental stewardship, social responsibility and principled governance for generations to come.

Across our five core business Divisions: Industrial, Polymer Engineering, Food, Restaurant and Venture Business, we embed sustainability into everyday decisions and long-term strategies. Through this report, we share our progress and milestones in the pillars of Economic, Environmental, Social and Governance ("EESG") and the aspirations that drive us forward, as we continue to grow and create value for all our stakeholders.

### Reporting Scope and Boundaries

This statement covers the period from **1 January 2025 to 31 December 2025 ("FY2025")** and includes all Texchem Group operations over which we have direct management control, unless stated otherwise. Associate companies are excluded from this reporting scope.

Our operations span across six countries in Southeast Asia – **Malaysia, Singapore, Thailand, Indonesia, Vietnam and Myanmar**. Both qualitative and quantitative information are disclosed where applicable, reflecting issues that are material to our business, stakeholders and long-term sustainability journey.

### Reporting Standards

This statement has been prepared with guidance from the following reporting requirements, frameworks and standards to enhance transparency, comparability and accountability.

#### **International Sustainability Frameworks**

- Global Reporting Initiative ("GRI") Sustainability Reporting Standards
- Sustainability Accounting Standards Board ("SASB") Industry Standards
- United Nations Sustainable Development Goals ("UNSDGs")

#### **Malaysia-Specific Frameworks and Regulations**

- Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad
- Sustainability Reporting Guide 2022 (3rd Edition) by Bursa Malaysia Securities Berhad
- Enhanced Sustainability Reporting Requirements: Annexure A Practice Note 9 by Bursa Malaysia Securities Berhad
- Malaysian Code on Corporate Governance 2021 ("MCCG 2021")

#### **Climate & Environmental Standards**

- The Greenhouse Gas Protocol - A Corporate Accounting and Reporting Standard

These frameworks ensure that our disclosure meets regulatory expectations while aligning with global best practices.

## SUSTAINABILITY STATEMENT (CONT'D)

### Statement of Assurance

To strengthen the credibility and integrity of this Sustainability Statement, selected indicators have been subjected to internal review by our **Group Internal Assurance & Consulting Department ("GIACD")**.

The internal review, covering Texchem Group's operations in **Malaysia, Singapore, Thailand, Indonesia, Vietnam and Myanmar**, are focused on the following priority areas:

Sustainability Matter	Metric(s)
Governance and Ethics	<ol style="list-style-type: none"> <li>1. Percentage of operations assessed for corruption-related risks</li> <li>2. Confirmed incidents of corruption and action taken</li> </ol>
Community Relations	<ol style="list-style-type: none"> <li>1. Total amount invested in the community where the target beneficiaries are external to the listed issuer</li> <li>2. Total number of beneficiaries of the investment in communities</li> </ol>
Diversity, Equity and Inclusion	<ol style="list-style-type: none"> <li>1. Percentage of employees by gender and age group, for each employee category</li> <li>2. Percentage of directors by gender and age group</li> </ol>
Occupational Health and Safety	<ol style="list-style-type: none"> <li>1. Number of work-related fatalities</li> <li>2. Lost Time Incident Rate ("LTIR")</li> <li>3. Number of employees trained on health and safety standards</li> </ol>
Labour Practices and Human Rights	<ol style="list-style-type: none"> <li>1. Percentage of employees that are contractors or temporary staff</li> <li>2. Total number of employee turnover by employee category</li> <li>3. Number of substantiated complaints concerning human rights violations</li> </ol>
Supply Chain Management	<ol style="list-style-type: none"> <li>1. Proportion of spending on local suppliers</li> </ol>
Cybersecurity and Data Protection	<ol style="list-style-type: none"> <li>1. Number of substantiated complaints concerning breaches of customer privacy and losses of customer data</li> </ol>

Texchem Group's GIACD has concluded that as at the reporting date, no matters have been reported that would materially affect the indicators disclosed in this statement. This review reflects our ongoing commitment to transparency, accountability and ethical reporting and serves as an important safeguard to ensure the reliability of our disclosures and the robustness of our sustainability management.

### Statement Accessibility and Feedback

This Sustainability Statement forms part of Texchem Group's **Annual Report 2025** and is available on our corporate website: <https://texchemgroup.com/investor-relations>

We welcome your feedback as part of our journey of continuous progress. Please direct comments or enquiries to: [esg@trbgroup.com](mailto:esg@trbgroup.com)

## SUSTAINABILITY STATEMENT (CONT'D)

### OUR JOURNEY TOWARDS SUSTAINABILITY

At Texchem Group, sustainability is not a destination, it is a journey shaped by purpose, responsibility and continuous progress. For more than 50 years, we have grown alongside the communities we serve, guided by a belief that value and success must be built on integrity, accountability and care for the environment around us.

Sustainability at Texchem Group is not a policy we follow, it is a responsibility we live. As we move forward, we remain committed to building a business that not only performs, but contributes - thoughtfully, responsibly and with purpose.

Texchem Group supports relevant United Nations Sustainable Development Goals that are most aligned with our operations and material sustainability matters, guiding the integration of sustainability considerations into our strategy, governance and business practices.



### Materiality Assessment

At Texchem Group, we recognise that a wide range of EESG matters may affect our business operations, strategic direction and future expansion opportunities. At the same time, the Group acknowledges that organisational resources, including financial, human and operational capacity, remain a pivotal consideration in supporting the Group’s organic growth and must be planned, prioritised and deployed in a disciplined, efficient and value-focused manner.

In FY2025, Texchem Group conducted a structured materiality assessment to identify and prioritise sustainability matters that are most relevant and impactful to our business and stakeholders. This prioritised approach allows the Group to integrate sustainability considerations into decision-making in a structured and pragmatic manner, while supporting business performance and long-term profitability. At the Board of Directors (“Board”) level, the outcomes of the materiality assessment inform and guide strategic oversight, capital allocation decisions and execution discipline, ensuring that sustainability initiatives are aligned with the Group’s overall business objectives and value creation priorities.

### Materiality Assessment Process

The materiality assessment was carried out through a structured and systematic process to ensure balanced consideration of internal and external stakeholder perspectives.

#### Stage 1: Data Review and Comparative Analysis

Data review via secondary research to align our material matters against industry benchmarks, industry peers’ practices, relevant EESG standards and present and future global trends.

As a result of the analysis, a total of 15 material matters were identified. Compared to previous report, the outcomes reflect movements, consolidation and rationalisation of material matters driven by the Group’s operating context, stakeholder expectations and ongoing refinement of the materiality assessment process. Material matters have been broadly streamlined as follows:

- i. Renaming of 8 material matters to better capture the scope of related issues and to ensure relevancy and alignment with applicable EESG standards, including the SASB standards (*denoted by \**).
- ii. Addition of 3 material matters: Risk Management, Technology and Digitalisation and Biodiversity Protection and Pollution Control (*denoted by #*).

GOVERNANCE	ECONOMIC	ENVIRONMENTAL	SOCIAL
<ul style="list-style-type: none"> <li>• Governance and Ethics*</li> <li>• Cybersecurity and Data Protection*</li> <li>• Risk Management#</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Performance</li> <li>• Supply Chain Management</li> <li>• Product Stewardship and Service Quality*</li> <li>• Technology and Digitalisation#</li> </ul>	<ul style="list-style-type: none"> <li>• Climate Change and Adaptation*</li> <li>• Water Management</li> <li>• Resources and Waste Management</li> <li>• Biodiversity Protection and Pollution Control#</li> </ul>	<ul style="list-style-type: none"> <li>• Occupational Health and Safety*</li> <li>• Labour Practices and Human Rights*</li> <li>• Diversity, Equity and Inclusion*</li> <li>• Community Relations*</li> </ul>

## SUSTAINABILITY STATEMENT (CONT'D)

### Stage 2: Stakeholder Identification and Prioritisation

Key stakeholder groups were identified and prioritised based on their influence on and relevance to the Group’s operations and long-term business sustainability.

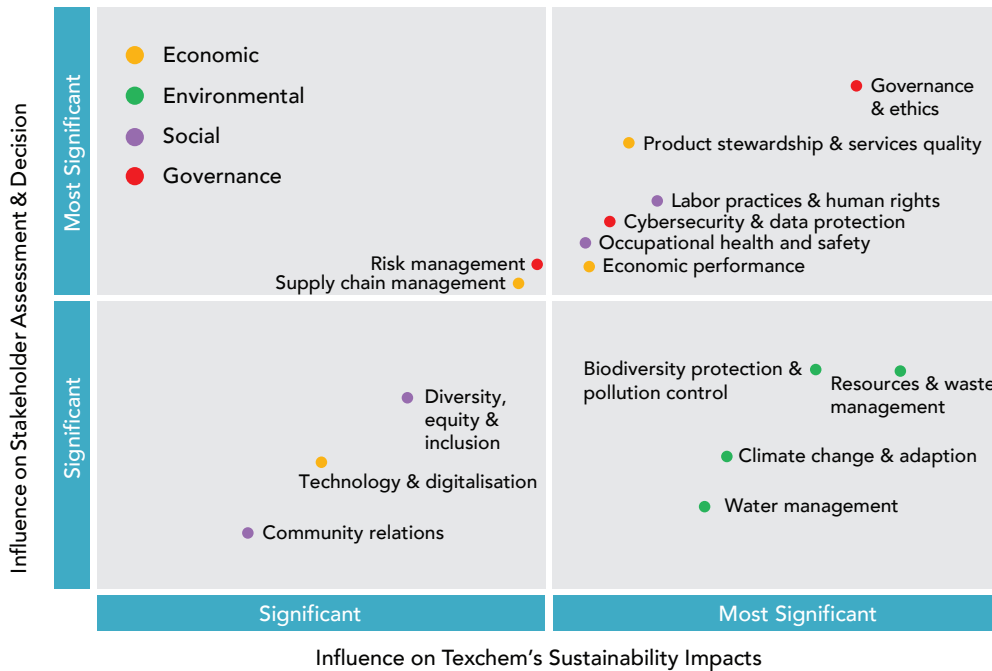
Internal Stakeholders	External Stakeholders
<ul style="list-style-type: none"> <li><span style="color: red;">■</span> Texchem Board of Directors</li> <li><span style="color: gray;">■</span> Texchem Senior Management</li> <li><span style="color: orange;">■</span> Texchem Employees</li> </ul>	<ul style="list-style-type: none"> <li><span style="color: blue;">■</span> Government Agencies, Regulators and Local Authorities</li> <li><span style="color: green;">■</span> Investors, Financiers and Analysts</li> <li><span style="color: red;">■</span> Customers</li> <li><span style="color: gray;">■</span> Suppliers and Service Providers</li> <li><span style="color: orange;">■</span> Media, Civil Society Organisation and Non-Governmental Organisation</li> </ul>

### Stage 3: Assessment Roll-Out

The materiality assessment was executed through online surveys to gather stakeholders’ views on the relative importance of each of the 15 material matters. Stakeholders were required to assess the perceived significance of identified matters on the Group’s sustainability impacts, as well as its influence on stakeholder assessment and decision.

### Stage 4: Materiality Matrix Development

The feedback collected was analysed and mapped onto a materiality matrix.



The materiality assessment identified six material matters, positioned at the top-right quadrant of the materiality matrix, as matters that reflect high significance to Texchem Group sustainability impacts and influence on stakeholder assessment and decision. Notwithstanding the prioritisation of these six matters, Texchem Group recognises that the remaining nine identified material matters also remain important to Texchem Group and our stakeholders. While these matters were assessed as having relatively lower immediate impact or stakeholder priority compared to the top-right quadrant, they continue to be relevant to the Group’s operations, risk profile and sustainability objectives.

## SUSTAINABILITY STATEMENT (CONT'D)

Texchem Group therefore adopts a holistic approach to sustainability management, whereby all 15 identified material matters are considered within our sustainability planning and governance processes.

### Way Forward

The outcomes of the materiality assessment provide the Board and Management with a structured basis to identify and prioritise sustainability matters that are most relevant to Texchem Group and our stakeholders. The results guide strategic oversight, management focus and resource allocation and support the development and implementation of the Group's EESG roadmap and sustainability framework, including the identification of key sustainability-related risks, opportunities and mitigation measures.

This approach ensures that resources are directed towards the most critical material matters, while maintaining appropriate oversight and management of the remaining matters in a systematic and proportionate manner.

### Stakeholder Engagement

We define stakeholders as individuals or groups who are affected by our actions and whose choices influence our future. Through ongoing engagement, we seek to understand expectations, identify risks and discover opportunities to grow together. By collaborating across our value chain, we build relationships based on trust, understanding and shared responsibility.

Stakeholder Group	Type of Engagement	Sustainability Concerns
Customers	<ul style="list-style-type: none"> <li>• Dialogue/Conference calls</li> <li>• Status updates and operational presentations</li> <li>• Customer visits</li> <li>• Customer surveys</li> </ul>	<ul style="list-style-type: none"> <li>• Competitive prices, quality, product safety</li> <li>• Customer satisfaction</li> <li>• Creating total solutions</li> <li>• Timely delivery</li> </ul>
Board of Directors	<ul style="list-style-type: none"> <li>• Board Meetings</li> <li>• Audit Committee Meetings</li> <li>• Other Committee Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Revenue and profit growth, financial results</li> <li>• Corporate Governance compliance to all relevant Regulations and Law</li> <li>• Adequate Procedures on Anti-Bribery and Corruption</li> <li>• EESG progress</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Annual Performance Development Review</li> <li>• Employee engagement activities</li> <li>• Education and training programmes</li> <li>• Volunteer and Corporate Social Responsibility ("CSR") programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Employee development and career planning</li> <li>• Building high performance culture</li> <li>• Talent management and retention</li> <li>• Healthy and safe work environment</li> <li>• Building values of empathy among employees</li> </ul>
Investors	<ul style="list-style-type: none"> <li>• Annual General Meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Revenue and profit growth</li> <li>• Good dividend payout</li> <li>• Good EESG practices</li> </ul>
Bankers	<ul style="list-style-type: none"> <li>• Timely business and financial updates</li> <li>• Periodic dialogues and discussions</li> </ul>	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Good EESG practices</li> <li>• Risk management</li> </ul>
Vendors/Suppliers	<ul style="list-style-type: none"> <li>• Supplier qualification and selection</li> <li>• Supplier evaluation and periodic audits</li> <li>• Engagement and meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable and consistency in supply</li> <li>• Quality of goods and services</li> <li>• Fair and mutual agreements</li> </ul>
Government/Regulators	<ul style="list-style-type: none"> <li>• Quarterly results announcements</li> <li>• Consultative activities and meetings</li> <li>• Industry events and seminars</li> </ul>	<ul style="list-style-type: none"> <li>• Adherence to laws and regulations</li> <li>• Corporate governance and compliance</li> </ul>
Community	<ul style="list-style-type: none"> <li>• CSR programmes</li> <li>• Corporate volunteer programmes</li> </ul>	<ul style="list-style-type: none"> <li>• Uplifting the needy groups in our society</li> <li>• Foster better relationships and partnership</li> <li>• Good corporate citizen</li> </ul>

## SUSTAINABILITY STATEMENT (CONT'D)

### GOVERNANCE

At Texchem Group, governance with integrity underpins every aspect of our operations, we emphasise that conducting business ethically is not merely a compliance obligation but a reflection of the Group’s values and brand promise. We recognise that good governance is fundamental to achieve sustainable growth and business excellence. Any lapse in governance may expose the Group to reputational damage, financial loss, regulatory penalties, erosion of stakeholder confidence and risk of losing our licence to operate. On this note, robust governance and ethical principles are systematically woven into the fabrics of our operations in every country and jurisdiction in which the Group operates, upholding the highest standards of compliance with applicable legal requirements while reinforcing trust and confidence among our stakeholders.

#### Governance Framework and Board Oversight

Texchem Group’s Board is pivotal as steward of sound governance and spearheads the sustainability agenda across the Group. Setting a strong “tone from the top”, the Board has oversight on the Group’s EESG strategies, implementations and performance, including but not limited to matters related to anti-bribery and corruption, climate-related risks and adaptations, occupational safety and health and labour practices and human rights. Governance oversight is embedded within the Board’s agenda and is integral to strategic decision-making.



<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Oversight on Texchem Group’s sustainability agenda including Anti-Bribery and Corruption, Occupational Health and Safety, Labour Practices and Human Rights and Climate-Related Risks and Opportunities.</li> <li>Oversees the execution and progress of the Group’s sustainability strategies and initiatives.</li> <li>Provides final review and approval on sustainability matters related to the Group.</li> </ul>
<b>Sustainability Committee (“SC”)</b>	<ul style="list-style-type: none"> <li>Comprises of Texchem Group Independent Director (Chairman of SC), President and Group Chief Executive Officer, Group Chief Administrative Officer, Group Chief Financial Officer, Legal Director and Sustainability Officer.</li> <li>Oversee and evaluate the Group’s sustainability strategy, key EESG priorities, targets, performance and overall progress.</li> <li>Review sustainability and climate-related risks and opportunities and assess the effectiveness of management’s actions and initiatives.</li> <li>Provide recommendations to the Board on sustainability matters requiring approval or strategic direction.</li> <li>Review, discuss and assess the Group’s progress in advancing our sustainability agenda.</li> </ul>

## SUSTAINABILITY STATEMENT (CONT'D)

### Sustainability Execution Team ("SET")

- Comprises of President and Group Chief Executive Officer (Chairman of SET), Sustainability Officer, Divisional Chief Operating Officers and various department representatives within the Group.
- Support SC in matters relation to EESG and climate change.
- Plan, execute and monitor the Group's overall sustainability agenda and strategies supported by SC, Divisional Chief Operating Officers and appointed subject matter experts.
- Ensures sustainability disclosures are aligned with the Listing Requirements.

Extending the progress achieved in the prior year, Texchem Group has identified a suite of potential sustainability-linked Key Performance Indicators and other monitoring tools tailored to our diversified business landscape and is currently in the process of establishing well-defined baseline data to support effective measurement and performance tracking.

### Corporate Governance and Regulatory Compliance

Texchem Group adopts a comprehensive governance policy framework to uphold professional conduct and reinforce operational discipline across the Group. Core corporate policies, including the Code of Conduct and Ethics, Vendor Code of Conduct, Anti-Bribery and Corruption Policy and Whistleblower Policy are applied consistently throughout our daily operations and are extended to our external stakeholders where appropriate, thereby promoting integrity, accountability and responsible practices across the entire value chain.

Regulatory compliance is the cornerstone of Texchem Group's governance structure. We recognised that business sustainability is inextricably linked to maintaining Texchem Group and our subsidiaries' licence to operate, which can only be achieved through strict adherence to all applicable regulatory requirements. On this note, Texchem Group's subsidiaries have established respective comprehensive standard operating procedures, particularly in the areas of product safety and quality management, as well as occupational safety and health, to ensure consistent compliance and operational excellence across the Group. In FY2025, Texchem Group complied with applicable environmental, labour, health and safety and business regulations across our operations, with no material incidents of legal non-compliance, fines or cases resulting in court proceedings recorded during the reporting period.

Board Policies	Corporate Policies
<ul style="list-style-type: none"> <li>• Remuneration Policy and Procedures</li> <li>• Director's Fit and Proper Policy</li> <li>• Policies and Procedures to Assess the Suitability and Independence of External Auditors</li> </ul>	<ul style="list-style-type: none"> <li>• Anti-Bribery and Corruption Policy</li> <li>• Code of Conduct and Ethics</li> <li>• Conflict of Interest Policy</li> <li>• Whistleblower Policy</li> <li>• Sustainability Policy</li> <li>• Vendor Code of Conduct</li> </ul>

The above policies are accessible at <https://texchemgroup.com/investors-relations/#governance>.

### Risk Management

Texchem Group has established a comprehensive Enterprise Risk Management ("ERM") framework, within which the principles and methodologies of ISO 31000 are applied to guide a structured and consistent approach to risk management. The ERM system operates as a continuous and disciplined process to identify, analyse, evaluate, respond to, monitor and report on risks across the Group, underpinned by clearly defined risk governance structures that are executed with rigour at both Divisional and Group levels.

In recognition of the growing significance of climate-related risks and opportunities that may directly or indirectly impact our business, Texchem Group is progressively building and strengthening our preparedness to meet the IFRS S1 and S2 disclosure requirements.

## SUSTAINABILITY STATEMENT (CONT'D)

### **Anti-Bribery and Corruption**

Texchem Group maintains a stringent zero-tolerance policy towards all forms of bribery and corruption and is committed to conducting business with the highest standards of transparency, integrity and compliance. Texchem Group strictly prohibits any form of bribery, whether direct or indirect, including the offering, giving, receiving or soliciting of anything of value for the purpose of influencing business decisions or securing improper advantage in the conduct of our operations.

Texchem Group's Anti-Bribery and Corruption Policy and Procedures ("ACPP"), aligned with Section 17A of the Malaysian Anti-Corruption Commission Act 2009, established a comprehensive framework to prevent bribery and corruption across the Group. The ACPP addresses all forms of bribery and corrupt practices, covering actions such as offering, promising, giving, accepting or soliciting any undue advantage or gratification. This includes both financial and non-financial benefits, such as money, gifts, loans, valuable securities, property, financial benefits, contracts, services, payments, discounts, bonuses or any form of benefit, whether conducted directly or indirectly and regardless of location.

The Anti-Bribery and Corruption Policy sets clear governance safeguards and behavioural standards for directors, employees and the Group's supply chain. These requirements are reinforced through Texchem Group's Code of Conduct and Ethics and Vendor Code of Conduct, which outline expectations for ethical business practices among business partners, agents, subcontractors and vendors' employees. Together, these measures promote integrity, accountability and responsible conduct throughout Texchem Group's operations.

### **Anti-Bribery and Corruption Training**

To further establish a strong culture of integrity, the anti-bribery and corruption training forms a key pillar of Texchem Group's governance and ethics framework. All new employees are required to undergo mandatory anti-bribery and corruption training as part of their induction programme to ensure early awareness and understanding of the Group's ACPP. For existing employees, refresher training is conducted on an annual basis to reinforce ethical standards and promote consistent application across all levels of the organisation.

The training programme provides comprehensive coverage of the Group's anti-bribery and corruption framework, including an overview of applicable laws, the definition and forms of corruption, bribery and unethical conduct, conflict of interest scenarios, reporting obligations and the consequences of non-compliance. Through regular training and awareness initiatives, Texchem Group seeks to cultivate a strong culture of integrity, accountability and zero tolerance towards corruption in all business activities.

In FY2025, 100% of Board members and 100% of targeted employees participated in anti-bribery and corruption policy training. In addition, no staff were disciplined or dismissed due to non-compliance with anti-bribery and corruption policy, no penalties in relation to corruption and no cases of bribery or corruption were reported or substantiated during the year.

### **Whistleblowing Policy**

Texchem Group provides secure and accessible reporting channels for employees and members of the public to raise concerns regarding any form of misconduct, including fraud, corruption or bribery, financial mismanagement or fraudulent accounting, unlawful or criminal activities, breaches of confidentiality obligations or conflicts of interest, violations of Company policies and any other unethical behaviour. The Whistleblowing Policy ensures comprehensive safeguards to whistleblowers, including strict confidentiality, protection against retaliation and support for anonymous reporting. The policy can be accessed through <https://texchemgroup.com/investor-relations/#governance>.

### **Assessment for Corruption Risk**

Recognising that strong governance begins with vigilance, Texchem Group places great importance on embedding effective risk assessment procedures and practices across every level of the organisation to safeguard the integrity of our business. As part of the Group's risk management practice, corruption risk has been assessed as a potential risk that may result in financial impact, legal implications and reputational damage across all Divisions. Division Risk Officers are responsible to monitor the effectiveness of controls and report to the Chief Risk Officer, which will be consolidated and reported to the Board half-yearly.

## SUSTAINABILITY STATEMENT (CONT'D)

In FY2025, 100% of the Group's operations have been assessed for corruption risk, which includes all forms of bribery (offering, promising, giving, accepting or soliciting any undue advantage or gratification) in form of financial or non-financial benefits. Operations that are identified as high-risk will be subjected to further action as per the Group's Risk Management and Internal Control Framework.

*For more information on our Risk Management and Internal Control Framework, kindly refer to page 37 of this report.*

### **Political Contributions**

Texchem Group places high value on relationships with our stakeholders, including employees and the communities in which the Group operates and remains firmly committed to fulfilling the role of a responsible corporate citizen.

Recognising that CSR activities may be susceptible to misuse or diversion for unintended purposes, the Group has established clear requirements and guidelines to ensure that all CSR initiatives are conducted with integrity, transparency and in strict alignment with the Group's business objectives and values, especially in causes that supports environmental sustainability, education, health or community welfare.

A fundamental point to underscore is Texchem Group's unequivocal stance on political contributions where no donations, whether in cash, kind, or through any other means should be made to support any political party or candidate for public office. All donations and CSR initiatives shall comply with local laws and ethical practices and must be meaningful, purpose-driven and demonstrably create positive societal impact.

*For more information on our community projects, kindly refer to page 70 Community Relations of this report.*

### **Cybersecurity and Data Protection**

At Texchem Group, we are committed to safeguarding the information entrusted to us and ensuring compliance with the Personal Data Protection Act 2010 of Malaysia. In view of the evolving cybersecurity threat landscape, including emerging risks associated with digitalisation and artificial intelligence, Texchem Group continuously reviews and enhances our cybersecurity infrastructure, policies and controls to strengthen system resilience and data protection.

Cybersecurity and data protection have been identified as high-priority material matter by both Texchem Group and our external stakeholders. In response, Texchem Group has intensified our investment and initiatives to ensure that our data storage and processing systems are secured and capable of supporting business continuity and recovery in the event of a cyber incident or data breach.

During FY2025, the Board has approved the enhanced Personal Data Protection Policy and Procedures on the collection, use, storage and protection of personal data in accordance with the Personal Data Protection Act 2010. The Policy applies to all employees and relevant third parties who handle personal data on behalf of the Group, with compliance monitored and enforced to safeguard data integrity, confidentiality and availability.

The Group continues to reinforce organisation-wide awareness on cybersecurity risks, including phishing and social engineering threats, through regular communications and training initiatives. In parallel, the Group shall continue to invest in data protection and cybersecurity solutions to further enhance monitoring and preventive controls. The Code of Conduct and Ethics further affirms the responsibility of all employees to protect confidential information, including customer, business and third-party data.

In FY2025, there were no substantiated complaints or confirmed incidents involving breaches of customer privacy and losses of customer data.

## SUSTAINABILITY STATEMENT (CONT'D)

### ECONOMIC

At Texchem Group, we recognise that sustainable economic performance, effective product stewardship and service quality, resilient supply chain management and ongoing investment in technology and digitalisation are integral to the Group's strategy and business model. These priorities support the Group's ability to adapt to evolving market and regulatory conditions, maintain operational resilience and customer trust and create value over the short, medium and long term, thereby safeguarding the Group's long-term prospects and legacy.

#### Economic Performance

Sustainable economic performance is fundamental to Texchem Group's ability to deliver long-term value and advance our broader sustainability agenda. Texchem Group recognises our responsibility to generate consistent returns for shareholders while contributing to employment creation and local economic development across the communities in which we operate.

Through disciplined financial management, operational efficiency and a strong focus on product quality and customer trust, Texchem Group continues to create shared value for stakeholders, reinforcing our commitment to responsible growth and inclusive prosperity.

In FY2025, Texchem Group posted a revenue of RM1,111 million and a profit before tax of RM20.5 million. This performance demonstrates Texchem Group's continued focus on operational excellence, customer satisfaction and strategic execution across the five core business Divisions.

	FY2025 RM'mil	FY2024 RM'mil	FY2023 RM'mil
<b>Economic Value Generated</b>			
Total Revenue	1,111	1,118	994
<b>Economic Value Distributed:</b>			
Total Operating Costs <i>(excluding depreciation, impairment, staff costs and benefits, share-based payments)</i>	845	861	761
Staff Costs and Benefits <i>(excluding share-based payments)</i>	180	176	172
Income Tax Expenses	16	9	8
Dividend Returns to Shareholders	-	-	-

#### Product Stewardship & Service Quality

In FY2025, Texchem Group continues our dedicated efforts to uphold and enhance the refinement of our product stewardship and service quality. As a player in the service industry, the quality of our products and services remains critical to our business sustainability and continuity. We recognise that consistently delivering superior products and services certified with globally recognised standards, fostering trust and driving customer satisfaction are essential to securing a competitive edge in the market.

Product stewardship and service quality remains an important material matter across all our Divisions, where we strive not only for operational excellence but also for sustainable and scalable practices, underpinned by a commitment to continual improvement. Key practices such as customer satisfaction monitoring, employee training, waste management and equipment maintenance are systematically embedded into our operations to ensure efficiency, reliability and high service standards.

## SUSTAINABILITY STATEMENT (CONT'D)

### Food and Restaurant Divisions

In Texchem Group's Food and Restaurant Divisions, where food safety is of paramount importance, we maintain rigorous strategies to ensure the highest standards of product quality while safeguarding customer health. Our approach in FY2025 includes:

- **Critical Control and Compliance Monitoring:** Procedures are in place to monitor critical control points ("CCP"), operational prerequisite programmes ("OPRP") and scheduled regulatory reviews, ensuring strict adherence to legal and industry food safety standards.
- **Certifications:** Relevant certifications across the Food and Restaurant Divisions reflect our commitment to recognised food safety and quality standards. Food Division holds certifications relevant to its operation, including Hazard Analysis and Critical Point ("HACCP"), Good Manufacturing Practices ("GMP"), Makanan Selamat Tanggungjawab Industri ("MeSTI"), ISO 22000:2018 (Food Safety Management) and Veterinary Health Mark ("VHM"). Meanwhile, Restaurant Division holds certifications including ISO 9001:2015 (Quality Management) and ISO 22000:2018 (Food Safety Management).
- **Operational Hygiene and Quality Assurance:** Stringent temperature controls, comprehensive laboratory testing, robust hygiene protocols and systematic supplier evaluations remain standard practice.
- **Operational Reliability:** Equipment downtime may occur and is managed through preventive maintenance practices and spare parts management to minimise production disruptions and maintain a reliable infrastructure.
- **Performance Metrics and Training:** Performance is tracked through established metrics and targets. Comprehensive employee training in food handling and hygiene is delivered through the Sushi King Academy, certified external providers and structured on-the-job coaching, guided by the Food Safety Policy and Halal Policy. Training covers standard operating procedures, portion control, proper food handling, waste segregation and digital tools, all designed to enhance service quality, minimize food wastage and reduce paper consumption.

In FY2025, Texchem Group's Food and Restaurant Divisions achieved zero incidents of food poisoning and there were no incidents related to food safety and product recall. As a customer-focused restaurant business, our Restaurant Division recognises that feedback and complaints may arise from time to time as part of service delivery. All customer feedback, whether received through e-mail, our website or social media platforms, is treated with care and seriousness, as it directly informs our commitment to product quality and service excellence. Each complaint is reviewed as a valuable input to strengthen food quality, enhance service standards and continuously improve the overall dining experience, reinforcing customer trust and brand integrity.

### Halal Certification

At Texchem Group, we have long recognised that providing halal food is not just a requirement, but an intentional and integral part of our offering. For many years, we have practised rigorous halal compliance, understanding that certification is a critical verification of both ingredients and processes. This approach ensures that our consumers can trust the quality, safety and integrity of our products.

### Food Safety and Quality Assurance

At Texchem Group, the Food Safety and Quality Assurance ("FSQA") Department plays a central role in safeguarding the quality, safety and consistency our customers expect. Through regular inspections covering cleanliness, kitchen safety, equipment and utensil hygiene, food handling practices and employee training, we ensure our service standards are rigorously upheld across all customer touchpoints at all outlets. These inspections enable early identification of gaps and timely preventive actions, reinforcing our commitment to food safety and service excellence. Beyond our operations, this commitment extends to our suppliers through rigorous audits that assess Halal compliance, process controls and traceability systems, ensuring that quality assurance is embedded across our supply chain and reflected in every product and service delivered to our customers.

In FY2025, we conducted 362 FSQA audits across all Sushi King outlets in Malaysia and Indonesia, covering areas such as food handling, hygiene practices and overall food safety compliance. We continue to strengthen operational standards through enhanced training programmes and ongoing capability building.

Texchem Group remains resolute in diligently monitoring and managing food safety risks, ensuring the integrity of our products and consistently delivering safe and high-quality experiences to our customers to maintain the clean track record.

## SUSTAINABILITY STATEMENT (CONT'D)

### Industrial Products

Texchem Group is committed to ensuring the safety and quality of all products across the various industries. As part of our economic responsibility, we integrate safety considerations into product design, manufacturing and delivery, thereby safeguarding consumers, employees and the environment. By implementing robust processes and maintaining compliance with industry standards, Texchem Group strengthens stakeholder confidence and supports the sustainable continuity of business operations.

### Chemical Safety

Our Industrial Division continuously advances the responsible management and stewardship of chemicals across all manufacturing processes, as well as throughout the use-phase of its products. Our sustainable chemical strategy focuses on designing safer chemical products, using responsibly sourced raw materials, enhancing energy efficiency while minimising risk to workers, consumers and the environment. The Group places strong emphasis on use-phase safety, supported by stringent regulatory-compliant product labelling and clear safety information to ensure chemicals are properly classified, safely handled, used and disposed by customers and downstream users.

This commitment is demonstrated through our ECO PASSPORT by OEKO-TEX® certification, which independently assesses the safety of chemicals, colourants and auxiliaries in textile and leather applications. Each certified product is evaluated to ensure compliance with health and safety standards, supporting our customers in achieving STANDARD 100 by OEKO-TEX® certification for end products.

Examples of sustainable chemical innovation include:

- Low Temperature Wrinkle-Free Resin, reducing energy consumption in textile finishing.
- Formaldehyde-Free Wrinkle-Free Resin, replacing potentially harmful raw materials with safer alternatives in the textile industry.
- Safer cleaning formulations in the latex glove industry, reducing corrosiveness and exposure risks while maintaining product effectiveness.

### TEXa

**TEXa**® is a registered trademark for our patented bio-composite material and technology, designed as a sustainable alternative to conventional plastics. Formulated with a minimum of 51% renewable content blended with virgin or recycled polymers, TEXa is certified by USDA, JORA and SIRIM Eco-Label. By upcycling non-edible agricultural by-products, TEXa reduces reliance on fossil-based polymers while maintaining durability, recyclability and compatibility with standard moulding processes. Its "drop-in" design allows manufacturers to use TEXa with existing production equipment and processes, without major modifications or additional investment. This makes it easier for industries to adopt sustainable materials, maintain production efficiency and ensure operational continuity, while integrating environmental responsibility into their products.

Texchem Group has been refining TEXa since 2010 and it continues to deliver value through sustainable innovation. The product has a lower carbon footprint compared to conventional plastics, while opening new market opportunities across food-contact products, household goods, personal care and industrial applications. TEXa also embodies the principles of the Circular Economy, guided by the 5Rs - Reduce, Reuse, Recycle, Renewable and Refuse. By advancing TEXa, Texchem Group strengthens our competitive position and demonstrates how sustainable materials can drive long-term economic growth and resilience.

### Accreditation and Certification

At Texchem Group, we continuously hone our approach to quality, safety and sustainability across all operations. Our comprehensive certifications reflect this commitment, ensuring that every product and service, from food logistics to materials trading, manufacturing, precision engineering and restaurant services is developed, manufactured and delivered in accordance with internationally recognised standards and codes, consistently and on schedule.

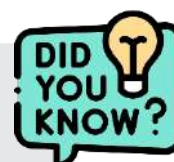
These accreditations serve as benchmarks of operational excellence, demonstrating our ability to meet stringent requirements while staying competitive in a dynamic market. By refining our processes and practices, Texchem Group strengthens stakeholder trust and delivers sustainable value across all Divisions.

## SUSTAINABILITY STATEMENT (CONT'D)

Division	Certification	Total
<b>Industrial</b>	ISO 9001:2015 (Quality Management Systems)	4
	ISO 14001:2015 (Environmental Management Systems)	1
	ISCC Plus (International Sustainability and Carbon Certification)	1
	EcoVadis - Gold Medal	1
	GRS 4.0 (Global Recycled Standards)	1
	OEKO-TEX ECO Passport	1
<b>Polymer Engineering</b>	ISO 9001:2015 (Quality Management Systems)	6
	EN ISO 13485:2016 (Medical Devices - Quality Managements Systems)	5
	ISO 14001:2015 (Environmental Management Systems)	6
	IATF 16949:2016 (International Standards for Automative Quality Management Systems)	1
<b>Food</b>	HACCP (Hazard Analysis and Critical Control Point), Ministry of Health Malaysia	1
	GMP (Good Manufacturing Practice), Ministry of Health Malaysia	1
	Halal MS 1500:2019	20
	OEM Halal	1
	Halal (Myanmar)	14
	GHPs (Good Hygiene Practices), Myanmar	1
	HACCP (GHPs), Myanmar	1
	HACCP, Ministry of Agriculture, Livestock and Irrigation, Myanmar	4
	GAqP Certificate (Good Aquaculture Practice), Ministry of Agriculture, Livestock and Irrigation, Myanmar	1
	USFDA Registration (U.S Food and Drug Administration)	3
	ISO 22000:2018 (Food Safety Management Systems)	2
	MeSTI Certificate (Makanan Selamat Tanggungjawab Industri)	2
	VHM (Veterinary Health Mark)	1
<b>Restaurant</b>	ISO 9001:2015 (Quality Management Systems)	1
	ISO 22000:2018 (Food Safety Management System)	1
	Halal (Warehouse) MS 2400-2:2019	1
	Halal (Transportation) MS 2400-1:2019	1
	MyFood Tag	1
	Halal MS 1500:2019	116
	Halal (Indonesia)	1
<b>Venture Business</b>	ISO 9001:2015 (Quality Management Systems)	1
	ISO 14001:2015 (Environmental Management Systems)	1
	ISO/ IEC 17025:2017 (Testing and Calibration Laboratories)	1
	USDA Certified Biobased Material	1
	Biomass Mark, Japan Organics Recycling Association (JORA)	1
	SIRIM ECO 063:2017 Biobased Plastic	1



In December 2025, Texchem Group’s Industrial Division was awarded the EcoVadis Gold Medal in recognition of its strong sustainability performance and corporate social responsibility practices. This achievement places us among the top 5% companies assessed globally and affirms our commitment to ethical governance, environmental stewardship and continuous improvement.



## SUSTAINABILITY STATEMENT (CONT'D)

### Customer Satisfaction

At Texchem Group, customer satisfaction continues to be a key measure of our performance. Building on practices established in previous years, we recognise that negative feedback on product or service quality can affect our brand reputation, customer relationships and overall business performance. To proactively address these risks, we actively engage with our customers through annual satisfaction surveys, gathering insights that guide improvements across our operations.

In addition, we manage customer feedback through our Customer Complaint Action Form process, which ensures a structured approach for investigating issues, identifying root causes, implementing corrective actions and monitoring improvements.

Texchem Group will continue to refine the customer journey and elevate the overall customer experience to strengthen satisfaction and loyalty across all touchpoints. This includes enhancing service responsiveness, improving product and service consistency, leveraging customer feedback for continuous improvement and integrating digital and operational efficiencies where appropriate. Through these ongoing efforts, the Group aims to deepen customer relationships, reinforce brand trust and support sustainable business growth.

### Supply Chain Management

Texchem Group recognises that responsible supply chain management is integral to long-term value creation, operational efficiency and regulatory compliance. Guided by principles of integrity, fairness, respect and ethical business conduct, the Group embeds responsible procurement practices across the entire sourcing lifecycle. These practices support supply chain resilience while aligning with the Group's environmental priorities, including climate impact mitigation and biodiversity protection.

Procurement policies emphasise confidentiality, prevention of conflicts of interest and fair dealings with suppliers, reinforcing Texchem Group's commitment to transparent and ethical business relationships. Through continuous engagement with suppliers, the Group seeks to minimise environmental risks, ensure responsible sourcing and strengthen operational continuity across all the five core business Divisions.

### Vendor Code of Conduct

Texchem Group acknowledges that supplier performance directly affects business sustainability and brand reputation. Suppliers, vendors, contractors and third-party partners are therefore required to observe the Texchem Vendor Code of Conduct, which sets clear expectations on legal compliance, workplace safety, human rights and environmental responsibility.

The policy requires suppliers to adhere to environmental laws and practices including but not limited to waste disposal, emissions, discharges and resources consumption. Suppliers are also encouraged to strive for efficient use of energy and water, reduce climate-related impacts including greenhouse gas emissions, pollution control and minimise biodiversity impacts. On the social front, the policy strictly prohibits child and forced labour, mandates compliance with local laws with respect to working hours, wages and benefits, freedom of association, collective bargaining and promotes respectful and dignified treatment of workers. To ensure accessibility and implementation, the policy is communicated across the supply chain and available on Texchem Group's website.

In line with the Group's zero-tolerance approach to corruption, all suppliers, vendors, contractors and third-party partners are being informed of Texchem Group's Anti-Bribery and Corruption Policy and shall comply with Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

### Supplier Performance and Evaluation

Texchem Group's Supply Chain Management is guided by a structured and systematic approach across all Divisions, supporting efficient sourcing, production and delivery while upholding quality, sustainability and regulatory compliance. Each Division operates in accordance with established standard operating procedures and best practices.

## SUSTAINABILITY STATEMENT (CONT'D)

As Texchem Group continues to strengthen supplier engagement and compliance across the Group, we recognise that implementation maturity varies among Divisions, with some progressing more rapidly in formalising supplier governance practices. To manage associated risks, the Group applies structured supplier evaluation processes, supported by corrective action mechanisms and ongoing performance monitoring. Suppliers that fall below established benchmarks are placed under observation, required to implement corrective action plans and subjected to follow-up audits, with removal from approved supplier lists where improvements are not achieved. Higher-risk operations, including manufacturing and food services, are further supported by physical audits and stricter performance thresholds to safeguard food safety, quality assurance and operational reliability.

During FY2025, the Restaurant Division performed physical inspection audit on 10 key suppliers, achieving an average score of 86%, while the Polymer Engineering, Industrial and Food Divisions conducted 13, 3 and 3 supplier physical audits respectively. These audits were focused on key suppliers within the respective Divisions, with the average results assessed at satisfactory levels. Audit findings were formally communicated to the respective suppliers, requiring timely corrective actions and further improvements where necessary.

Supplier monitoring across all Divisions is undertaken through a combination of onsite inspections, certification reviews and ongoing performance evaluations. Continuous engagement, supported by corrective action follow-ups where necessary, ensures that suppliers maintain aligned with our quality expectations.

### Supporting the Local Economy through Responsible Procurement

Texchem Group continues to embed local sourcing as a core element of our procurement strategy, recognising our role in strengthening community livelihoods, reducing supply chain emissions and enhancing operational resilience. Through long-standing partnerships with domestic suppliers, the Group supports local enterprise development while building a more responsive and sustainable supply network.

In FY2025, 41.7% of total procurement expenditure was channelled to local suppliers, reflecting steady progress in advancing responsible sourcing practices. This ongoing shift towards local procurement underscores Texchem Group's commitment to driving inclusive economic growth, mitigating climate-related risks and reinforcing supply chain stability.

The Group will continue to deepen local supplier engagement, creating shared value and supporting long-term sustainable business performance.

### Technology and Digitalisation

Texchem Group continues to prioritise technology and digitalisation as fundamental enablers of operational excellence, product quality and long-term sustainable growth across all Divisions. Texchem Group has made targeted investments in digital platforms, automation and data-enabled systems to future-proof our operations, strengthen competitiveness and support disciplined decision-making in an increasingly digital and data-driven business environment. These initiatives enhance our ability to meet evolving customer requirements while optimising raw materials utilisation, reducing waste and improving process efficiency throughout the value chain.

Across the Group, automation, system integration and Industry 4.0-aligned practices remain key focus areas in strengthening operational capabilities. Texchem Group is progressively adopting digitally enabled manufacturing and operational technologies, including connected systems, advanced design tools and data-supported process monitoring, to improve consistency, scalability and responsiveness. This positions the Group well to support growth in high-demand and technically intensive sectors, such as data centres and advanced industrial applications, where reliability, precision and speed-to-market are critical.

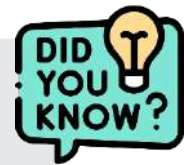
By systematically identifying automation opportunities and integrating systems across business units, the Group has improved operating efficiency, enhanced product quality and strengthened cross-division visibility. These initiatives also create the foundation for more effective use of operational data, enabling basic analytics, performance tracking and early-stage decision support. Over time, this data-driven approach supports continuous improvement initiatives and informed capital allocation across Divisions.

## SUSTAINABILITY STATEMENT (CONT'D)

Texchem Group recognises that as digitalisation increases, exposure to operational, data and cybersecurity risks correspondingly rises. Texchem Group therefore places strong emphasis on strengthening our digital governance and cybersecurity posture as a core risk mitigation priority. This includes enhancing system resilience, data protection controls and organisation-wide awareness to safeguard information assets, support business continuity and maintain stakeholder trust as digital capabilities expand.

Looking ahead, Texchem Group will continue to integrate emerging digital technologies in a measured and practical manner, including greater use of data analytics, intelligent automation and AI-enabled tools where appropriate. These technologies are intended to augment, rather than replace, human expertise by improving insight, efficiency and decision quality. Through this balanced approach, the Group aims to optimise production, improve resource efficiency and foster innovation across all Divisions, while strengthening operational resilience, sustainability performance and long-term value creation.

Texchem Group supports the growth of the data memory and semiconductor industries through our cleanroom static control packaging solutions. Leveraging proprietary polymer processing technologies and patented designs, these solutions are designed to meet the rising demands of artificial intelligence and data-driven industries, strengthening the Group's presence in high-growth technology markets locally and globally.



### ENVIRONMENTAL

Texchem Group is committed to environmental protection and responsible resource management, with the Board providing oversight of efforts to reduce the Group's environmental footprint through disciplined execution, strong governance and continuous operational improvement. Initiatives to lower greenhouse gas ("GHG") emissions and energy intensity and to manage waste and water responsibly, are embedded into daily operations to drive efficiency and environmental accountability.

"Fusegu" as one of Texchem Group's five management principles, focuses on prevention, protection and risk mitigation and underpins the Group's approach to managing sustainability-related risks and uncertainties. As a responsible global corporate citizen, Texchem Group recognises that the natural resources supporting our operations are finite and that environmental risks—such as resource scarcity, climate-related impacts and regulatory change—may affect the Group's business model, operations and long-term prospects. Sustainable growth therefore depends on proactive risk identification, assessment and mitigation, supported by disciplined governance and management oversight. Guided by the "Fusegu" principle, Texchem Group seeks to safeguard against environmental and operational risks, protect natural resources, enhance business resilience and support long-term value creation in line with our strategy and risk management framework.

#### Climate Change and Adaptation

Texchem Group acknowledges climate change as a material global challenge that requires proactive and collective action. As part of our transition plan for climate change mitigation, Texchem Group continues to strengthen our climate change management approach by evaluating operational impacts, identifying climate-related risks and implementing practical mitigation measures to enhance business resilience. At the same time, Texchem Group remains mindful of our carbon footprint and is establishing a structured carbon inventory, including across our supply chain. These efforts reflect our ongoing commitment to reducing environmental impact while supporting long-term sustainability.

#### Managing Our Emissions

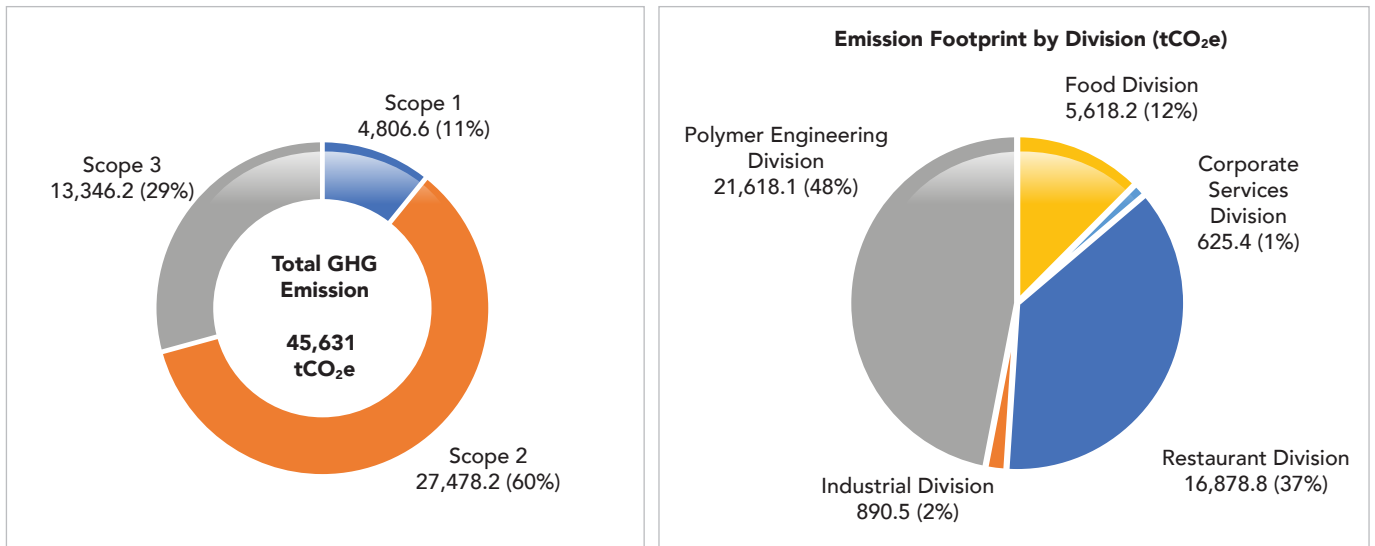
Texchem Group continues to strengthen our emissions management through consistent measurement, monitoring and continuous improvement, enabling the Group to minimise environmental impact while supporting climate change mitigation. Following our first emissions report in FY2024, Texchem Group has since undertaken a comprehensive carbon footprint assessment across all the Divisions, resulting in an increase of the Group's overall emissions. This ongoing effort strengthens data quality, supports future target setting and enables the Group to identify improvement opportunities, manage emissions more effectively and deliver practical solutions that contribute to climate change mitigation and long-term operational resilience.

## SUSTAINABILITY STATEMENT (CONT'D)

Our GHG data is calculated using emission factors from reputable sources, including the United Kingdom’s Department for Environment, Food and Rural Affairs (“DEFRA”) and Malaysia’s Energy Commission (“EC”), in alignment with globally recognised standards under the World Business Council for Sustainable Development and World Resources Institute Greenhouse Gas Protocol (“WBCSD/WRI GHG Protocol”).

### Total Greenhouse Gas Emissions in FY2025 (tCO<sub>2</sub>e)

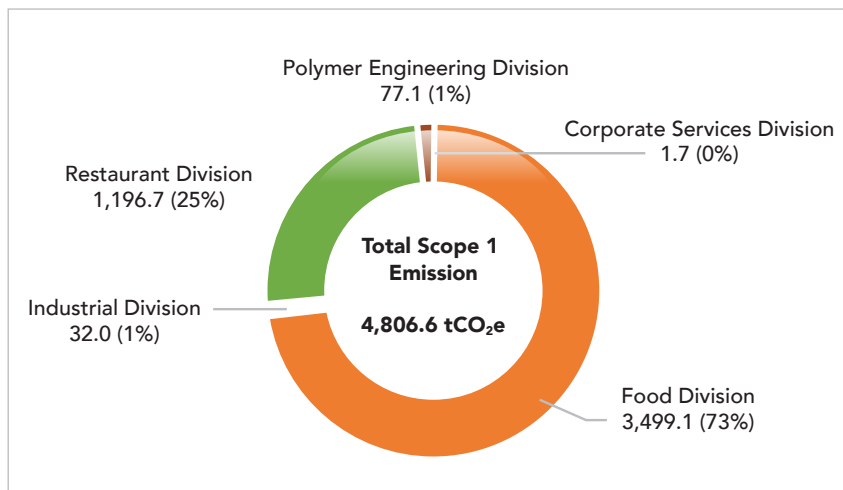
Total GHG emissions comprise both direct and indirect emissions arising from the Group’s business operations. In FY2025, Texchem Group continued to track our total GHG emissions, at **45,631** tCO<sub>2</sub>e, where our total GHG intensity was at 41.1 tonnes/ RM’ million revenue. This reporting marks the first time Texchem Group has disclosed our GHG emissions intensity and the Group will continue to monitor this indicator to better understand emissions performance across our operations and to support initiatives aimed at improving energy efficiency and reducing environmental impact.



### Scope 1 Emissions

Scope 1 emission is defined as the direct GHG emissions from sources owned or controlled by Texchem Group. In FY2025, Scope 1 emissions account for 11% of the Group’s total carbon footprint. Due to the nature of our business operations, Texchem Group’s direct emissions are mainly contributed by both Restaurant and Food Divisions, generated from on-site fuel combustion\* and company-owned transportation fleet.

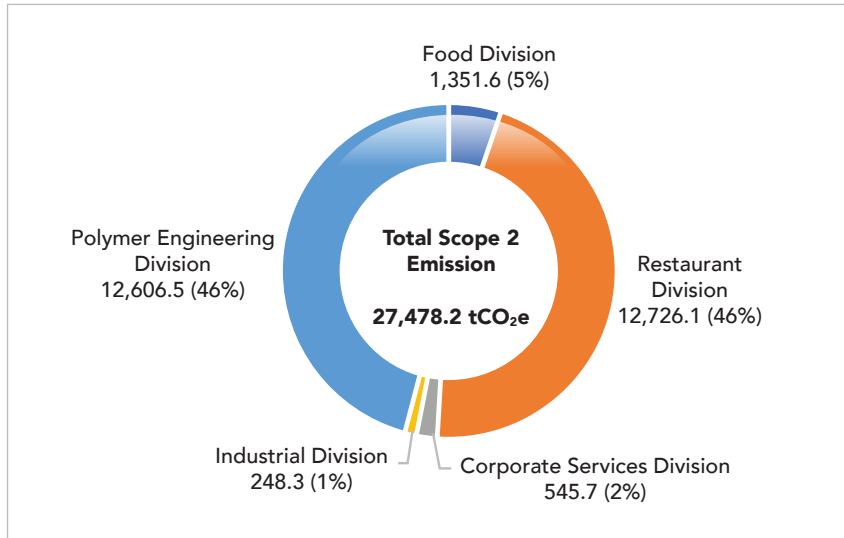
\* On-site combustion includes diesel, biomass, liquefied petroleum gas (LPG) and petrol consumed for operations.



## SUSTAINABILITY STATEMENT (CONT'D)

### Scope 2 Emissions

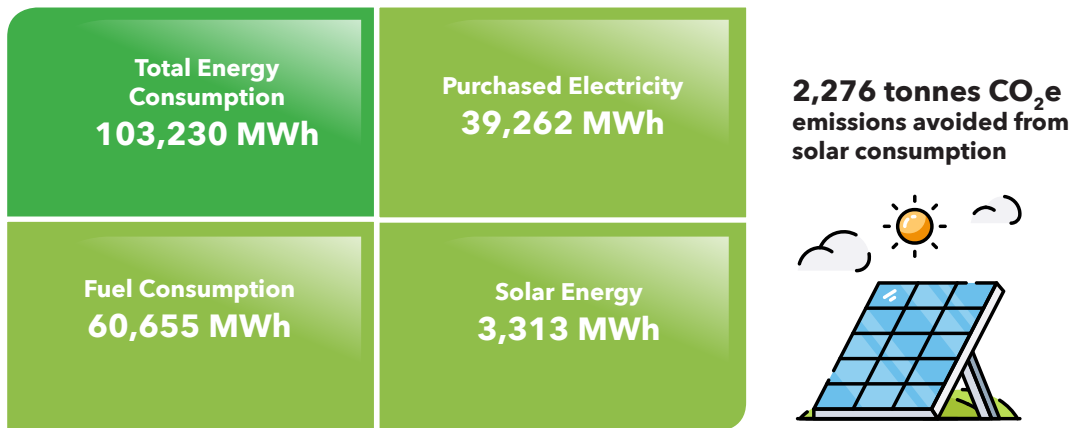
Scope 2 emission defined as the indirect GHG emissions from purchased electricity. In FY2025, Scope 2 emissions totalled at 27,478.2 tCO<sub>2</sub>e, representing 60% of Texchem Group’s total carbon footprint. These emissions are associated with electricity consumption at plants and worksites owned or controlled by the Group, including operational activities across our Industrial, Polymer Engineering, Food, Restaurant and Venture Business Divisions.



Note: Emission factor for operations at Malaysia, Singapore, Vietnam, Thailand and Indonesia have been followed the respective emission factor (location-based) of the countries.

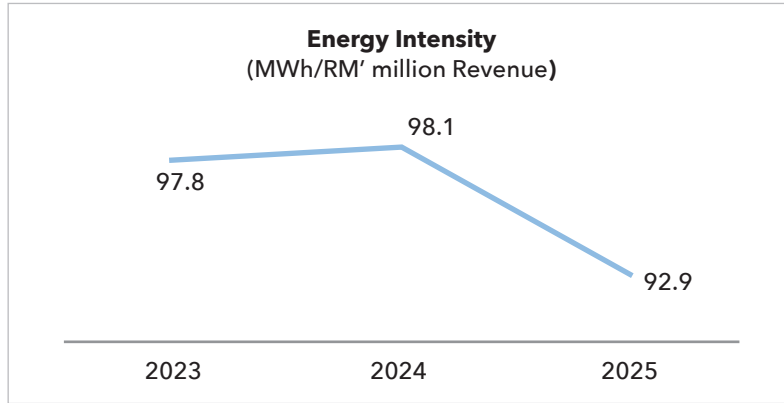
### Energy Intensity

In FY2025, Texchem Group commenced to monitor our energy intensity across the Group, which may serve as a baseline in our effort to establish emission reduction targets. We will continue to assess the suitability and relevancy of energy intensity as our emission reduction target, ensuring alignment with our business model and operational realities.



Note: Fuel includes diesel, biomass, liquefied petroleum gas (LPG) and petrol consumed for operations.

## SUSTAINABILITY STATEMENT (CONT'D)



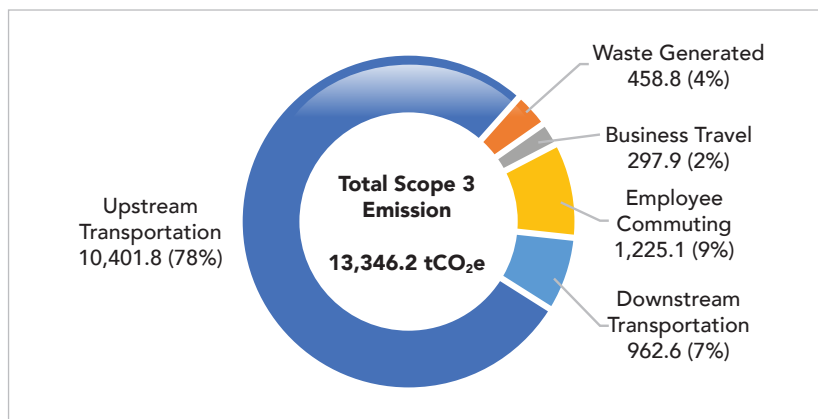
### Scope 3 Emissions

Scope 3 emissions cover all other indirect emissions generated across our business operations. In FY2025, we have expanded our Scope 3 emission disclosures to include emissions from waste generated, upstream and downstream transportation and distribution.

Category	Boundary	Calculation Methodology
4 Upstream Transportation and Distribution	Texchem Group	Distance-based method
5 Waste Generated in Operations	Texchem Group	Activity-based method
6 Business Travel	Texchem Group	Distance-based method
7 Employee Commuting	Texchem Group	Distance-based method
9 Downstream Transportation and Distribution	Texchem Group	Distance-based method

#### Definition

- Distance-based method: Determining the distance and mode of travel, then applying the appropriate emissions factor for the mode used.
- Activity-based method: Determining the total waste going to each disposal method (e.g., landfill) and average emission factors for each disposal method.



## SUSTAINABILITY STATEMENT (CONT'D)

### Progressing in Low-Carbon Economy

Texchem Group has long prioritised energy conservation and efficiency as part of our commitment to reducing environmental impact and this practice continues in FY2025. Across our operations, we implement energy-saving and cost-effective techniques in manufacturing processes, leveraging new technologies and equipment upgrades to lower both energy consumption and operational carbon footprint.

Energy efficiency measures are embedded across all operations, including LED lighting retrofits at manufacturing plants and Sushi King outlets, HVAC auto shut-off systems after office hours and the use of Variable Speed Drive (VSD) compressors to optimise machinery performance. Regular preventive maintenance and staff awareness training on energy conservation further enhance operational efficiency. Additional measures, such as minimising warehouse lighting use during lunch breaks, reinforce a culture of responsible energy use. In the Food and Restaurant Divisions, new and renovated stores are transitioning from gas to electric equipment, supporting lower emissions and improved energy performance.

Adoption of renewable energy remains as a key strategy in our ongoing efforts to reduce demand for non-renewable energy sources, thereby minimising our product carbon footprint. On this note, solar panels have been installed at Wisma Texchem, Subang, as well as four out of seven Polymer Engineering Division plants, with feasibility studies at the remaining three locations are in the pipeline.

Building on these initiatives, Texchem Group has embarked on a next phase of energy conservation, focusing on identifying inefficiencies, benchmarking consumption against industry standards and mapping opportunities for continuous improvement. This includes replacing our older and less efficient cooling systems in some of our facilities to reduce energy leakage.

The Group remains committed to progressively reducing fossil fuel consumption, advancing toward a low-carbon economy, while maintaining operational efficiency and production output.

The carbon footprint assessment conducted in FY2025 has allowed Texchem Group to identify our resource consumption and source of emission, where we are now better positioned to identify climate-related risks and opportunities, manage our carbon footprint across operations and supply chain, preliminary establishing product carbon footprint, identify potential environmental impacts and implementation of practical mitigation measures as part of the Group's climate change transition plan.

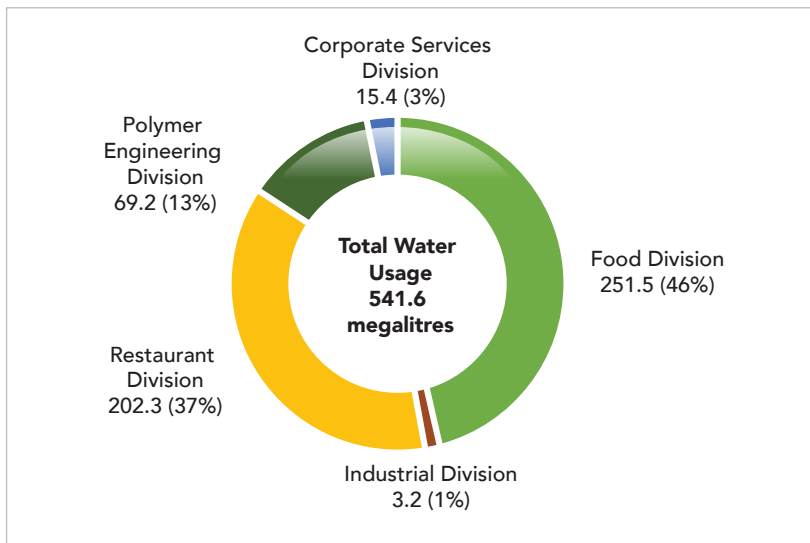
### Water Management

Water is a vital resource for society and Texchem Group recognises our critical role across all business operations. The Group is particularly mindful of sites with limited access to utilities or reliance on natural water sources, where careful water management and conservation are essential. Guided by our sustainability objectives, we actively monitor water consumption, implement efficiency measures and mitigate environmental impacts associated with water use. Reducing water consumption remains a key priority and Texchem Group continuously assesses water-related risks and opportunities to optimise processes, ensure regulatory compliance and support long-term resource stewardship throughout our value chain.

In FY2025, our water use intensity is at 0.49 megalitres/ RM' million revenue. This reporting marks the first time Texchem Group has disclosed our water use intensity, which will serve as a baseline for ongoing monitoring to identify water usage patterns, support efficiency initiatives and assess potential mitigation measures. Texchem Group is also in the process of developing and strengthening our process to monitor effluent and water discharge.

In FY2025, we did not receive any fines and penalties with regards to non-compliance in our water discharges.

## SUSTAINABILITY STATEMENT (CONT'D)



Water Usage by Source	Total Consumption (megalitres)
Total Surface Water (Rivers, Lakes, Natural Ponds etc)	11.3
Total Ground Water (Wells, Boreholes etc)	114.9
Total Municipal Potable Water	356.0
Total Seawater	59.4
<b>TOTAL</b>	<b>541.6</b>

Note: The surface water, ground water and seawater usage is within Myanmar operation only.

### Our Commitment to Responsible Water Stewardship

**Compliance**

Effluent quality at discharge points are periodically monitored for key parameters to ensure compliance with relevant environmental regulations and standards, with prompt corrective actions taken to address any non-compliance and prevent recurrence

**01**

**Measurement**

Water consumed at all Malaysia operations are extracted from municipal water source and tracked through monthly billing. Water consumption patters are monitored and periodic preventive maintenance conducted to prevent leakages

**02**

**Alternative**

Alternative water sources such as recycled water use for non-potable applications and rainwater harvesting implemented at Polymer Engineering Division and Kokubu Food Logistics Malaysia Sdn. Bhd. facility

**03**

**Awareness**

Awareness on responsible water use is promoted through visual communications, such as posters and signage at receptive areas such as wash basins, restrooms and cafeterias

**04**

We will continue to embed water stewardship into our daily operations, not only actively reducing our consumption, but also explore avenues for alternative water source, opportunities for water recycling and reuse, as well as actively reducing our water footprint through process optimisation and improvement, demonstrating our support to water use efficiency across our value chain.

## SUSTAINABILITY STATEMENT (CONT'D)

### Resource and Waste Management

Texchem Group recognises that generation of waste is inevitable in the course of our operations and is committed to managing waste in a responsible manner. While waste diversion from landfill remains the most direct and straight-forward initiatives, Texchem Group goes beyond this approach by embedding circular economy principles within our operations to enhance operational efficiencies, reduce waste generation, divert waste from landfill and improve resource-use efficiency.

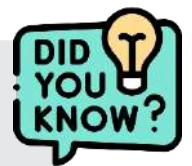
### Use-Phase Efficiency and Lifecycle Thinking

At Texchem Group, we understand that the resources consumed for our business operations are finite and it is of paramount importance that the Group adopts responsible stewardship by managing resource consumption efficiently through sustainable product design, lifecycle thinking and end-of-life considerations, contributing to long-term resource sustainability. For instance, at Polymer Engineering Division, approximately 30% of post-production plastic waste is either recycled back into the injection moulding operations where client specification permits or recycled by scrap collectors. In addition, at Industrial Division, more than 50% of the intermediate bulk containers ("IBC") delivered to customers are returnable for reuse and products are reworked within permissible limits, to extend their shelf life in support of waste minimisation effort. The Industrial Division is also working closely with its clients to design and develop products that offers enhanced safety and environmental responsibility across handling, processing and disposal stages, demonstrating our capacity and commitment to reduce our product's environmental impacts.

In FY2025, more than 3,000 units of recycled pallets with higher durability were purchased at Industrial Division and more than 15 MT of shrink wrap and stretch film with recycled content were purchased at Industrial Division and Kokubu Food Logistics Malaysia Sdn. Bhd., undermining our commitment to explore a more sustainable approach in relation to material selection.

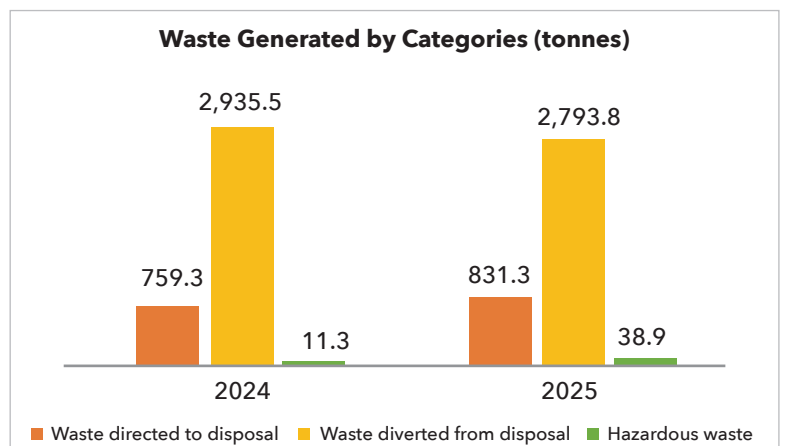


TEXa is a certified bio-based material derived from non-edible agricultural waste, offering an affordable and sustainable solution to reduce reliance on fossil-based resources in plastic products such as containers, furniture and tableware. In addition to utilizing agricultural waste, recycled polypropylene (PP) is incorporated into the TEXa production process in accordance with clients' product specifications, resulting in a reduction of over 400 tCO<sub>2</sub>e greenhouse gas emissions compared with the use of virgin PP material in FY2025.



### Responsible Waste Management

Owing to the diverse nature of our business operations, the Group generates various waste types, including food waste, recyclable waste, non-recyclable waste and hazardous waste, each of which are managed through different approaches based on their respective waste streams.



## SUSTAINABILITY STATEMENT (CONT'D)

### Management of Hazardous Waste

All scheduled waste generated across our operations is managed in strict compliance with the applicable environmental regulations of the respective countries in which we operate, including Malaysia’s Environmental Quality Act 1974 and the Environmental Quality (Scheduled Waste) Regulation 2005. This includes ensuring secure storage on-site, disposal through licensed collectors at approved facilities and oversight by Certified Environmental Professional in Scheduled Waste Management (“CePSWaM”).

### Management of Non-Hazardous Waste

Non-hazardous waste can be further classified into two-categories: waste directed to landfill (non-recycled waste) and waste diverted from landfill (which refers to waste that is collected and recycled). Across Texchem Group, packaging materials such as carton boxes, plastic pallets, IBC are reused or upcycled where necessary.

### Reduction of Food Waste

Food waste is an inherent aspect of operations within both the Restaurant and Food Divisions. In response, these Divisions are committed to reducing food waste through waste minimisation initiatives and by supporting responsible consumption practices in alignment with Sustainable Development Goal 12. The initiatives undertaken by these Divisions include:

Food Division	<ul style="list-style-type: none"> <li>• Fresh salmon heads are sold to buyers for repurposing.</li> <li>• Partnership with animal feed manufacturers to convert waste from salmon processing into animal feed.</li> <li>• Inventory-clearance sales to prevent wastage of short-expiry products.</li> </ul>
Restaurant Division	<ul style="list-style-type: none"> <li>• Kaiten Management Projection charts enable more efficient production planning and reduce overproduction of sushi.</li> <li>• Used cooking oil collection programmes are implemented across all Sushi King Malaysia outlets.</li> <li>• Waste tracking systems was introduced to monitor Kaiten belt wastages, enhancing data accuracy and visibility on customer consumption patterns and supporting ongoing operational improvements.</li> </ul>

Texchem Group will continue to advance our waste reduction and circular economy initiatives across all Divisions. The Group remains committed to identifying opportunities in use of materials with recycled content, to further reduce material consumption and waste generation, improve recycling rates and strengthen responsible waste practices, driving both environmental stewardship and operational efficiency.

### Biodiversity Protection and Pollution Control

Texchem Group recognises that our operations may have adverse impacts on the environment and may disrupt biodiversity and ecosystems in areas where it operates. As such, Texchem Group is committed to ensuring our business operations are conducted in strict compliance to applicable environmental laws and regulations, reducing our impacts on surrounding communities and ecosystems especially in the form of air and water pollution.

As of FY2025, 77.8% of our operating sites\* are ISO14001 certified. At Texchem Group, we acknowledge that above and beyond legal compliance, proactive measures such as scheduled maintenance at wastewater treatment plants and stack emission maintenance are critical in pollution prevention and mitigation. Environmental safeguards are supported through structured air and water quality monitoring programmes at our operating sites. Annual stack emissions testing for boiler is conducted in accordance with local environmental regulations and requirements, covering Total Particulate Matter (“TPM”), nitrogen oxides (NOx), sulphur oxides (SOx) and dark smoke observations. Wastewater treatment plant effluent is monitored for Biochemical Oxygen Demand (“BOD”), Chemical Oxygen Demand (“COD”), Total Suspended Solids (“TSS”), pH levels and oil and grease content, with monitoring conducted in frequencies as stipulated by local environmental regulations at all applicable sites. During FY2025, there were no environmental fines and penalties recorded, reinforcing the importance of ongoing monitoring, operational controls and employee awareness in safeguarding environmental performance.

\* Operating sites are defined as Texchem Group worksites that are engaged in active manufacturing processes, specifically facilities operated by the Polymer Engineering, Industrial and Venture Business Divisions.

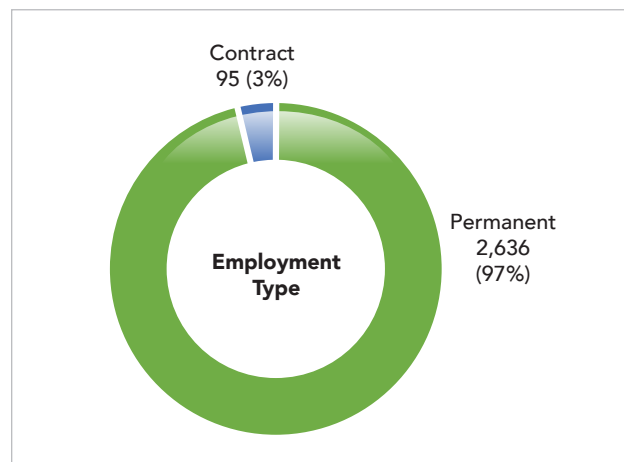
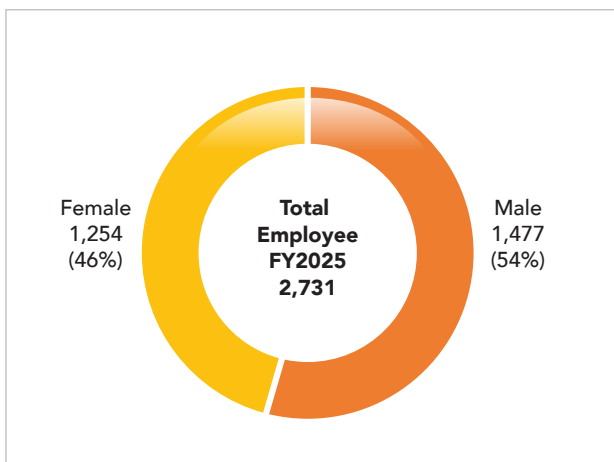
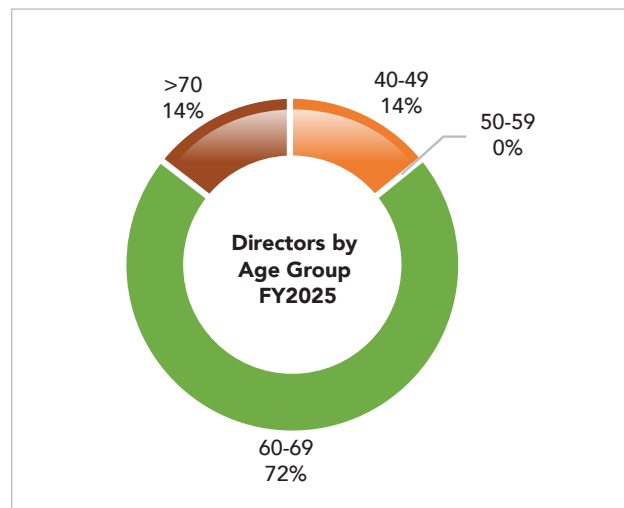
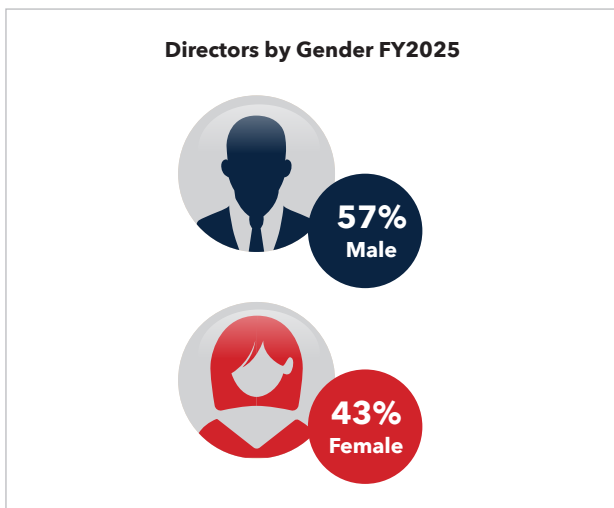
## SUSTAINABILITY STATEMENT (CONT'D)

### SOCIAL

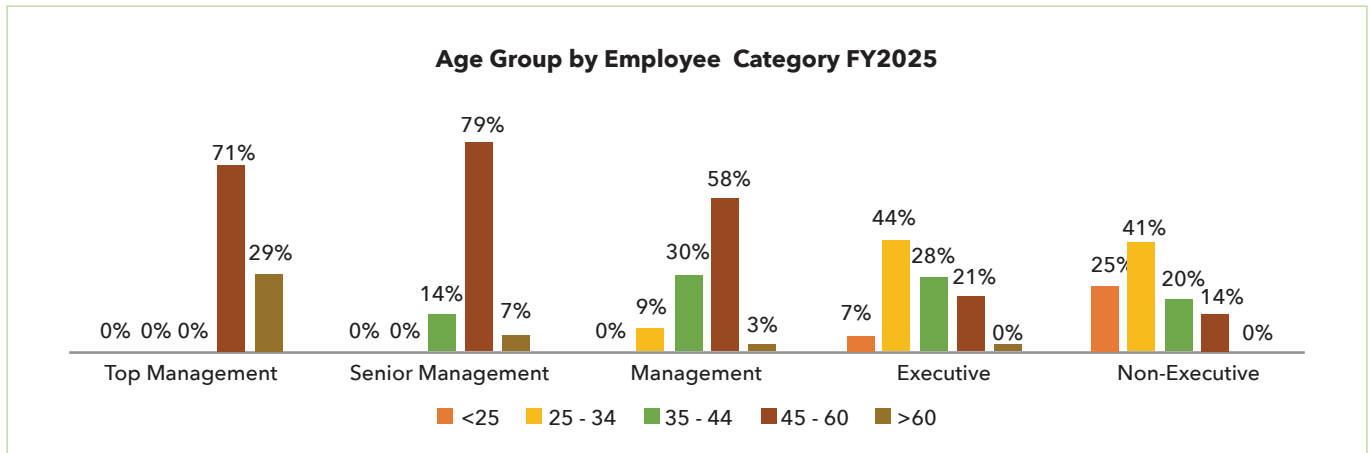
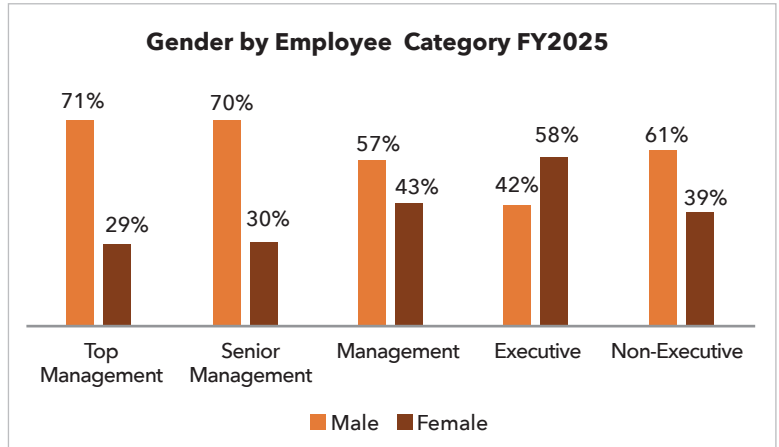
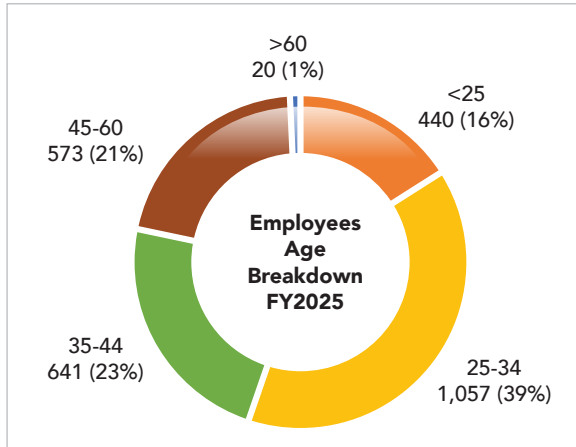
At Texchem Group, the social pillar is managed through a people-centred approach including responsible labour practices and a commitment to employee well-being, growth and safety. The Group promotes diversity, equity and inclusion, upholds human rights and occupational health and safety standards and engages with communities in a responsible and meaningful manner to create shared value and support long-term social sustainability.

#### Diversity, Equity and Inclusion

Texchem Group recognises that our people are central to the Group's long-term growth and performance. We are committed to providing a respectful and inclusive workplace where employees are treated fairly and given equal opportunities to develop and succeed. Discrimination of any form is not tolerated and all employment decisions are based on merit, without regard to age, race, ethnicity, nationality, gender, religion, disability and sexual orientation. As at the reporting date, the Group does not have any employees with disabilities in our midst. The Group remains open to future opportunities to employing persons with disabilities or individuals from under-privileged or marginalised groups, including those from disadvantaged socio-economic background or those with limited formal education or qualifications, subject to role suitability and operational requirements.



SUSTAINABILITY STATEMENT (CONT'D)




Employee Turnover	FY2025
Top Management	0
Senior Management	5
Management	29
Executive	146
Non-Executive	524
Total	704

Our overall employee turnover rate is 25.8% for the reporting period. Due to the nature of the business, our Restaurant Division's employee turnover was at 15.5%, an improvement from FY2024 of 20.1%. We will continuously work towards improving our turnover rate.

Texchem Group's talent management approach is underpinned by merit-based selection and inclusive practices across the employment lifecycle, encompassing recruitment, remuneration, professional development and career progression. The Group believes that fostering a diverse, equitable and inclusive culture enhances productivity, encourages innovation and strengthens team cohesion.

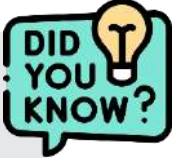
## SUSTAINABILITY STATEMENT (CONT'D)

As at the reporting period, the Group’s Board comprises a male-to-female ratio of 1:0.75, reflecting compliance with and exceeding the requirements of the MCCG 2021, which mandates that listed companies achieve at least 30% women representation on boards. In this regard, Texchem Group remains committed to further enhancing gender diversity at the Board level as suitable opportunities arise.




**UN WOMEN**  
United Nations Entity for Gender Equality and the Empowerment of Women

**People | Inclusion | Talent**  
 Texchem Group is a **signatory to the United Nations Women’s Empowerment Principles (“WEPs”)**, reinforcing our commitment to **gender equality, inclusive workplaces and equal opportunities**. We support women’s development and leadership progression through **fair, merit-based and respectful workplace practices across the Group**.




### Capacity Building and Talent Development

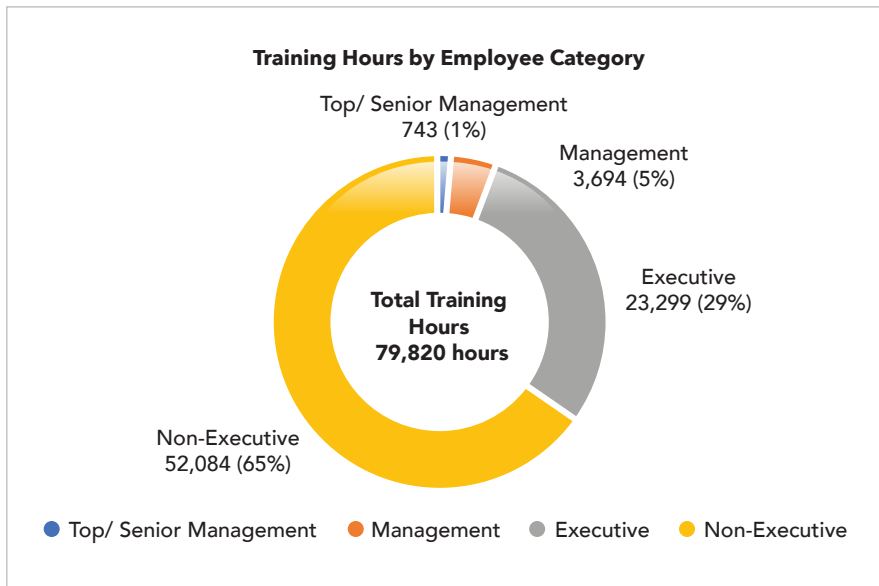
At Texchem Group, we place strong emphasis on workforce development, investing continually in our people through a comprehensive employee development strategy.



**Total Training Hours**  
**79,820 hours**



**Average Training Hours per employee**  
**22.5 hours**



### Technical Skills Enhancement

We invest in our people through targeted training and certification programmes that support employee growth, strengthen technical know-how, enhance industry knowledge and enabling employees in keeping abreast with latest technologies to elevate operational efficiency and business excellence standards.

## SUSTAINABILITY STATEMENT (CONT'D)

### Personal Development Programme

We implement structured programmes to nurture communication, collaboration and leadership capabilities, including leadership development programmes, mentoring initiatives and coaching relationships that support high-potential employees in preparing for greater responsibilities and future leadership roles.

For more information on our training and development strategy, kindly visit our website at <https://texchemgroup.com/encourage-growth/>.

### Compliance and Safety

Texchem Group maintains a strong focus on occupational safety, regulatory compliance and operational integrity across our operations. Employees are regularly trained on occupational safety and health (“OSH”) standards and work-related safety trainings to reinforce safe, compliant, environmentally responsible and efficient practices throughout the Group.

### Succession Planning

Texchem Group adopts a structured and systematic approach to developing our leadership pipeline. Key components of this approach include Talent Pool Programmes, annual succession planning reviews for critical roles and mentoring relationships between senior leaders and high-potential employees. These capability-building initiatives are aligned with the Group’s strategic business needs to ensure leadership continuity, organisational resilience and readiness for future leadership requirements.

Texchem Group will continue to foster a culture of continuous learning, capability enhancement and leadership development, with particular focus on strengthening succession planning for critical roles, ensuring our workforce remains skilled, motivated and aligned with the Group’s long-term strategic objectives.



### Texchem Group’s Twin Triumph

In June 2025, Texchem Group was awarded the prestigious Malaysia Best Employer Brand Awards 2025, endorsed by CHRO Asia and certified by the World Federation of HR Professionals, places Texchem Group among Malaysia’s most distinguished employers. In the same event, Ms Cynthia Ooi, Texchem Group’s Chief Administrative Officer (CAO) & Chief Human Resource Officer (CHRO), was honoured as CHRO of the Year under the renowned Business Leader of the Year® programme. This recognition reinforces our commitment to leadership continuity and positions Texchem as a benchmark for talent development excellence within the industry.

## SUSTAINABILITY STATEMENT (CONT'D)

### Labour Practices and Standards and Human Rights

At Texchem Group, we prioritise the protection of human and labour rights across all our operations. In alignment with the United Nations Global Compact (“UNGC”) Principles, we are committed to upholding the dignity, safety and fair treatment of all employees. Our approach is guided by several key commitments to ensure a responsible, ethical and compliant work environment:

- **Safe Working and Living Conditions** - We provide workplaces and accommodations for foreign employees that meet the regulatory requirements. Employees’ housing is established in accordance with the Workers’ Minimum Standards of Housing, Accommodations and Amenities (Amendment) Act 2019 (Act 446), ensuring safety, hygiene and adequate facilities.
- **Fair Compensation** - We ensure that all employees receive fair and equitable compensation in compliance with Malaysia’s Minimum Wage Order 2025, including appropriate remuneration for overtime hours. The Group’s compensation practices fully comply with local labour laws and standards in all jurisdictions where Texchem Group operates.
- **Pay-for-Performance** - Texchem Group maintains a merit-based, pay-for-performance approach to support fair and equitable compensation practices for employees. Periodic internal pay equity reviews are undertaken to identify and address potential disparities where identified. Remuneration decisions are guided by objective criteria, including performance, skills and individual contribution, without discrimination based on gender, race or other protected characteristics.
- **Freedom of Association** - We respect and support employees’ rights to join trade unions, professional associations or other non-governmental organisations.
- **Collective Bargaining** - Texchem Group engages constructively with employee representatives where collective bargaining applies, ensuring open communication and fair negotiation.
- **Child Labour and Forced Labour** - Child labour and any form of forced or compulsory labour are strictly prohibited across all operations and supply chains.
- **Working Hours and Labour Standards** - Texchem Group complies with statutory working hours requirements in the jurisdictions where it operates and maintains ongoing efforts in monitoring and managing working hour arrangements to address the risk of excessive working hours and protect employee health and safety.

In FY2025, there were no reported incidents of human rights violations and labour standards non-compliance, reflecting our ongoing commitment to ethical business practices and a safe, respectful workplace.

## SUSTAINABILITY STATEMENT (CONT'D)

### Occupational Health and Safety

Texchem Group is committed to fostering a safe and healthy workplace for all employees and contractors, recognising that strong OSH practices underpin both business performance and our moral responsibilities. Board oversight on health and safety risks ensures that OSH remains a strategic priority, as we acknowledge that any serious incident can impact our licence to operate, financial performance, stakeholder confidence and brand reputation.

Compliance with legal requirements is integral to our operations. We maintain a zero-tolerance approach to unsafe acts and conditions across all workplaces, adhering to the Occupational Safety and Health Act 1994 (OSHA) in Malaysia, as well as applicable workplace safety regulations in all countries where we operate.

### OSH Management

Active workforce involvement is key to maintaining safe and healthy working environments. Health and Safety Committees have been established at all operational sites to oversee the implementation of Texchem Group’s policies and standard operating procedures and provide a platform for employees to raise workplace safety concerns. These committees comprise employee representatives and management members, enabling open dialogue and collaborative discussion on matters relating to health, safety and wellbeing at the workplace. At Texchem Group, safety is a shared responsibility and every individual is expected to play an active role in safeguarding the welfare of the workforce.

**Safety standards training (but not limited to):**

OSH coordinator, safety and 5S auditor, machinery, emergency response team, first aid and CPR etc

**General safety training conducted (but not limited to):**

Electrical safety, workplace crisis management, emergency preparedness, fire prevention and drill, safe food handling, safe chemical handling, Global Recycled Standard (GRS) awareness, process technical and safety, heat stroke etc

**2,677** employees trained in safety and health standards across all Divisions

**7,228** hours clocked on safety and health training across all Divisions

Through the Hazard Identification, Risk Assessment and Risk Control (HIRARC) process, potential hazards and risks are identified and mitigated to ensure residual risks are kept as low as reasonably practicable. Our incident reporting procedures outline clear lines of reporting, investigation protocols, corrective and preventive measures and communication of lessons learned to prevent recurrence. Regular OSH training is provided to employees and contractors to equip them with the knowledge and skills required to perform their duties safely and to respond effectively in emergencies and critical situations.

## SUSTAINABILITY STATEMENT (CONT'D)

### OSH Performance

Texchem Group is proud to report that there were no fatal accidents across all Divisions, a testament to our commitment to safeguarding workforce health, safety and welfare. We will continue to uphold these high standards, ensuring compliance with new regulations and maintaining our clean safety record. Our goal is for every employee and contractor to return home safely at the end of each workday.

Occupational Health and Safety	FY2025	FY2024	FY2023
Worked man-hours (hours)	8,442,140	8,035,266	8,971,554
Fatal accidents			
- Texchem Group employees	0	0	0
- Contractors' employees	0	0	0
Lost time incident rate ("LTIR")	0.26	0.42	0.38

Note:

1. LTIR is defined as (Total number of lost time injuries / Total number of hours worked) x 200,000
2. Number of hours worked for the calculation of LTIR includes both Texchem Group employees and contractors

### Community Relations

Social responsibility drives our approach to community engagement. Through strategic community investments, employee volunteering and local partnerships, we create lasting positive impact while building trust and relationships.

Our Code of Conduct and Ethics guides engagement across all operations, ensuring we act responsibly wherever we work. Collaborating closely with community partners, we focus our efforts on areas that matter most to the health and well-being of communities, with particular emphasis on children's health. These initiatives address urgent social needs by strengthening community resilience through improved access to nutrition, education support and disaster relief.

In addition, we support environmental protection as well as arts and cultural initiatives, recognising their importance in safeguarding shared heritage and natural spaces. Our environmental stewardship efforts include initiatives such as Trash Free Hill and beach clean-up activities, where employees actively contribute to preserving public and coastal environments while strengthening sustainability awareness.

We also support cultural events such as the Yosakoi Parade and Aki Matsuri, which celebrate cultural diversity and foster community connection through shared cultural and recreational experiences. Through these efforts, we seek to protect and leave a lasting legacy for communities today, one that can be preserved and valued by generations to come.

Our community engagement efforts in FY2025 demonstrate significant impact across multiple dimensions:

	FY2025 Achievement
Total Community Investment	RM 117,657
Number of Community Programmes	16 programmes
Total Beneficiaries Reached	725 beneficiaries
Employee Volunteer Hours	523 hours

For more information on our social impact projects, please visit our website at <https://texchemgroup.com/esg-social/>.

## SUSTAINABILITY STATEMENT (CONT'D)

### Health and Wellbeing

#### *"Back to School" Healthy Meal Programme*

Texchem Group reaffirmed our commitment to protecting and promoting children’s rights, guided by the Children’s Rights and Business Principles. As part of this commitment, our “Back to School” Healthy Meal Programme invested RM54,772 to provide daily nutritious meals to 81 students from B40 families in Malaysia across selected schools. We recognise that access to nutrition supports physical growth and cognitive development, enabling children to learn effectively through a balanced diet.

The programme also helps ease the financial burden on families, allowing parents to allocate limited resources towards essential school needs such as uniforms, supplies and transportation. In doing so, the initiative supports more equitable access to education while strengthening family financial resilience.

Through efforts such as this, Texchem Group continues to create meaningful, long-term impact within the communities where we operate, supporting children to thrive today and contribute to a stronger future.

#### *Earthquake Relief Support – Myanmar*

In March 2025, Texchem Group provided assistance to approximately 2,000 families and surrounding communities affected by a severe earthquake in Myeik, Myanmar. Leveraging our local presence and resources, we delivered timely relief in the form of food, essential supplies and emergency aid.

This swift and coordinated response demonstrated Texchem Group’s strong commitment to the well-being of the communities in which we operate. By integrating our business values with community-driven action, we ensure that our operational footprint goes hand in hand with social responsibility, reinforcing a future in which Texchem Group’s growth contributes meaningfully to the resilience and well-being of the communities we serve.

**In May 2025, Texchem Group extended our support to employees’ families in Myanmar through the Annual Education Support Programme, benefiting 60 families by providing educational stationery to children of employees facing financial challenges. This support helps ensure that students have the essential tools needed to participate fully in their studies.**



**Through employee volunteering efforts, the programme facilitated access to education by easing financial pressures on families, reflecting Texchem Group’s culture of employee engagement and our commitment to the long-term development of the communities where we operate.**

## SUSTAINABILITY STATEMENT (CONT'D)

Date & Time: 2026-03-16 10:48:32  
FYE 31/12/2025

**Texchem Resources Berhad**  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Community Relations	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	117,657,000	-	Internal
Community Relations	Total number of beneficiaries of the investment in communities	Number	725	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by gender, for each employee category - Top Management Male	Percentage	71.43%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by gender, for each employee category - Top Management Female	Percentage	28.57%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by gender, for each employee category - Senior Management Male	Percentage	70.45%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by gender, for each employee category - Senior Management Female	Percentage	29.55%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by gender, for each employee category - Management Male	Percentage	57.28%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by gender, for each employee category - Management Female	Percentage	42.72%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by gender, for each employee category - Executive Male	Percentage	42.28%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by gender, for each employee category - Executive Female	Percentage	57.72%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by gender, for each employee category - Non-executive Male	Percentage	60.87%	-	Internal

SUSTAINABILITY STATEMENT (CONT'D)

Date & Time: 2026-03-16 10:48:32  
 FYE 31/12/2025

Texchem Resources Berhad  
 BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity, Equity and Inclusion	Percentage of employees by gender, for each employee category - Non-executive Female	Percentage	39.13%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Top Management Under 25	Percentage	0.00%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Top Management Between 25 - 34	Percentage	0.00%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Top Management Between 35 - 44	Percentage	0.00%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Top Management Between 45 - 60	Percentage	71.43%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Top Management Above 60	Percentage	28.57%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Senior Management Under 25	Percentage	0.00%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Senior Management Between 25 - 34	Percentage	0.00%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Senior Management Between 35 - 44	Percentage	13.64%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Senior Management Between 45 - 60	Percentage	79.55%	-	Internal

## SUSTAINABILITY STATEMENT (CONT'D)

Date & Time: 2026-03-16 10:48:32  
FYE 31/12/2025

**Texchem Resources Berhad**  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Senior Management Above 60	Percentage	6.81%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Management Under 25	Percentage	0.00%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Management Between 25 - 34	Percentage	9.22%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Management Between 35 - 44	Percentage	30.10%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Management Between 45 - 60	Percentage	58.25%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Management Above 60	Percentage	2.43%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Executive Under 25	Percentage	6.81%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Executive Between 25 - 34	Percentage	43.29%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Executive Between 35 - 44	Percentage	28.25%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Executive Between 45 - 60	Percentage	21.24%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Executive Above 60	Percentage	0.41%	-	Internal

## SUSTAINABILITY STATEMENT (CONT'D)

Date & Time: 2026-03-16 10:48:32  
FYE 31/12/2025

**Texchem Resources Berhad**  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Non-executive Under 25	Percentage	25.03%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Non-executive Between 25 - 34	Percentage	41.08%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Non-executive Between 35 - 44	Percentage	19.80%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Non-executive Between 45 - 60	Percentage	13.69%	-	Internal
Diversity, Equity and Inclusion	Percentage of employees by age group, for each employee category - Non-executive Above 60	Percentage	0.40%	-	Internal
Diversity, Equity and Inclusion	Percentage of directors by gender - Male	Percentage	57.14%	Less than 70%	Internal
Diversity, Equity and Inclusion	Percentage of directors by gender - Female	Percentage	42.86%	At least 30%	Internal
Diversity, Equity and Inclusion	Percentage of directors by age group - Between 40 - 49	Percentage	14.29%	-	Internal
Diversity, Equity and Inclusion	Percentage of directors by age group - Between 50 - 59	Percentage	0.00%	-	Internal
Diversity, Equity and Inclusion	Percentage of directors by age group - Between 60 - 69	Percentage	71.42%	-	Internal
Diversity, Equity and Inclusion	Percentage of directors by age group - Above 70	Percentage	14.29%	-	Internal

## SUSTAINABILITY STATEMENT (CONT'D)

Date & Time: 2026-03-16 10:48:32  
FYE 31/12/2025

**Texchem Resources Berhad**  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Governance and Ethics	Percentage of employees who have received training on anti-corruption by employee category - Top Management	Percentage	100.00%	100.00%	No assurance
Governance and Ethics	Percentage of employees who have received training on anti-corruption by employee category - Senior Management	Percentage	100.00%	100.00%	No assurance
Governance and Ethics	Percentage of employees who have received training on anti-corruption by employee category - Management	Percentage	100.00%	100.00%	No assurance
Governance and Ethics	Percentage of employees who have received training on anti-corruption by employee category - Executive	Percentage	100.00%	100.00%	No assurance
Governance and Ethics	Percentage of employees who have received training on anti-corruption by employee category - Non-executive	Percentage	100.00%	100.00%	No assurance
Governance and Ethics	Percentage of operations assessed for corruption-related risks	Percentage	100.00%	100.00%	Internal
Governance and Ethics	Confirmed incidents of corruption and action taken	Number	0	0	Internal
Climate Change and Adaptation	Total energy consumption	Megawatt	103,230.00	-	No assurance
Occupational Health and Safety	Number of work-related fatalities	Number	0	0	Internal
Occupational Health and Safety	Lost time incident rate	Rate	0.26	-	Internal
Occupational Health and Safety	Number of employees trained on health and safety standards	Number	2,677	-	Internal

## SUSTAINABILITY STATEMENT (CONT'D)

Date & Time: 2026-03-16 10:48:32  
FYE 31/12/2025

**Texchem Resources Berhad**  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Labour Practices and Human Rights	Total hours of training by employee category - Total Employees	Hours	79,820	-	No assurance
Labour Practices and Human Rights	Total hours of training by employee category - Top Management	Hours	116	-	No assurance
Labour Practices and Human Rights	Total hours of training by employee category - Senior Management	Hours	627	-	No assurance
Labour Practices and Human Rights	Total hours of training by employee category - Management	Hours	3,694	-	No assurance
Labour Practices and Human Rights	Total hours of training by employee category - Executive	Hours	23,299	-	No assurance
Labour Practices and Human Rights	Total hours of training by employee category - Non-executive	Hours	52,084	-	No assurance
Labour Practices and Human Rights	Percentage of employees that are contractors or temporary staff	Percentage	3.48%	-	Internal
Labour Practices and Human Rights	Total number of employee turnover by employee category - Top Management	Number	0	-	Internal
Labour Practices and Human Rights	Total number of employee turnover by employee category - Senior Management	Number	5	-	Internal
Labour Practices and Human Rights	Total number of employee turnover by employee category - Management	Number	29	-	Internal
Labour Practices and Human Rights	Total number of employee turnover by employee category - Executive	Number	146	-	Internal

## SUSTAINABILITY STATEMENT (CONT'D)

Date & Time: 2026-03-16 10:48:32  
FYE 31/12/2025

Texchem Resources Berhad  
BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Labour Practices and Human Rights	Total number of employee turnover by employee category - Non-executive	Number	524	-	Internal
Labour Practices and Human Rights	Number of substantiated complaints concerning human rights violations	Number	0	0	Internal
Supply Chain Management	Proportion of spending on local suppliers	Percentage	41.70%	-	Internal
Cybersecurity and Data Protection	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	Internal
Water	Total volume of water used	Megalitres	541.60	-	No assurance
Resources and Waste Management	Total waste generated	Metric Tonnes	3,664.0	-	No assurance
Resources and Waste Management	Total waste diverted from disposal	Metric Tonnes	2,793.8	-	No assurance
Resources and Waste Management	Total waste directed to disposal	Metric Tonnes	831.3	-	No assurance
Resources and Waste Management	Total Schedule Waste	Metric Tonnes	38.9	-	No assurance
Climate Change and Adaptation	Scope 1 emissions	Metric Tonnes	4,806.6	-	No assurance
Climate Change and Adaptation	Scope 2 emissions	Metric Tonnes	27,478.2	-	No assurance
Climate Change and Adaptation	Scope 3 emissions	Metric Tonnes	13,346.2	-	No assurance

## DIRECTORS' RESPONSIBILITY STATEMENT IN RESPECT OF THE PREPARATION OF THE AUDITED FINANCIAL STATEMENTS

The Board is responsible for ensuring that the financial statements give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025, and of their financial performance and cash flows for the financial year then ended. In preparing the financial statements, the Directors have ensured that the applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia have been complied with.

In preparing the financial statements, the Directors have selected and applied consistently suitable accounting policies and made reasonable and prudent judgement and estimates. The Directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

## OTHER DISCLOSURES

### MATERIAL CONTRACTS INVOLVING DIRECTORS OR MAJOR SHAREHOLDERS' INTEREST DURING THE FINANCIAL YEAR

There were no material contracts entered into by the Company and/or its subsidiaries involving the interests of the directors or major shareholders (not being contracts entered into in the ordinary course of business), either still subsisting at the end of the financial year ended 31 December 2025 or entered into since the end of the previous financial year.

### RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

Save as disclosed in the Circular to Shareholders dated 30 March 2026 in relation to Part A-Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature, there was no other transaction conducted pursuant to the shareholders' mandate during the financial year ended 31 December 2025.

### EMPLOYEES' SHARE OPTION SCHEME

The shareholders of the Company in its Extraordinary General Meeting held on 22 April 2022 approved the establishment of the Employees' Share Option Scheme ("ESOS") of up to 15% of the total number of issued shares of Texchem Resources Bhd. ("TRB") (excluding treasury shares, if any) ("Total Options") for the eligible Executive Directors and employees of TRB and its subsidiaries (excluding subsidiaries which are dormant, if any) ("Texchem Group").

The effective date of implementation of the ESOS was 27 April 2022. The ESOS is for a period of 5 years and would expire on 26 April 2027 subject to an extension in accordance with the By-Laws of the ESOS. On 29 April 2022, a total of 10,806,000 options were offered to the Executive Directors and employees of TRB at the exercise price of RM2.45 each.

During the financial year, the total number of ESOS options granted, exercised, terminated and outstanding under the ESOS are set out in the table below:

Category	Number of options				Balance at 31 December 2025
	Balance at 1 January 2025	Granted	(Exercised)	(Terminated*)	
Executive Directors	4,961,000	-	-	(2,100,000)	2,861,000
Employees	1,991,500	-	-	-	1,991,500
Total	6,952,500	-	-	(2,100,000)	4,852,500

\* The options were terminated as a result of cessation of employment.

During the financial year, no options were granted, exercised or shares vested pursuant to the ESOS.

Pursuant to the By-Laws of the ESOS, not more than 80% of the Total Options available under the scheme shall be allotted, in aggregate, to the Executive Directors and senior management. During the financial year ended 31 December 2025, no options were granted to the Executive Directors and senior management. Since the date of implementation of the ESOS, 61.5% of the Total Options have been granted to the Executive Directors and senior management of Texchem Group.

The By-Laws of the ESOS provide that all Non-Executive Directors of TRB shall not be entitled to participate in the ESOS.

## OTHER DISCLOSURES (CONT'D)

### DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

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

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

	Remarks	Group	
		2025 RM'000	2024 RM'000
<b>Total Income</b>			
Revenue		1,110,722	1,117,942
Other income		9,052	9,184
Interest/Finance income		1,184	1,066
Share of profit of associates		223	1,554
<b>Total</b>		<b>1,121,181</b>	<b>1,129,746</b>
<b>Total Assets</b>		<b>762,419</b>	<b>771,352</b>

#### (b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group	
		2025 RM'000	2024 RM'000
Food and beverages without halal certification from JAKIM or any certification bodies recognized by JAKIM		6,713	4,496
Other activities deemed non-compliant according to Shariah principles as determined by the SAC (please specify in the remarks column)	Provision of seafood freezing services	1,726	1,393
Interest income		1,063	1,066
Insurance services		1,673	1,271
Rental income received from tenant involved in Shariah non-compliant activities		4	4
<b>Total</b>		<b>11,179</b>	<b>8,230</b>

#### (c) Component of Financial Position

##### (i) Cash Component

Islamic Account/Instruments	Remarks	Group	
		2025 RM'000	2024 RM'000
Cash and bank balances (exclude cash in hand)		2,528	89
Short-term deposits		8,380	-
<b>Total Cash</b>		<b>10,908</b>	<b>89</b>

## OTHER DISCLOSURES (CONT'D)

## DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (Cont'd)

## (c) Component of Financial Position (Cont'd)

## (i) Cash Component (Cont'd)

Conventional Account/Instruments	Remarks	Group	
		2025 RM'000	2024 RM'000
Cash and bank balances (exclude cash in hand)		75,754	82,417
Short-term deposits		7,709	9,118
<b>Total Cash</b>		<b>83,463</b>	<b>91,535</b>

## (ii) Debt Component

Islamic Financing	Remarks	Group	
		2025 RM'000	2024 RM'000
<b>Current</b>			
Bank overdrafts		-	1,581
Banker's acceptances		3,148	2,562
Hire purchase payables		238	316
Revolving credit and loans		2,500	2,500
Term loans		4,440	-
<b>Non-Current</b>			
Revolving credit and loans		9,300	11,980
Term loans		8,450	-
Hire purchase payables		46	178
<b>Total Financing</b>		<b>28,122</b>	<b>19,117</b>

Conventional Borrowing	Remarks	Group	
		2025 RM'000	2024 RM'000
<b>Current</b>			
Bank overdrafts		279	12,076
Banker's acceptances		44,658	47,406
Hire purchase payables		3,882	2,653
Revolving credit and loans		69,944	67,046
Term loans		9,258	11,485
Trade financing		4,525	7,076
Trust receipt		14,841	7,259
<b>Non-Current</b>			
Revolving credit and loans		12,567	10,920
Term loans		17,074	23,152
Hire purchase payables		8,900	4,339
<b>Total Debt</b>		<b>185,928</b>	<b>193,412</b>

## ANALYSIS OF SHAREHOLDINGS

As at 12 March 2026

Total no. of Issued Shares	-	126,372,735 ordinary shares (including 9,281,800 treasury shares)
Class of Shares	-	Ordinary shares
Voting Rights	-	One vote per ordinary share
No. of Voting Shares	-	117,090,935

### SHAREHOLDING STATISTICS

Size of Holdings	No. of Shareholders	%	Total Holdings*	%**
Less than 100 shares	254	7.22	9,714	0.01
100 - 1,000 shares	602	17.12	345,253	0.30
1,001 - 10,000 shares	1,855	52.76	8,388,732	7.16
10,001 - 100,000 shares	718	20.42	21,125,229	18.04
100,001 to less than 5% of issued shares	86	2.45	33,902,035	28.95
5% and above of issued shares	1	0.03	53,319,972	45.54
<b>Total</b>	<b>3,516</b>	<b>100.00</b>	<b>117,090,935</b>	<b>100.00</b>

### SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS

No.	Name	No. of Shares Held in the Company			
		Direct	%**	Deemed	%**
1.	Texchem Holdings Sdn. Bhd.	53,319,972	45.54	-	-
2.	Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	1,539,000	1.31	58,537,494 <sup>(a)</sup>	49.99 <sup>(a)</sup>

### DIRECTORS' INTERESTS IN SHARES AND SHARE OPTIONS HELD UNDER THE EMPLOYEES' SHARE OPTION SCHEME

No.	Name	No. of Shares Held in the Company				Number of Options over Shares	
		Direct	%**	Deemed	%**	Direct	Deemed
1.	Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	1,539,000	1.31	58,537,494 <sup>(a)</sup>	49.99 <sup>(a)</sup>	1,228,000	1,633,000 <sup>(b)</sup>
2.	Dr Yuma Konishi	120,000	0.10	-	-	1,633,000	-
3.	Cynthia Ooi Gaik See	340,000	0.29	-	-	560,000	-

#### Notes:

\* Excluding 9,281,800 treasury shares.

\*\* Calculated based on 117,090,935 ordinary shares.

<sup>(a)</sup> Deemed interest by virtue of Tan Sri Dato' Seri (Dr.) Fumihiko Konishi's direct and/or indirect interest in Texchem Holdings Sdn. Bhd. (a substantial shareholder of the Company) and via persons connected with him, i.e. his wife, Puan Sri Datin Seri Atsuko Konishi (a shareholder of Texchem Holdings Sdn. Bhd. and the Company) and his children, Ms Mika Konishi, Ms Mari Konishi and Dr Yuma Konishi (a shareholder of Texchem Holdings Sdn. Bhd. and the Company), pursuant to Sections 8 and 59(11)(c) of the Companies Act 2016 respectively.

<sup>(b)</sup> These are options held in the name of the child and are regarded as interests of the Director in accordance with the Companies Act 2016.

The details of the interests of the Directors (including the interests of the spouses and/or children of the Directors) in the Company's related corporations are the same as the details set out in the section on Directors' Interests in the Directors' Report of this Annual Report.

## ANALYSIS OF SHAREHOLDINGS (CONT'D)

As at 12 March 2026

## THIRTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%*
1.	TEXCHEM HOLDINGS SDN BHD	53,319,972	45.54
2.	BLOOD PROTECTION (HOLDING) CO LTD	2,339,884	2.00
3.	ATSUKO KONISHI	2,234,694	1.91
4.	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR PUI CHENG WUI	2,120,600	1.81
5.	MAN BIN MAT	2,050,000	1.75
6.	FUMIHIKO KONISHI	1,539,000	1.31
7.	MARI KONISHI	1,431,414	1.22
8.	MIKA KONISHI	1,431,414	1.22
9.	LEONG KONG MIN	1,164,000	0.99
10.	EYE CORPORATE PLANNING CO LTD	943,000	0.81
11.	YAP KEE KEONG	900,000	0.77
12.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LOOI CHIN BOON	756,700	0.65
13.	CARTABAN NOMINEES (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR ACADIAN EMERGING MARKETS MICRO- CAP EQUITY MASTER FUND	596,700	0.51
14.	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEE SEE KIM	580,000	0.49
15.	LIM BEE GEOK	560,500	0.48
16.	LOW CHU MOOI	530,000	0.45
17.	CHEW KAI TIONG	435,300	0.37
18.	UNITED FORMULA SDN BHD	369,300	0.32
19.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAY CHUN GEE (E-KLC)	360,400	0.31
20.	YUTAKA YAMANAKA	359,893	0.31
21.	YONG SING YIEU	350,000	0.30
22.	CYNTHIA OOI GAIK SEE	340,000	0.29
23.	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SIM LEONG THUN (E-SS2)	331,000	0.28
24.	LIM HOCK SING	325,000	0.28
25.	CARTABAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR STANDARD CHARTERED BANK MALAYSIA BERHAD (WEALTH MANAGEMENT) (TEMPATAN)	321,100	0.27
26.	LIM LI HUI	317,200	0.27
27.	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ABD RASHID BIN SELAMAT	308,600	0.26
28.	GET HOLDINGS SDN BHD	300,000	0.26
29.	LEONG CHON LOONG	300,000	0.26
30.	WOON SEOW LOONG	300,000	0.26
<b>TOTAL:</b>		<b>77,215,671</b>	<b>65.95</b>

**Note:**

\* Excluding 9,281,800 treasury shares and calculated based on 117,090,935 ordinary shares.

## PARTICULARS OF PROPERTIES

Held as at 31 December 2025

Location	Tenure	Area (acre(s))	Description	Approximate Age of Building (years)	Expiry Date	Date of Acquisition/ *Revaluation	Net Book Value (RM'000)
<b>Texchem Materials Sdn. Bhd.</b> No. 6 & 6A, Jalan Tampoi 7/4, Kawasan Perusahaan Tampoi, 81200 Johor Bahru, Johor Darul Takzim.	Freehold	2.54	Office & Warehouse	37	N/A	2 September 1999	4,602
<b>Texchem-Pack (M) Sdn. Bhd.</b> No. 1465, Mukim 11, Lorong Perusahaan Maju 6, Fasa 4, Kawasan Perindustrian Perai, 13600 Perai, Penang.	Leasehold 60 years	3.96	Office & Factory	Between 24 to 33	29 June 2052	*1 December 1994	5,003
<b>Texchem-Pack (PP) Sdn. Bhd.</b> Part of Lot 1241, Phase III, Bayan Lepas Free Industrial Zone, 11900 Penang.	Leasehold 60 years	3.78	Office & Factory	Between 26 to 46	27 August 2041	*26 April 1983	4,101
<b>Texchem-Pack (Johor) Sdn. Bhd.</b> No. 3, Jalan Mutiara 7, Taman Perindustrian Plentong, 81750 Masai, Johor Darul Takzim.	Freehold	0.97	Office & Factory	Between 29 to 30	N/A	21 October 1998	3,808
<b>Eye Graphic Sdn. Bhd.</b> No. 5, Lorong Perusahaan Maju 11, Taman Perusahaan Pelangi, 13600 Perai, Penang.	Freehold	0.27	Office & Factory	29	N/A	16 April 1996	818
<b>Texchem Life Sciences Sdn. Bhd.</b> Lot 3, Jalan P/6, Kawasan Perindustrian Bangi, 43650 Bandar Baru Bangi, Selangor Darul Ehsan.	Leasehold 99 years	2.01	Office, Factory & Store	34	29 September 2086	*7 September 2004	6,488
<b>Texchem-Pack (Thailand) Co., Ltd.</b> 234, Moo 2, Bangpa-in Industrial Estate, Udomsrayut Road, Tambol Klong-jig, Amphur Bangpa-in, Phranakorn Sri Ayutthaya Province, 13160 Thailand.	Freehold	8.56	Office & Factory	32	N/A	3 May 2007	10,969
<b>Wilpack Food Services Sdn. Bhd.</b> No. 2446, Mk 1, Solok Perusahaan Satu, Kawasan Perindustrian Perai, 13600 Perai, Penang.	Leasehold 60 years	1	Office & Factory	43	25 July 2042	15 July 1983	730
Plot 78(a), Perai Industrial Park, Daerah Seberang Perai Tengah, Penang.	Leasehold 60 years	0.19	Store & Canteen	43	20 September 2070	7 May 2008	69
<b>Texchem Corporation Sdn. Bhd.</b> Lot Nos. 808 & 809, Jalan Subang 5, Taman Perindustrian Subang, 47610 Subang Jaya, Selangor Darul Ehsan.	Freehold	5.01	Office & Warehouse	32	N/A	28 October 2015	24,390

# FINANCIAL STATEMENTS



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## DIRECTORS' REPORT

For the 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 principal activity of the Company is investment holding whilst the principal activities and details of the subsidiaries are disclosed in Note 5 to the financial statements.

There has been no significant change in the nature of these activities during the financial year.

### Results

	<b>Group RM'000</b>	<b>Company RM'000</b>
Profit for the year attributable to :		
Owners of the Company	3,409	22,475
Non-controlling interests	1,469	-
	<u>4,878</u>	<u>22,475</u>

### 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

No dividend was paid since the end of the previous financial year end and the Directors do not propose any dividend to be paid for the financial year under review.

## DIRECTORS' REPORT (CONT'D)

For the year ended 31 December 2025

### Directors of the Company

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

Tan Sri Dato' Seri (Dr.) Fumihiko Konishi, PSM, DGPN, DSPN, DJN  
 Dr Yuma Konishi, DJN  
 Dato' Azman Bin Mahmud, DPMP, DPSJ, SSP, AMP  
 Jony Raw  
 Azian Binti Mohd Yusof  
 Mariam Binti Jamal  
 Cynthia Ooi Gaik See

In accordance with Article 22.3 of the Company's Constitution, Dato' Azman Bin Mahmud and Mr Jony Raw will retire from the Board at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-election.

### Directors of the subsidiaries

The Directors of the Company's subsidiaries who served on the respective boards of the subsidiaries (excluding Directors who are also Directors of the Company) during the financial year until the date of this report are as follows:

Ahmad Fauzi Bin Md Isa	Myo Min
Chan Weng Kong	Ng Bak Kuang
Chang Vui Leong	Nishan Kumar A/L Balakrishnan
Chartsiam Srikomolsilp	Saroch Rotjanapanitkij
Chong Wei Loon	Selvam Muniandi
Cheow Kok Yin	Soh Chiaw Guan
Gladys Lee Suan See	Susumu Sakamaki
Goh Bee Sum	Tan Chai Liang
Ho Wei Min	Tan Chia Hau*
Joseph Yap Ka Choon*	Takuya Oka
Juriani Binti Haji Drahim	<i>(Appointed on 1 February 2026)</i>
Kengo Sakai	Takeshi Torita
Khow Hong Cheong	Takashi Yoshimoto
Koay Leong Seng	<i>(Appointed on 1 October 2025)</i>
Kotaro Ando	Winyoo Chaiyakul
Lam Siang Choong	Wu Hon Mun
<i>(Appointed on 1 January 2026)</i>	<i>(Appointed on 16 July 2025)</i>
Lee Puay Img	Yusuke Tsuzurigi
Lim Chee Khoon	<i>(Appointed on 1 October 2025)</i>
Lim Wei Heng	Yeo Aun Hua
Loh Sau Mun	Yeoh Hoon Suan
Masanori Hoshino	Yew Chian Wei
Morna Binti Bu Seong	

\* Directors of Texchem Food Materials (Vietnam) Co., Ltd., a company that had commenced dissolution process on 8 January 2025.

## DIRECTORS' REPORT (CONT'D)

For the year ended 31 December 2025

### Directors of the subsidiaries (continued)

The Directors of the Company's subsidiaries who resigned during the financial year until the date of this report are as follows:

Dr Pun Meng Yan <i>(Resigned on 31 December 2025)</i>	Shunsuke Sakuma <i>(Resigned on 1 August 2025)</i>
Naoki Nakajima <i>(Resigned on 1 February 2026)</i>	Tang Ghee Chong <i>(Resigned on 29 October 2025)</i>
Ng Kee Hong <i>(Resigned on 1 January 2026)</i>	

### Directors' interests in shares

The interests and deemed interests in the shares and options over shares 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 and/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			Balance at 31.12.2025
	Balance at 1.1.2025	Bought	(Sold)	
<b><u>The Company</u></b>				
<b><u>Direct interest</u></b>				
Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	525,000	503,300	-	1,028,300
Dr Yuma Konishi	120,000	-	-	120,000
Cynthia Ooi Gaik See	340,000	-	-	340,000
<b><u>Deemed interest</u></b>				
Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	58,537,494 <sup>(a)</sup>	-	-	58,537,494 <sup>(a)</sup>

## DIRECTORS' REPORT (CONT'D)

For the year ended 31 December 2025

**Directors' interests in shares (continued)**

	Number of ordinary shares of Kyats 1,000 each			
	Balance at	Bought	(Sold)	Balance at
	1.1.2025			31.12.2025

**Related corporations**

Tan Sri Dato' Seri (Dr.) Fumihiko Konishi

**Direct interest**

Myanmar Texchem Limited	1 <sup>(b)</sup>	-	-	1 <sup>(b)</sup>
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	Number of ordinary shares of USD1 each			
	Balance at	Bought	(Sold)	Balance at
	1.1.2025			31.12.2025

PT. Texchem Indonesia	1,875 <sup>(b)</sup>	-	-	1,875 <sup>(b)</sup>
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	Number of ordinary shares of Thai Baht 100 each			
	Balance at	Bought	(Sold)	Balance at
	1.1.2025			31.12.2025

Texchem Materials (Thailand) Ltd.	1 <sup>(b)</sup>	-	-	1 <sup>(b)</sup>
Texchem-Pack (Thailand) Co., Ltd.	1 <sup>(c)</sup>	-	-	1 <sup>(c)</sup>

	Number of ordinary shares of Rp1,000,000 each			
	Balance at	Bought	(Sold)	Balance at
	1.1.2025			31.12.2025

PT. Sushi King Asia	44 <sup>(d)</sup>	-	-	44 <sup>(d)</sup>
---------------------	-------------------	---	---	-------------------

**Related corporations**

Dr Yuma Konishi

	Number of ordinary shares of Thai Baht 100 each			
	Balance at	Bought	(Sold)	Balance at
	1.1.2025			31.12.2025

**Direct interest**

Texchem-Pack (Thailand) Co., Ltd.	1 <sup>(c)</sup>	-	-	1 <sup>(c)</sup>
Texchem Materials (Thailand) Ltd.	1 <sup>(b)</sup>	-	-	1 <sup>(b)</sup>

## DIRECTORS' REPORT (CONT'D)

For the year ended 31 December 2025

### Directors' interests in shares (continued)

	Number of options over shares			Balance at 31.12.2025
	Balance at 1.1.2025	Granted	(Exercised)	
<b><u>The Company</u></b>				
<b><u>Direct interest</u></b>				
Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	1,228,000	-	-	1,228,000
Dr Yuma Konishi	1,633,000	-	-	1,633,000
Cynthia Ooi Gaik See	560,000	-	-	560,000
<b><u>Deemed interest</u></b>				
Tan Sri Dato' Seri (Dr.) Fumihiko Konishi	1,633,000 <sup>(e)</sup>	-	-	1,633,000 <sup>(e)</sup>

#### Notes:

- (a) Deemed interest by virtue of Tan Sri Dato' Seri (Dr.) Fumihiko Konishi's direct and/or indirect interest in Texchem Holdings Sdn. Bhd. (a substantial shareholder of the Company) and via persons connected with him, i.e. his wife, Puan Sri Datin Seri Atsuko Konishi (a shareholder of Texchem Holdings Sdn. Bhd. and the Company) and his children, Ms Mika Konishi, Ms Mari Konishi and Dr Yuma Konishi (a shareholder of Texchem Holdings Sdn. Bhd. and the Company), pursuant to Sections 8 and 59(11)(c) of the Companies Act 2016 respectively
- (b) Share(s) held in trust for Texchem Materials Sdn. Bhd.
- (c) Share held in trust for Konix Holdings Sdn. Bhd. (Formerly known as Texchem Polymer Engineering Sdn. Bhd.)
- (d) Shares held in trust for Sushi King Holdings Sdn. Bhd.
- (e) These are options held in the name of the child and are regarded as interests of the Director in accordance with the Companies Act 2016

By virtue of Tan Sri Dato' Seri (Dr.) Fumihiko Konishi's interests in the shares of the Company, he is also deemed to be interested in the shares in the Company's related corporations to the extent that the Company has an interest.

Save for the above, none of the other Directors holding office at 31 December 2025 had any interest in the shares and options over shares 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, other than those transactions entered in the ordinary course of business between the Company and its related corporations with a company in which a Director has a substantial financial interest.

**DIRECTORS' REPORT (CONT'D)**

For the year ended 31 December 2025

**Directors' benefits (continued)**

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

	<b>From the Company RM'000</b>	<b>From subsidiaries of the Company RM'000</b>
Directors of the Company:		
Fees	1,000	1,966
Remuneration	773	4,354
Benefits-in-kind	129	93
	<u>1,902</u>	<u>6,413</u>

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 other than the options granted pursuant to the Employees' Share Option Scheme.

**Issue of shares and debentures**

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

**Options granted over unissued shares**

No options were granted to any person to take up unissued shares of the Company during the financial year other than the share options granted pursuant to the Employees' Share Option Scheme of the Company as disclosed in the financial statements.

**Employees' Share Option Scheme**

At the Extraordinary General Meeting held on 22 April 2022, the Company's shareholders approved the establishment of an Employees' Share Option Scheme ("ESOS") of up to 15% of the total number of issued shares of the Company (excluding treasury shares, if any) for the eligible Executive Directors and employees of the Company and its subsidiaries (excluding subsidiaries which are dormant, if any) ("Eligible Persons").

<b>Vesting period</b>	<b>Number of options '000</b>	<b>ESOS exercise price (RM/share)</b>
29 April 2022 to 26 April 2027	3,240	2.45
1 January 2023 to 26 April 2027	3,240	2.45
1 January 2024 to 26 April 2027	4,326	2.45
	<u>10,806</u>	

## DIRECTORS' REPORT (CONT'D)

For the year ended 31 December 2025

### Employees' Share Option Scheme (continued)

The options offered to take up unissued ordinary shares are as follows:

Date of offer	Expiry date	Exercise price (RM)	← Number of options over shares →			
			At 1.1.2025	Granted	(Forfeited)	At 31.12.2025
29.04.2022	26.04.2027	2.45	6,952,500	-	(2,100,000)	4,852,500

The salient features of the ESOS are as follows:

1. The ESOS is for a period of 5 years from 27 April 2022 and would expire on 26 April 2027 ("ESOS Period") subject to an extension at the discretion of the Board of Directors upon the recommendation by the ESOS Committee provided that the ESOS Period shall not in aggregate exceed a duration of 10 years from 27 April 2022 or such longer period as may be prescribed by Bursa Malaysia Securities Berhad.
2. The total number of shares which may be issued pursuant to the ESOS shall not exceed 15% of the total number of issued shares of the Company (excluding treasury shares, if any) at any one time during the ESOS Period.
3. Eligible Persons are employees employed by and are on the payroll of any corporation in Texchem Resources Bhd Group of Companies (excluding subsidiaries which are dormant) and his/her employment has been confirmed by the Company, who is at least 18 years of age and is not an undischarged bankrupt nor subject to any bankruptcy proceedings.
4. The maximum number of ESOS options granted to the Eligible Persons shall be determined entirely at the sole and absolute discretion of the ESOS Committee, subject always to the By-Laws and the following:
  - (i) not more than 80% of the total number of the Company's shares to be issued under the ESOS shall be allocated, in aggregate, to the Executive Directors and senior management personnel of the corporation in Texchem Resources Bhd Group of Companies; and
  - (ii) not more than 10% of the total number of shares to be issued under the ESOS shall be allocated to any individual Eligible Persons who, either singly or collectively through persons connected with such Eligible Persons, holds 20% or more of the total number of issued shares of the Company (excluding treasury shares, if any).
5. The options granted may be exercised in full or in lesser number of ordinary shares provided that the number shall in multiples of 100 shares.
6. The option price shall be determined based on the 5-days volume weighted average market price of the Company's shares immediately preceding the date of offer with a discount of not more than 10%.

## DIRECTORS' REPORT (CONT'D)

For the year ended 31 December 2025

### Employees' Share Option Scheme (continued)

7. The new shares to be allotted and issued upon exercise of the ESOS options shall, upon allotment and issuance, rank equally in all respects with the then existing issued share capital of the Company, save and except that the new shares so allotted and issued will not be entitled to any rights, dividend, allotment and/or distribution which may be declared, made or paid to the shareholders of the Company the entitlement date of which is prior to the date of exercise of the ESOS options.
8. The persons to whom the options have been granted have no right to participate by virtue of the options in any share issue of any other company.

### Indemnity and insurance for Directors, officers and auditors

During the financial year, the total cost of insurance effected for the Directors and officers of the Group and of the Company was RM68,500 for a total sum insured of RM50 million.

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

### Other statutory information

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

## DIRECTORS' REPORT (CONT'D)

For the year ended 31 December 2025

### **Other statutory information (continued)**

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, and
- 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, 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.

**DIRECTORS' REPORT (CONT'D)**

For the year ended 31 December 2025

**Auditors**

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

The auditors' remuneration of the Group and of the Company during the year are as follows :

	<b>Group RM'000</b>	<b>Company RM'000</b>
Audit fees		
- KPMG PLT and overseas affiliates	609	53
- Other auditors	363	-
	972	53
Non-audit fees		
- KPMG PLT and local affiliates	274	31
- Other auditors	236	-
	510	31
	----- 1,482	----- 84

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

.....  
**Tan Sri Dato' Seri (Dr.) Fumihiko Konishi,**  
**PSM, DGPN, DSPN, DJN**  
 Director

.....  
**Dr Yuma Konishi, DJN**  
 Director

Date : 25 March 2026

## STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Assets</b>					
Property, plant and equipment	3	151,720	146,871	41	26
Right-of-use assets	4	167,706	168,154	-	-
Investments in subsidiaries	5	-	-	444,945	437,285
Investments in associates	5	20,643	20,483	-	-
Intangible assets	6	55,882	55,882	-	-
Deferred tax assets	7	10,696	12,747	-	-
Other receivables	9	6,922	8,819	-	-
<b>Total non-current assets</b>		<u>413,569</u>	<u>412,956</u>	<u>444,986</u>	<u>437,311</u>
Inventories	8	97,254	101,495	-	-
Trade and other receivables	9	153,214	156,699	17,559	5,624
Contract assets	10	472	1,021	-	-
Current tax assets		3,069	7,009	-	8
Derivative financial assets	11	-	101	-	-
Cash and cash equivalents	12	94,841	92,071	1,399	26
<b>Total current assets</b>		<u>348,850</u>	<u>358,396</u>	<u>18,958</u>	<u>5,658</u>
<b>Total assets</b>		<u>762,419</u>	<u>771,352</u>	<u>463,944</u>	<u>442,969</u>
<b>Equity</b>					
Share capital	13	157,853	157,853	157,853	157,853
Reserves	14	30,434	22,798	281,570	259,095
<b>Total equity attributable to owners of the Company</b>		<u>188,287</u>	<u>180,651</u>	<u>439,423</u>	<u>416,948</u>
<b>Non-controlling interests</b>	5	24,916	20,017	-	-
<b>Total equity</b>		<u>213,203</u>	<u>200,668</u>	<u>439,423</u>	<u>416,948</u>

## STATEMENTS OF FINANCIAL POSITION (CONT'D)

As at ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Liabilities</b>					
Deferred tax liabilities	7	6,794	6,876	-	-
Loans and borrowings	15	56,337	50,569	-	-
Lease liabilities		148,178	145,780	-	-
Deferred liabilities	16	3,221	1,759	354	246
Provision	17	5,800	6,196	-	-
Other payables	18	-	9,508	185	1,073
<b>Total non-current liabilities</b>		<u>220,330</u>	<u>220,688</u>	<u>539</u>	<u>1,319</u>
Contract liabilities	10	1,996	2,042	-	-
Loans and borrowings	15	157,713	161,960	22,100	23,142
Lease liabilities		24,621	25,122	-	-
Deferred liabilities	16	500	488	-	-
Provision	17	220	127	-	-
Trade and other payables	18	139,905	158,725	1,882	1,560
Current tax liabilities		3,783	1,532	-	-
Derivative financial liabilities	11	148	-	-	-
<b>Total current liabilities</b>		<u>328,886</u>	<u>349,996</u>	<u>23,982</u>	<u>24,702</u>
<b>Total liabilities</b>		<u>549,216</u>	<u>570,684</u>	<u>24,521</u>	<u>26,021</u>
<b>Total equity and liabilities</b>		<u>762,419</u>	<u>771,352</u>	<u>463,944</u>	<u>442,969</u>

The notes on pages 110 to 193 are an integral part of these financial statements.

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue	19	<u>1,110,722</u>	<u>1,117,942</u>	<u>30,817</u>	<u>13,780</u>
<b>Operating profit</b>	19	41,880	34,071	23,750	3,052
Finance costs	20	(21,607)	(20,809)	(1,210)	(1,778)
Share of profit of equity- accounted associates, net of tax		223	1,554	-	-
<b>Profit before tax</b>		<u>20,496</u>	<u>14,816</u>	<u>22,540</u>	<u>1,274</u>
Tax expense	21	(15,618)	(9,490)	(65)	(77)
<b>Profit for the year</b>	23	<u>4,878</u>	<u>5,326</u>	<u>22,475</u>	<u>1,197</u>
<b>Other comprehensive (expense) /income, net of tax</b>					
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
Foreign currency translation differences for foreign operations		(6,593)	(3,667)	-	-
Share of foreign currency translation differences of equity- accounted associates		(63)	(16)	-	-
<b>Total other comprehensive expense for the year</b>		<u>(6,656)</u>	<u>(3,683)</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive (expense)/income for the year</b>		<u>(1,778)</u>	<u>1,643</u>	<u>22,475</u>	<u>1,197</u>

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

For the year ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Profit/(Loss) attributable to :</b>					
Owners of the Company		3,409	6,743	22,475	1,197
Non-controlling interests		1,469	(1,417)	-	-
<b>Profit for the year</b>		<u>4,878</u>	<u>5,326</u>	<u>22,475</u>	<u>1,197</u>
<b>Total comprehensive (expense)/income attributable to :</b>					
Owners of the Company		(2,988)	3,155	22,475	1,197
Non-controlling interests		1,210	(1,512)	-	-
<b>Total comprehensive (expense) / income for the year</b>		<u>(1,778)</u>	<u>1,643</u>	<u>22,475</u>	<u>1,197</u>
<b>Earnings per share attributable to the owners of the Company (sen)</b>					
- Basic	25	2.91	5.76	-	-
- Diluted	25	<u>2.91</u>	<u>5.76</u>	<u>-</u>	<u>-</u>

The notes on pages 110 to 193 are an integral part of these financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

Group	Note	Attributable to owners of the Company						Total equity RM'000			
		Non-distributable			Distributable						
		Share capital RM'000	Translation reserve RM'000	Merger reserve RM'000	Capital reserve RM'000	Treasury shares RM'000	Share option reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	
<b>At 1 January 2024</b>		157,853	19,770	1,092	1,792	(13,796)	9,809	1,383	177,903	21,709	199,612
Other comprehensive (expense)/income for the year		-	(3,572)	-	-	-	-	-	(3,572)	(95)	(3,667)
- Foreign currency translation differences for foreign operations		-	(16)	-	-	-	-	-	(16)	-	(16)
- Share of foreign currency translation differences of equity-accounted associates		-	-	-	-	-	-	6,743	6,743	(1,417)	5,326
Profit/(Loss) for the year		-	(3,588)	-	-	-	-	6,743	3,155	(1,512)	1,643
<b>Contributions by and distributions to owners of the Company</b>		-	-	-	-	-	8	-	8	(1,225)	(1,225)
Share-based payment transactions		-	-	-	-	-	-	-	(113)	113	-
Dividends paid to non-controlling interests		-	-	-	-	-	-	(302)	(302)	302	-
Dilution of interest in an indirect subsidiary		-	-	-	-	-	-	-	-	630	630
Dilution of interest in an indirect associate		-	-	-	-	-	-	-	-	-	-
Issue of shares to non-controlling interest		-	-	-	-	-	8	(415)	(407)	(180)	(587)
<b>Total transactions with owners of the Company</b>		-	-	-	-	-	8	(415)	(407)	(180)	(587)
<b>At 31 December 2024</b>		157,853	16,182	1,092	1,792	(13,796)	9,817	7,711	180,651	20,017	200,668

Note 13 Note 14 Note 14 Note 14 Note 14 Note 14 Note 14 Note 14 Note 14 Note 14

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**Total transactions with owners of the Company**

**At 31 December 2024**

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)

For the year ended 31 December 2025

Group	Note	Attributable to owners of the Company					Share capital RM'000	Non-distributable			Distributable			Total equity RM'000
		Translation reserve RM'000	Merger reserve RM'000	Capital reserve RM'000	Treasury shares RM'000	Share option reserve RM'000		Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total RM'000			
<b>At 1 January 2025</b>		16,182	1,092	1,792	(13,796)	9,817	180,651	20,017	200,668					
Other comprehensive (expense)/income for the year														
- Foreign currency translation differences for foreign operations		(6,334)	-	-	-	-	(6,334)	(259)	(6,593)					
- Share of foreign currency translation differences of equity-accounted associates		(63)	-	-	-	-	(63)	-	(63)					
Profit for the year		-	-	-	-	3,409	3,409	1,469	4,878					
Total comprehensive (expense)/income for the year		(6,397)	-	-	-	3,409	(2,988)	1,210	(1,778)					
<b>Contributions by and distributions to owners of the Company</b>														
Dividends paid to non-controlling interests		-	-	-	-	-	-	(1,470)	(1,470)					
Dilution of interest in an indirect subsidiary		-	-	-	-	-	10,624	4,319	14,943					
Issue of shares to non-controlling interest		-	-	-	-	-	-	840	840					
<b>Total transactions with owners of the Company</b>		-	-	-	-	10,624	10,624	3,689	14,313					
<b>At 31 December 2025</b>		9,785	1,092	1,792	(13,796)	9,817	188,287	24,916	213,203					

Note 13

Note 14

Note 14

Note 14

Note 14

Note 14

The notes on pages 110 to 193 are an integral part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025

	Note	Share capital RM'000	← Non-distributable →		Distributable Retained earnings RM'000	Total equity RM'000
			Treasury shares RM'000	Share option reserve RM'000		
<b>Company</b>						
<b>At 1 January 2024</b>		157,853	(13,796)	9,809	261,877	415,743
Profit for the year representing total comprehensive income for the year		-	-	-	1,197	1,197
<b>Contributions by and distributions to owners of the Company</b>						
- Share-based payment transactions	24	-	-	8	-	8
<b>Total transactions with owners of the Company</b>		-	-	8	-	8
<b>At 31 December 2024/ 1 January 2025</b>		157,853	(13,796)	9,817	263,074	416,948
Profit for the year representing total comprehensive income for the year		-	-	-	22,475	22,475
<b>At 31 December 2025</b>		<u>157,853</u>	<u>(13,796)</u>	<u>9,817</u>	<u>285,549</u>	<u>439,423</u>
		Note 13	Note 14	Note 14	Note 14	

The notes on pages 110 to 193 are an integral part of these financial statements.

## STATEMENTS OF CASH FLOWS

For the year ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Cash flows from operating activities</b>					
Profit before tax		20,496	14,816	22,540	1,274
Adjustments for :					
Depreciation of :					
- property, plant and equipment	3	21,257	21,296	17	104
- right-of-use assets	4	29,108	32,005	-	-
Impairment loss on :					
- property, plant and equipment	3	2,409	3,330	-	-
- right-of-use assets	4	924	610	-	-
- investments in subsidiaries	5	-	-	1,000	5,168
Provision for Directors' retirement/resignation benefits	16	857	614	108	128
Property, plant and equipment written off		723	959	-	-
Gain on :					
- disposal of property, plant and equipment		(226)	(772)	(21)	-
- termination of leases		(144)	(107)	-	-
Share-based payments	24	-	8	-	1
Interest income		(1,184)	(1,066)	(382)	(583)
Dividend income	19	-	-	(30,817)	(13,780)
Finance costs	20	21,607	20,809	1,210	1,778
Share of profit of equity-accounted associates		(223)	(1,554)	-	-
Operating profit/(loss) before changes in working capital		95,604	90,948	(6,345)	(5,910)

## STATEMENTS OF CASH FLOWS (CONT'D)

For the year ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Changes in working capital :					
Inventories		1,114	(6,543)	-	-
Trade and other receivables		14	(16,369)	(7,698)	8,518
Trade and other payables		1,206	10,452	(566)	(18,121)
Contract assets		549	1,216	-	-
Contract liabilities		(46)	159	-	-
<b>Cash generated from/ (used in) operations</b>		<b>98,441</b>	<b>79,863</b>	<b>(14,609)</b>	<b>(15,513)</b>
Dividends received		-	-	24,080	14,400
Income tax paid		(7,410)	(4,572)	(57)	(110)
Directors' retirement/ resignation benefits paid	16	(386)	(1,993)	-	(570)
Restoration costs paid	17	(917)	(382)	-	-
<b>Net cash from/(used in) operating activities</b>		<b>89,728</b>	<b>72,916</b>	<b>9,414</b>	<b>(1,793)</b>
<b>Cash flows from investing activities</b>					
Acquisition of non-controlling interest in a subsidiary	A	(20,000)	(20,000)	-	-
Subscription of shares in - an associate		-	(13,720)	-	-
- subsidiaries	B	-	-	(6,160)	-
Proceeds from disposal of property, plant and equipment		976	1,089	21	65
Purchase of property, plant and equipment	C	(24,349)	(15,898)	(32)	(24)
Interest received		1,184	1,066	382	583
Proceeds from disposal of interest in subsidiary to non- controlling interest		14,943	-	-	-
<b>Net cash (used in)/from investing activities</b>		<b>(27,246)</b>	<b>(47,463)</b>	<b>(5,789)</b>	<b>624</b>

## STATEMENTS OF CASH FLOWS (CONT'D)

For the year ended 31 December 2025

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Cash flows from financing activities</b>					
Drawdowns of :					
- term loans		14,316	16,345	-	-
- revolving credit		27,031	33,179	1,000	2,000
Repayment of :					
- term loans		(9,643)	(9,533)	-	-
- revolving credit		(24,463)	(12,897)	(1,000)	-
- hire purchase creditors		(4,208)	(3,534)	-	(62)
- lease liabilities	D	(27,483)	(29,824)	-	-
Drawdowns of other borrowings		3,699	1,408	-	-
Interest paid		(21,607)	(20,809)	(1,210)	(1,778)
Proceeds from issuance of shares to non-controlling interests		840	630	-	-
Dividends paid to non-controlling interests		(1,470)	(1,225)	-	-
<b>Net cash (used in)/from financing activities</b>		<b>(42,988)</b>	<b>(26,260)</b>	<b>(1,210)</b>	<b>160</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>19,494</b>	<b>(807)</b>	<b>2,415</b>	<b>(1,009)</b>
Cash and cash equivalents at 1 January		78,414	81,156	(1,016)	(7)
Effects of exchange differences on cash and cash equivalents		(3,346)	(1,935)	-	-
<b>Cash and cash equivalents at 31 December</b>	E	<b>94,562</b>	<b>78,414</b>	<b>1,399</b>	<b>(1,016)</b>

## STATEMENTS OF CASH FLOWS (CONT'D)

For the year ended 31 December 2025

Notes :

**A. Accretion of interest in an existing subsidiary**

**Amount owing to Asia Yoshinoya International Sdn. Bhd.**

	<b>2025 RM'000</b>	<b>2024 RM'000</b>
As at 1 January	30,000	50,000
Payment made during the year	(20,000)	(20,000)
As at 31 December	<u>10,000</u>	<u>30,000</u>

**B. Subscription of shares in subsidiaries - Company**

- (i) During the financial year, the Company subscribed for additional interests in the following subsidiary by way of capitalisation of amount due from the subsidiaries :

	<b>2025 RM'000</b>	<b>2024 RM'000</b>
Texchem Sustainable Sdn. Bhd. (Formerly known as Texchem Polymers Sdn. Bhd.)	2,500	2,034
D&N Coffee and Restaurant Malaysia Sdn. Bhd.	-	870
	<u>2,500</u>	<u>2,904</u>

- (ii) During the financial year, the Company subscribed for additional interests in the following subsidiaries by way of cash :

	<b>2025 RM'000</b>	<b>2024 RM'000</b>
D&N Coffee and Restaurant Malaysia Sdn. Bhd.	1,160	-
Sushi King Holdings Sdn. Bhd.	5,000	-
	<u>6,160</u>	<u>-</u>

## STATEMENTS OF CASH FLOWS (CONT'D)

For the year ended 31 December 2025

Notes (continued) :

## C. Purchase of property, plant and equipment

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Additions to property, plant and equipment (Note 3)	31,689	23,693	32	24
Purchased by way of hire purchase arrangements	(9,788)	(2,339)	-	-
Provision for restoration costs	(635)	(263)	-	-
Unpaid balance				
- current year	(3,252)	(6,335)	-	-
- prior year	6,335	1,142	-	-
Amount paid in cash	<u>24,349</u>	<u>15,898</u>	<u>32</u>	<u>24</u>

## D. Cash outflows for leases as a lessee

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Included in net cash from operating activities :</b>					
Payment relating to short-term leases	23	5,069	5,117	239	250
Payment relating to leases of low-value assets	23	688	573	-	-
Expenses relating to variable lease payments not included in the measurement of lease liabilities	23	3,046	2,281	-	-
<b>Included in net cash from financing activities :</b>					
Payment of lease liabilities		27,483	29,824	-	-
Interest paid in relation to lease liabilities	20	8,286	7,999	-	-
		<u>44,572</u>	<u>45,794</u>	<u>239</u>	<u>250</u>

## STATEMENTS OF CASH FLOWS (CONT'D)

For the year ended 31 December 2025

Notes (continued) :

### E. 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
Short term deposits	12	16,089	9,118	-	-
Cash and bank balances	12	78,752	82,953	1,399	26
Bank overdrafts	15	(279)	(13,657)	-	(1,042)
		<u>94,562</u>	<u>78,414</u>	<u>1,399</u>	<u>(1,016)</u>

The notes on pages 110 to 193 are an integral part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2025

### 1. Corporate information

Texchem Resources Bhd. is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The address of its registered office and principal place of business is as follows :

#### Registered office and principal place

Level 18, Menara Boustead Penang  
39 Jalan Sultan Ahmad Shah  
10050 George Town, Penang

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 associates.

The principal activity of the Company is investment holding whilst the principal activities of the Group entities are stated in Note 5 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 25 March 2026.

### 2. Basis of preparation

#### (a) Statement of compliance

The financial statements of the Group and of 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 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 :

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 2. Basis of preparation (continued)

#### (a) Statement of compliance (continued)

***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, *Subsidiaries without Public Accountability: Disclosures*
- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Translation to a Hyperinflationary Presentation Currency*

***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, where applicable in the respective financial years when the abovementioned accounting standards, interpretations and amendments become effective.

The initial application of the applicable accounting standards, interpretations and amendments is not expected to have any material financial impacts 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 except for the following items, which are measured based on the measurement bases stated below:

<b>Items</b>	<b>Measurement bases</b>
Derivative financial instruments	Fair value

#### (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.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 2. Basis of preparation (continued)

#### (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 4.3    - Extension options and incremental borrowing rate in relation to leases;
- Note 6       - Intangible assets (measurement of the recoverable amounts of cash generating units); and
- Note 7       - Deferred tax assets/(liabilities).

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
For the year ended 31 December 2025

**3. Property, plant and equipment**

Group	Freehold land RM'000	Buildings, office renovation and land improvements RM'000	Plant and machinery and other equipment RM'000	Furniture, fittings and office and outlet equipment RM'000	Motor vehicles RM'000	Capital expenditure- in-progress RM'000	Total RM'000
<b>Cost</b>							
At 1 January 2024	32,374	145,243	267,745	72,487	15,884	4,753	538,486
Additions	-	3,342	12,178	3,481	2,550	2,142	23,693
Disposals	-	(147)	(4,956)	(385)	(1,708)	-	(7,196)
Written off	-	(3,018)	(6,253)	(2,875)	-	(13)	(12,159)
Reclassification	-	505	4,179	-	-	(4,684)	-
Effect of movements in exchange rates	(303)	(554)	(1,385)	(165)	(100)	(186)	(2,693)
At 31 December 2024/1 January 2025	32,071	145,371	271,508	72,543	16,626	2,012	540,131
Additions	-	7,212	14,222	5,436	2,690	2,129	31,689
Disposals	-	(3,241)	(4,553)	(1,193)	(1,159)	-	(10,146)
Written off	-	(6,493)	(7,049)	(3,067)	(33)	-	(16,642)
Reclassification	-	80	1,981	-	-	(2,061)	-
Effect of movements in exchange rates	(128)	(2,788)	(4,413)	(514)	(318)	(82)	(8,243)
At 31 December 2025	31,943	140,141	271,696	73,205	17,806	1,998	536,789

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
For the year ended 31 December 2025

**3. Property, plant and equipment (continued)**

Group	Freehold land RM'000	Buildings, office renovation and land improvements RM'000	Plant and machinery and other equipment RM'000	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Capital expenditure- in-progress RM'000	Total RM'000
<b>Accumulated depreciation and impairment losses</b>							
At 1 January 2024	-	96,105	213,607	59,921	10,634	-	380,267
Accumulated depreciation	-	577	7,187	203	-	-	7,967
Accumulated impairment losses	-	96,682	220,794	60,124	10,634	-	388,234
Depreciation for the year	-	5,399	10,622	3,818	1,457	-	21,296
Impairment loss	-	2,490	581	259	-	-	3,330
Disposals	-	(147)	(4,911)	(325)	(1,496)	-	(6,879)
Written off	-	(2,585)	(5,945)	(2,670)	-	-	(11,200)
Effect of movements in exchange rates	-	(343)	(973)	(131)	(74)	-	(1,521)
At 31 December 2024	-	98,742	213,959	60,731	10,521	-	383,953
Accumulated depreciation	-	2,754	6,209	344	-	-	9,307
Accumulated impairment losses	-	101,496	220,168	61,075	10,521	-	393,260

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

**3. Property, plant and equipment (continued)**

Group	Freehold land RM'000	Buildings, office renovation and land improvements RM'000	Plant and machinery and other equipment RM'000	Furniture, fittings and office and outlet equipment RM'000	Motor vehicles RM'000	Capital expenditure- in-progress RM'000	Total RM'000
<b>Accumulated depreciation and impairment losses</b>							
At 1 January 2025	-	98,742	213,959	60,731	10,521	-	383,953
Accumulated depreciation	-	2,754	6,209	344	-	-	9,307
Accumulated impairment losses	-	101,496	220,168	61,075	10,521	-	393,260
Depreciation for the year	-	4,864	10,693	3,773	1,927	-	21,257
Impairment loss	-	946	1,194	269	-	-	2,409
Disposals	-	(3,118)	(4,358)	(1,137)	(783)	-	(9,396)
Written off	-	(6,170)	(6,816)	(2,900)	(33)	-	(15,919)
Effect of movements in exchange rates	-	(2,120)	(3,717)	(424)	(281)	-	(6,542)
At 31 December 2025	-	94,839	210,142	60,277	11,351	-	376,609
Accumulated depreciation	-	1,059	7,022	379	-	-	8,460
Accumulated impairment losses	-	95,898	217,164	60,656	11,351	-	385,069

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
For the year ended 31 December 2025

**3. Property, plant and equipment (continued)**

Group	Freehold land RM'000	Buildings, office renovation and land improvements RM'000	Plant and machinery and other equipment RM'000	Furniture, fittings and office and outlet equipment RM'000	Motor vehicles RM'000	Capital expenditure- in-progress RM'000	Total RM'000
<b>Carrying amounts</b>							
At 1 January 2024	32,374	48,561	46,951	12,363	5,250	4,753	150,252
At 31 December 2024/1 January 2025	32,071	43,875	51,340	11,468	6,105	2,012	146,871
At 31 December 2025	31,943	44,243	54,532	12,549	6,455	1,998	151,720

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 3. Property, plant and equipment (continued)

	Furniture, fittings and office equipment RM'000	Motor vehicles RM'000	Total RM'000
<b>Company</b>			
<b>Cost</b>			
At 1 January 2024	615	207	822
Additions	24	-	24
Disposal	(15)	(87)	(102)
Written off	(31)	-	(31)
At 31 December 2024/1 January 2025	593	120	713
Additions	32	-	32
Disposal	(7)	(120)	(127)
Written off	(3)	-	(3)
At 31 December 2025	615	-	615
<b>Accumulated depreciation</b>			
At 1 January 2024	514	137	651
Depreciation for the year	94	10	104
Disposal	(10)	(27)	(37)
Written off	(31)	-	(31)
At 31 December 2024/1 January 2025	567	120	687
Depreciation for the year	17	-	17
Disposal	(7)	(120)	(127)
Written off	(3)	-	(3)
At 31 December 2025	574	-	574
<b>Carrying amounts</b>			
At 1 January 2024	101	70	171
At 31 December 2024/1 January 2025	26	-	26
At 31 December 2025	41	-	41

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 3. Property, plant and equipment (continued)

#### 3.1 Impairment of property, plant and equipment - Group

During the current financial year, the plant and equipment of certain subsidiaries amounting to RM2,409,000 (2024 : RM3,330,000) were impaired mainly due to impending closure or closure of certain outlets in the Restaurant Division. The recoverable amount of the impaired assets estimated by the management of the subsidiaries was close to RM Nil (2024 : RM Nil) based on the higher of value in use and fair value less cost of disposal, and the impairment recognised was presented as other expenses in profit or loss.

Plant and equipment previously impaired amounting to RM3,256,000 (2024 : RM1,990,000) were written off and derecognised during the year.

#### 3.2 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.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

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. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

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

	<b>Years</b>
Buildings, office renovation and land improvements	5 to 50
Plant and machinery and other equipment	3 to 10
Furniture, fittings and office and outlet equipment	3 to 10
Motor vehicles	5 to 6

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 4. Right-of-use assets

Group	Land RM'000	Buildings and office space RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Total RM'000
At 1 January 2024	5,566	155,361	971	7	161,905
Remeasurement	-	42,775	-	-	42,775
Additions	-	3,517	197	132	3,846
Depreciation for the year	(133)	(31,527)	(312)	(33)	(32,005)
Derecognition	-	(7,478)	-	-	(7,478)
Impairment loss	-	(610)	-	-	(610)
Effect of movements in exchange rates	(212)	(68)	-	1	(279)
At 31 December 2024/ 1 January 2025	5,221	161,970	856	107	168,154
Remeasurement	-	21,553	-	-	21,553
Additions	-	9,596	253	-	9,849
Depreciation for the year	(131)	(28,611)	(322)	(44)	(29,108)
Derecognition	-	(935)	-	-	(935)
Impairment loss	(109)	(815)	-	-	(924)
Effect of movements in exchange rates	(90)	(791)	(1)	(1)	(883)
At 31 December 2025	4,891	161,967	786	62	167,706

The Group leases land, warehouses, apartments, restaurant outlets, office space, motor vehicles, plant and machinery and factory facilities that run up to 50 years, with an option to renew the lease after the expiry of the initial lease period.

#### 4.1 Impairment right-of-use assets - Group

During the current financial year, the right-of-use assets of certain subsidiaries amounting to RM924,000 (2024 : RM610,000) were impaired mainly due to impending closure or closure of certain outlets in the Restaurant Division. The recoverable amount of the impaired assets estimated by the management of the subsidiaries was close to RM Nil (2024 : RM Nil) based on the higher of value in use and fair value less cost of disposal, and the impairment recognised was presented as other expenses in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 4. Right-of-use assets (continued)

#### 4.2 Variable lease payments based on sales

Certain leases of restaurant outlets contain variable lease payments that are based on the sales that the outlet makes. Such variable payments are common for restaurant outlets located in malls where the Group operates. The fixed and variable rental payments are as follows :

Group	Fixed payments RM'000	Variable payments RM'000	Total payments RM'000	Estimated annual impact on rent of a 1% increase in sales RM'000
<b>2025</b>				
Leases with lease payments based on sales	32,659	3,046	35,705	93
<b>2024</b>				
Leases with lease payments based on sales	34,950	2,281	37,231	68

#### 4.3 Extension options

Certain leases of land, warehouses, apartments, restaurant outlets, office space and factory facilities contain extension options exercisable by the Group ranging from 1 year to 20 years before the end of the non-cancellable contract period. Where practicable, 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.

	← 2025 →	← 2024 →	
	Lease liabilities recognised (discounted) RM'000	Potential future lease payments not included in lease liabilities (discounted) RM'000	Lease liabilities recognised (discounted) RM'000
			Potential future lease payments not included in lease liabilities (discounted) RM'000
<b>Group</b>			
Buildings	52,455	506	44,891
			322

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 4. Right-of-use assets (continued)

#### 4.4 *Significant judgements and assumptions in relation to leases*

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Group considers 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.

#### 4.5 *Material accounting policy information*

##### a. Lease and non-lease component

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.

##### b. Recognition exemption

The Group and the Company have 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 and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

When the Group or the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group or the Company applies the exemption described above, then it classifies the sublease as an operating lease.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 5. Investments

#### (a) Subsidiaries

	2025 RM'000	2024 RM'000
<b>Company</b>		
Subsidiaries :		
Investments, at cost	556,428	547,768
Less : Impairment loss	(111,483)	(110,483)
	<u>444,945</u>	<u>437,285</u>

#### ***Impairment loss for investment in subsidiaries***

During the financial year, impairment indicators existed as a result of the current business sentiment and weak demand in certain markets which caused certain subsidiaries to make losses. The Company assessed the estimated recoverable amount of its investment in certain loss-making subsidiaries against the carrying amount of its investment in these subsidiaries.

The carrying amount of the Company's investment in a subsidiary relating to the Restaurant Division was higher than its recoverable amount of RM0.31 million. Accordingly, RM1.0 million was recognised as an impairment loss and presented as other expenses in the profit or loss. Similarly, in the previous financial year, the carrying amount of the Company's investment in a subsidiary relating to the Restaurant Division was higher than its recoverable amount of RM0.15 million. Accordingly, RM5.2 million was recognised as an impairment loss and presented as other expenses in the profit or loss.

The recoverable amount was determined using the value in use ("VIU") method by discounting the future cash flows generated from the continuing use of the cash-generating unit and the projected cash flows were based on a 5-year financial budget and projections prepared by the management and approved by the Board of Directors. The sales growth and margins represent management assessment of future trends of the business and are based on past business performance and management's expectation on market development. The cash flow projections were discounted using a pre-tax discount rates ranging from 12% to 14% (2024 : 12% to 14%) after considering the risks and uncertainties of the projected cash flows. The projected cash flows are therefore inherently uncertain, and changes in the future economic and market conditions could impact on the outcome of the projected cash flows.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 5. Investments (continued)

#### (a) Subsidiaries (continued)

Details of the subsidiaries are as follows :

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2025 %	2024 %
<u>Direct subsidiaries of the Company</u>				
Texchem Materials Sdn. Bhd.	Malaysia	Trading, storage and/or distribution of all types of industrial raw materials including but not limited to industrial chemicals, rubber chemicals, plastics resins, agrochemicals, pesticides or agriculture chemicals, electronics, food products including but not limited to rice, food ingredients and additives, healthcare and pharmaceutical products, personal care products, personal protective equipment, green and sustainability products and other products connected therewith and investment holding	100.00	100.00
Texchem Food Sdn. Bhd.	Malaysia	Investment holding and sale and marketing of marine products	100.00	100.00
Texchem Corporation Sdn. Bhd.	Malaysia	Investment holding, provision of management services and renting of properties	73.94	73.94

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

**5. Investments (continued)****(a) Subsidiaries (continued)**

Details of the subsidiaries are as follows (continued) :

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2025 %	2024 %
<u>Direct subsidiaries of the Company (continued)</u>				
Sushi King Holdings Sdn. Bhd. <sup>(1)</sup>	Malaysia	Investment holding and provision of management services	97.80	97.80
Texchem Sustainable Sdn. Bhd. (Formerly known as Texchem Polymers Sdn. Bhd.)	Malaysia	Manufacture and sale of extruded plastic sheets and polymer compounds and provision of consultation services	100.00	100.00
Konix Holdings Sdn. Bhd. (Formerly known as Texchem Polymer Engineering Sdn. Bhd.)	Malaysia	Investment holding and provision of management services	100.00	100.00
D&N Coffee and Restaurant Malaysia Sdn. Bhd. <sup>(1)</sup>	Malaysia	Operation of a chain of cafes and restaurants	58.00	58.00
Wilpack Food Services Sdn. Bhd.	Malaysia	Provision of food processing services, manufacture, wholesale and export of seafood and other products	100.00	100.00
Texchem Japan, Inc <sup>(1) and (3)</sup>	Japan	Dormant	100.00	100.00
CellSource Malaysia Sdn. Bhd. <sup>(1)</sup>	Malaysia	Dormant	100.00	100.00
<u>Subsidiaries of Sushi King Holdings Sdn. Bhd.</u>				
Sushi King Sdn. Bhd.	Malaysia	Operation of a chain of retail sushi outlets and wholesales of rice	97.80	97.80
Miraku Sdn. Bhd. <sup>(1)</sup>	Malaysia	Operation of a Japanese restaurant	97.80	97.80

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 5. Investments (continued)

#### (a) Subsidiaries (continued)

Details of the subsidiaries are as follows (continued) :

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2025 %	2024 %
<u>Subsidiaries of Sushi King Holdings Sdn. Bhd. (continued)</u>				
Kokubu Food Logistics Malaysia Sdn. Bhd. ("Kokubu")	Malaysia	Operation of food logistics, inventory management, handling of sales orders and warehouse operation services	49.88	49.88
Donburi House Sdn. Bhd. <sup>(1)</sup>	Malaysia	Dormant	97.80	97.80
PT. Sushi King Asia <sup>(1)</sup>	Indonesia	Operation of a chain of retail sushi outlets	97.80	97.80
<u>Subsidiaries of Sushi King Sdn. Bhd.</u>				
Sushi King (East Malaysia) Sdn. Bhd.	Malaysia	Operation of a chain of retail sushi outlets	97.80	97.80
Sushi Kin (BN) Sdn. Bhd. <sup>(1)</sup>	Brunei	Dormant	97.80	97.80
<u>Subsidiaries of Texchem Materials Sdn. Bhd.</u>				
Texchem Singapore Private Limited <sup>(1)</sup>	Singapore	Dealers in chemicals, plastic resins and other products and acting as sales commissions agents	100.00	100.00
Texchem Materials (Thailand) Ltd. <sup>(1)</sup>	Thailand	Trading of chemicals, dyestuffs and resins	100.00	100.00

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

**5. Investments (continued)****(a) Subsidiaries (continued)**

Details of the subsidiaries are as follows (continued) :

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2025 %	2024 %
<u>Subsidiaries of Texchem Materials Sdn. Bhd. (continued)</u>				
Texchem Materials (Vietnam) Co., Ltd. <sup>(2)</sup>	Vietnam	Import, export, distribution retailing and wholesaling of chemicals and food additives	100.00	100.00
Texchem Malaysia Sdn. Berhad <sup>(1)</sup>	Malaysia	Manufacture and sale of textile auxiliaries, chemicals and finishing resins	100.00	100.00
PT. Texchem Indonesia <sup>(1)</sup>	Indonesia	Trading of chemicals, plastic resins and other products	100.00	100.00
New Material (Malaysia) Sdn. Bhd. <sup>(1)</sup>	Malaysia	Trading and acting as agent of foreign and local electronic component parts and general merchandise	100.00	100.00
Myanmar Texchem Limited <sup>(1)</sup>	Myanmar	Dormant	100.00	100.00
Lifeon Asia Sdn. Bhd. <sup>(1)</sup>	Malaysia	Trading of medical devices and equipment	100.00	100.00
Texchem Food Materials (Vietnam) Co., Ltd. <sup>(1)</sup> and <sup>(4)</sup>	Vietnam	Dormant	51.00	51.00

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 5. Investments (continued)

#### (a) Subsidiaries (continued)

Details of the subsidiaries are as follows (continued) :

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2025 %	2024 %
<u>Subsidiaries of Texchem Food Sdn. Bhd.</u>				
A.S.K. Andaman Limited <sup>(1)</sup>	Myanmar	Manufacture and marketing of surimi, fishmeal and other marine products	91.00	91.00
Texchem Food (Myanmar) Limited <sup>(1)</sup>	Myanmar	Manufacture and marketing of marine products	91.00	91.00
Texchem Marine Labutta Limited <sup>(1)</sup>	Myanmar	Processing and marketing of marine products such as soft shell crab and hamaguri	65.00	65.00
Texchem Aquaculture (Myanmar) Limited <sup>(1)</sup>	Myanmar	Raising, marketing and sales of fish fries and aquatic barramundi (seabass) farming	100.00	100.00
Sea Master Products Sdn. Bhd. <sup>(1)</sup>	Malaysia	Dormant	100.00	100.00
<u>Subsidiary of Wilpack Food Services Sdn. Bhd.</u>				
Sea Master Food Sdn. Bhd.	Malaysia	Importing, marketing and trading of foodstuffs, including food products and other consumable products	66.00 <sup>(5)</sup>	100.00

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 5. Investments (continued)

#### (a) Subsidiaries (continued)

Details of the subsidiaries are as follows (continued) :

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2025 %	2024 %
<u>Subsidiaries of Konix Holdings Sdn. Bhd. (Formerly known as Texchem Polymer Engineering Sdn. Bhd.)</u>				
Texchem-Pack (M) Sdn. Bhd.	Malaysia	Manufacturing and sales of thermoformed packaging products and embossed carrier tapes	100.00	100.00
Texchem Life Sciences Sdn. Bhd.	Malaysia	Manufacture of plastic engineering precision parts for medical devices	100.00	100.00
Eye Graphic Sdn. Bhd.	Malaysia	Trading, design and manufacture of flexo photopolymer printing plates	100.00	100.00
Texchem-Pack (Thailand) Co., Ltd. <sup>(1)</sup>	Thailand	Manufacture of thermoformed packaging products, precision injection moulded trays/parts, moulds and toolings	100.00	100.00
Texchem-Pack (Johor) Sdn. Bhd.	Malaysia	Manufacture of thermoformed packaging products	100.00	100.00
Texchem-Pack (PP) Sdn. Bhd.	Malaysia	Manufacture of precision injection moulded trays/parts	100.00	100.00
Texchem-Pack (Vietnam) Co., Ltd. <sup>(2)</sup>	Vietnam	Manufacture thermoformed parts/products, plastic injection moulded parts/products and plastic food tray products	100.00	100.00

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 5. Investments (continued)

#### (a) Subsidiaries (continued)

Details of the subsidiaries are as follows (continued) :

Name of subsidiary	Principal place of business/ Country of incorporation	Principal activities	Effective ownership interest and voting interest	
			2025 %	2024 %
<u>Subsidiaries of Konix Holdings Sdn. Bhd. (Formerly known as Texchem Polymer Engineering Sdn. Bhd.)</u>				
Texchem Trading Co. Ltd. <sup>(1), (3) and (6)</sup>	Taiwan	Engaged in automation-assisted transport equipment contract washing and cleaning services for the wafer and semiconductor supply chain	100.00	-
<u>Subsidiary of Texchem-Pack (PP) Sdn. Bhd.</u>				
Texchem Advanced Products Incorporated Sdn. Bhd. <sup>(1)</sup>	Malaysia	Development of technology for high precision/ultra clean injection moulded products for silicon wafer handling and transportation and market development of related products	100.00	100.00
<u>Subsidiary of Texchem Corporation Sdn. Bhd.</u>				
Texchem Risk Management Sdn. Bhd. <sup>(1)</sup>	Malaysia	Insurance agents and managers in relation to insurance schemes	73.94	73.94

#### Notes:

<sup>(1)</sup> Not audited by KPMG

<sup>(2)</sup> Audited by member firm of KPMG International

<sup>(3)</sup> Not required to be audited by local law or legislation

<sup>(4)</sup> Commenced dissolution process on 8 January 2025

<sup>(5)</sup> On 10 September 2025, Willpack Food Services Sdn. Bhd., a wholly owned subsidiary of the Company entered into a Share Sale and Purchase Agreement with YAMAE Global Co. Ltd. to dispose of 34% of its equity interest in Sea Master Food Sdn. Bhd. to YAMAE Global Co. Ltd.

<sup>(6)</sup> Incorporated on 30 July 2025

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

**5. Investments (continued)****(a) Subsidiaries (continued)****Non-controlling interests in subsidiaries**

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

	<b>Sushi King Holdings ("SKH") Group RM'000</b>	<b>Texchem Corporation ("Texcorp") Group RM'000</b>	<b>Other subsidiaries with immaterial NCI RM'000</b>	<b>Total RM'000</b>
<b>2025</b>				
<b>NCI percentage of ownership interest and voting interest</b>	2.20%	26.06%		
Carrying amount of NCI	<u>12,199</u>	<u>9,104</u>	<u>3,613</u>	<u>24,916</u>
Profit/(Loss) allocated to NCI	<u>1,800</u>	<u>714</u>	<u>(1,045)</u>	<u>1,469</u>

	<b>SKH Group RM'000</b>	<b>Texcorp Group RM'000</b>
<b>2025</b>		

**Summarised financial information before intra-group elimination****At 31 December**

Non-current assets	624,921	52,433
Current assets	74,867	5,147
Non-current liabilities	(201,466)	(3,751)
Current liabilities	(127,951)	(18,894)
Net assets	<u>370,371</u>	<u>34,935</u>

**Year ended 31 December**

Revenue	313,295	17,622
Profit for the year	1,005	2,739
Total comprehensive income	<u>1,005</u>	<u>2,739</u>
Cash flows from operating activities	69,826	5,311
Cash flows used in investing activities	(43,823)	216
Cash flows from financing activities	(40,302)	(3,609)
Net (decrease)/increase in cash and cash equivalents	<u>(14,299)</u>	<u>1,918</u>
Dividends paid to NCI	<u>(1,470)</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 5. Investments (continued)

#### (a) Subsidiaries (continued)

##### Non-controlling interests in subsidiaries (continued)

	Sushi King Holdings ("SKH") Group RM'000	Texchem Corporation ("Texcorp") Group RM'000	Other subsidiaries with immaterial NCI RM'000	Total RM'000
<b>2024</b>				
<b>NCI percentage of ownership interest and voting interest</b>	2.20%	26.06%		
Carrying amount of NCI	<u>11,893</u>	<u>8,390</u>	<u>(266)</u>	<u>20,017</u>
Profit/(Loss) allocated to NCI	<u>1,341</u>	<u>608</u>	<u>(3,366)</u>	<u>(1,417)</u>

	SKH Group RM'000	Texcorp Group RM'000
<b>2024</b>		
<b>Summarised financial information before intra-group elimination</b>		
<b>At 31 December</b>		
Non-current assets	611,830	52,328
Current assets	97,885	3,505
Non-current liabilities	(210,135)	(3,422)
Current liabilities	(127,639)	(20,216)
Net assets	<u>371,941</u>	<u>32,195</u>
<b>Year ended 31 December</b>		
Revenue	292,628	16,017
Profit for the year	2,285	2,334
Total comprehensive income	<u>2,285</u>	<u>2,334</u>
Cash flows from operating activities	39,444	407
Cash flows used in investing activities	(35,509)	(2,443)
Cash flows from financing activities	5,462	1,317
Net increase/(decrease) in cash and cash equivalents	<u>9,397</u>	<u>(719)</u>
Dividends paid to NCI	<u>(1,225)</u>	<u>-</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 5. Investments (continued)

#### (a) Subsidiaries (continued)

##### Restrictions imposed by bank covenants

The borrowings undertaken by certain subsidiaries contain covenants which only allow the said subsidiaries to provide advances to other companies within the Group up to certain limit, prohibits the provision of any guarantee without the lender's prior consent and to only allow declaring or distributing dividends up to the current year's profit after tax of the subsidiaries. Any additional dividends thereafter will need the prior consent of the lender.

##### Material accounting policy information

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

#### (b) Associates

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Investments, at cost	17,890	17,890	-	-
Share of post acquisition reserves	2,753	2,593	-	-
	<u>20,643</u>	<u>20,483</u>	<u>-</u>	<u>-</u>

Details of the associates are as follows :

Name of associate	Principal place of business	Principal activities/ Nature of the relationship	Effective ownership interest and voting interest	
			2025 %	2024 %
<u>Associate of Sushi King Holdings Sdn. Bhd.</u>				
Otafuku Sauce Malaysia Sdn. Bhd. ("OSM")	Malaysia	Manufacture, distribution and trading of all kinds of sauces	47.92	47.92
<u>Associate of Texchem Food Sdn. Bhd.</u>				
Mascot Industries Company Limited ("Mascot")	Myanmar	Fishing and aquaculture business	35.00	35.00

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 5. Investments (continued)

#### (b) Associates (continued)

##### *Material accounting policy information*

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

The following table summarises the information of the Group's associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interest in the associates.

	OSM RM'000	Mascot RM'000	Total RM'000
<b>2025</b>			
<b>Direct interest held by a subsidiary</b>	49.00%	35.00%	
<b>Group</b>			
<b>Summarised financial information</b>			
<b>At 31 December</b>			
Non-current assets	44,557	1,726	46,283
Current assets	6,276	2,258	8,534
Non-current liabilities	(8,736)	-	(8,736)
Current liabilities	(1,356)	(2,041)	(3,397)
Net assets	<u>40,741</u>	<u>1,943</u>	<u>42,684</u>
<b>Year ended 31 December</b>			
Profit from continuing operations	154	423	577
Other comprehensive expense	-	(179)	(179)
<b>Total comprehensive income</b>	<u>154</u>	<u>244</u>	<u>398</u>
<b><i>Included in the total comprehensive income is :</i></b>			
Revenue	<u>14,181</u>	<u>473</u>	<u>14,654</u>
<b>Reconciliation of net assets to carrying amount</b>			
<b>At 31 December</b>			
Group's share of net assets	19,963	680	20,643
Carrying amount in the consolidated statement of financial position	<u>19,963</u>	<u>680</u>	<u>20,643</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

**5. Investments (continued)****(b) Associates (continued)**

	OSM RM'000	Mascot RM'000	Total RM'000
<b>2025</b>			
<b>Group's share of results</b>			
<b>Year ended 31 December</b>			
Group's share of profit from continuing operations	75	148	223
Share of total comprehensive expense	-	(63)	(63)
Group's share of total comprehensive expense	<u>75</u>	<u>85</u>	<u>160</u>
<b>2024</b>			
<b>Direct interest held by a subsidiary</b>	49.00%	35.00%	
<b>Group</b>			
<b>Summarised financial information</b>			
<b>At 31 December</b>			
Non-current assets	30,042	2,009	32,051
Current assets	23,958	3,363	27,321
Non-current liabilities	(11,950)	-	(11,950)
Current liabilities	(1,463)	(3,673)	(5,136)
Net assets	<u>40,587</u>	<u>1,699</u>	<u>42,286</u>
<b>Year ended 31 December</b>			
Profit from continuing operations	3,110	85	3,195
Other comprehensive expense	-	(46)	(46)
<b>Total comprehensive income</b>	<u>3,110</u>	<u>39</u>	<u>3,149</u>
<b><i>Included in the total comprehensive income is :</i></b>			
Revenue	<u>12,572</u>	<u>-</u>	<u>12,572</u>
<b>Reconciliation of net assets to carrying amount</b>			
<b>At 31 December</b>			
Group's share of net assets	19,888	595	20,483
Carrying amount in the consolidated statement of financial position	<u>19,888</u>	<u>595</u>	<u>20,483</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 5. Investments (continued)

#### (b) Associates (continued)

	OSM RM'000	Mascot RM'000	Total RM'000
<b>2024</b>			
<b>Group's share of results</b>			
<b>Year ended 31 December</b>			
Group's share of profit from continuing operations	1,524	30	1,554
Share of total comprehensive expense	-	(16)	(16)
Group's share of total comprehensive expense	<u>1,524</u>	<u>14</u>	<u>1,538</u>

### 6. Intangible assets - Group

	Goodwill RM'000	Trademark RM'000	Total RM'000
<b>Cost</b>			
At 1 January 2024/31 December 2024	<u>39,809</u>	<u>21,500</u>	<u>61,309</u>
At 1 January 2025/31 December 2025	<u>39,809</u>	<u>21,500</u>	<u>61,309</u>
<b>Impairment loss</b>			
At 1 January 2024/31 December 2024	<u>5,427</u>	<u>-</u>	<u>5,427</u>
At 1 January 2025/31 December 2025	<u>5,427</u>	<u>-</u>	<u>5,427</u>
<b>Carrying amounts</b>			
At 1 January 2024/31 December 2024	<u>34,382</u>	<u>21,500</u>	<u>55,882</u>
At 1 January 2025/31 December 2025	<u>34,382</u>	<u>21,500</u>	<u>55,882</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 6. Intangible assets - Group (continued)

The trademark which relates to the Sushi King chain of restaurant outlets is assessed to have indefinite useful life as there is no foreseeable limit as to the period over which the asset is expected to generate cash inflows to the Group.

#### **Impairment testing for cash generating units ("CGU") containing goodwill and trademark**

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions or businesses as appropriate, which represent the lowest level within the Group at which the goodwill is monitored for internal management purposes.

The carrying amount of goodwill is allocated to each unit as follows :

	<b>2025</b> <b>RM'000</b>	<b>2024</b> <b>RM'000</b>
Polymer Engineering Division		
- Thermoformed packaging business	7,265	7,265
- Flexo photopolymer printing plates business	2,710	2,710
Industrial Division	13,377	13,377
Food Division	4,314	4,314
Restaurant Division	6,716	6,716
	<u>34,382</u>	<u>34,382</u>

Management has assessed the recoverable amounts of the goodwill and trademark based on value in use ("VIU") of the CGUs in which these non-current assets are associated with. The VIU has been calculated by discounting the future cash flows covering a period of 5 years plus a terminal value of the respective CGUs.

The VIU calculations involved applying judgement on key assumptions (e.g. estimated selling prices, sales growth, gross profit margins and the availability of supplies for seafood products) used in projecting the future cash flows. The judgement made on key assumptions represents the Directors' and management's assessment of future trends of the respective CGUs after considering both external and internal factors. The projected cash flows are therefore inherently uncertain, and changes in the future economic and market conditions could impact on the outcome of the projected cash flows.

Pre-tax discount rates ranging from 10% to 14% (2024 : 10% to 14%) were applied to the projected cash flows in determining the recoverable amounts of the respective CGUs.

The estimated recoverable amounts of the CGUs exceeded their carrying amounts and the Directors consider that it is not reasonably possible for the key assumptions to change so significantly to cause an impairment of goodwill or trademark.

#### **6.1 Material accounting policy information**

##### **(a) Recognition and measurement**

Intangible assets, other than goodwill, that are acquired by the Group, which comprises of trademark which has infinite useful life, is measured at cost less any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

**7. Deferred tax assets/(liabilities)**

**Recognised deferred tax assets/(liabilities)**

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

Group	Assets		Liabilities		Net	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Property, plant and equipment	-	-	(6,033)	(6,094)	(6,033)	(6,094)
- capital allowance	-	-	(761)	(782)	(761)	(782)
- revaluation	-	-	(38,862)	(37,236)	(38,862)	(37,236)
Right-of-use assets	41,434	39,353	-	-	41,434	39,353
Lease liabilities	3,001	5,438	-	-	3,001	5,438
Tax losses carry-forward	486	708	-	-	486	708
Capital allowance carry-forward	4,637	4,484	-	-	4,637	4,484
Other temporary differences						
Deferred tax assets/(liabilities)	49,558	49,983	(45,656)	(44,112)	3,902	5,871
Set-off of tax	(38,862)	(37,236)	38,862	37,236	-	-
Net deferred tax assets/(liabilities)	10,696	12,747	(6,794)	(6,876)	3,902	5,871

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the Group entities can utilise the benefits therefrom.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
For the year ended 31 December 2025

**7. Deferred tax assets/(liabilities) (continued)**

*Recognised deferred tax assets/(liabilities) (continued)*

Movements in temporary differences during the year :

Group	At 1.1.2024 RM'000	Recognised in profit or loss (Note 21) RM'000	Effect of movements in exchange rates RM'000	At 31.12.2024/ 1.1.2025 RM'000	Recognised in profit or loss (Note 21) RM'000	Effect of movements in exchange rates RM'000	At 31.12.2025 RM'000
Property, plant and equipment							
- capital allowance	(5,732)	(364)	2	(6,094)	58	3	(6,033)
- revaluation	(816)	34	-	(782)	21	-	(761)
Right-of-use assets	(36,880)	(360)	4	(37,236)	(1,661)	35	(38,862)
Lease liabilities	38,604	755	(6)	39,353	2,117	(36)	41,434
Tax losses carry-forward	7,338	(1,900)	-	5,438	(2,437)	-	3,001
Capital allowance carry-forward	1,714	(1,006)	-	708	(222)	-	486
Other temporary differences	2,851	1,637	(4)	4,484	171	(18)	4,637
	7,079	(1,204)	(4)	5,871	(1,953)	(16)	3,902

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 7. Deferred tax assets/(liabilities) (continued)

#### *Unrecognised deferred tax assets - Group*

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

	<b>2025</b> <b>RM'000</b>	<b>2024</b> <b>RM'000</b>
Unutilised reinvestment allowance	1,448	1,448
Tax losses carry-forward	83,053	74,464
Capital allowance carry-forward	22,484	22,112
	<u>106,985</u>	<u>98,024</u>

The capital allowance carry-forward of the Group entities are available indefinitely for offsetting against future taxable profits, subject to no substantial change in shareholdings of those entities and guidelines issued under the Income Tax Act, 1967.

The unutilised reinvestment allowance can be carry-forward for a maximum period of 7 years from the end of the qualifying period whilst the tax losses carry-forward can be carry-forward for a maximum period of 10 consecutive years of assessment. Any amounts not utilised upon expiry will be disregarded.

The unutilised reinvestment allowance will expire in the following year of assessment under the tax legislation of Malaysia :

	<b>2025</b> <b>RM'000</b>	<b>2024</b> <b>RM'000</b>
<i>Year of Assessment :</i>		
2028	<u>1,448</u>	<u>1,448</u>

The tax losses carry-forward will expire in the following years of assessment under the tax legislation of Malaysia and Indonesia :

	<b>2025</b> <b>RM'000</b>	<b>2024</b> <b>RM'000</b>
<i>Year of Assessment :</i>		
2025	-	89
2028	48,859	44,196
2029	8,303	8,303
2030	6,123	6,123
2031	3,121	3,187
2032	2,894	3,161
2033	4,880	5,158
2034	4,592	4,247
2035	4,281	-
	<u>83,053</u>	<u>74,464</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 7. Deferred tax assets/(liabilities) (continued)

#### *Unrecognised deferred tax assets – Group (continued)*

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

#### **7.1 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 - Group

	<b>2025</b> <b>RM'000</b>	<b>2024</b> <b>RM'000</b>
Raw materials	21,917	22,412
Work-in-progress	1,850	2,298
Manufactured inventories	14,659	23,207
Trading inventories	44,847	37,716
Food and beverages	13,981	15,862
	<u>97,254</u>	<u>101,495</u>
Recognised in profit or loss :		
Inventories recognised as cost of sales	704,134	710,655
Inventories written down/(written back)	<u>269</u>	<u>(497)</u>

#### **8.1 Material accounting policy information**

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is calculated using the first-in, first-out method, except for food and beverages inventories cost is determined using the weighted average method. Cost comprises expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of work-in-progress and manufactured inventories, cost includes an appropriate share of production overheads based on normal operating capacity.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 9. Trade and other receivables

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Non-current</b>					
<b>Non-trade</b>					
Deposits		6,922	8,819	-	-
<b>Current</b>					
<b>Trade</b>					
Trade receivables		125,628	127,195	-	-
Amount due from associates	9.1	226	200	-	-
		<u>125,854</u>	<u>127,395</u>	<u>-</u>	<u>-</u>
<b>Non-trade</b>					
Amount due from subsidiaries	9.2	-	-	16,550	4,554
Amount due from associates		-	-	3	-
Deposits		8,606	7,253	-	8
Prepayments		10,872	12,913	1,006	1,062
Other receivables		7,882	9,138	-	-
		<u>27,360</u>	<u>29,304</u>	<u>17,559</u>	<u>5,624</u>
		<u>153,214</u>	<u>156,699</u>	<u>17,559</u>	<u>5,624</u>
Total trade and other receivables		<u>160,136</u>	<u>165,518</u>	<u>17,559</u>	<u>5,624</u>
<b>Financial instruments :</b>					
Trade and other receivables (excluding prepayments)		149,264	152,605	16,553	4,562
Add : Cash and cash equivalents	12	94,841	92,071	1,399	26
Total financial assets measured at amortised cost		<u>244,105</u>	<u>244,676</u>	<u>17,952</u>	<u>4,588</u>

#### 9.1 Amounts due from associates

The trade amount due from associates is subject to normal trade terms.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

**9. Trade and other receivables (continued)****9.2 Amount due from subsidiaries**

Included in amount due from subsidiaries is RM6,000,000 (2024 : RM1,550,000) which earns interest at rates ranging from 4.86% to 7.65% (2024 : 5.15% to 7.95%) per annum. Other than as disclosed, the non-trade amount due from subsidiaries is unsecured, interest-free and repayable on demand.

**10. Contracts with customers - Group**

	<b>2025</b> <b>RM'000</b>	<b>2024</b> <b>RM'000</b>
<b>Current</b>		
Contract assets	<u>472</u>	<u>1,021</u>
Contract liabilities	<u>(1,996)</u>	<u>(2,042)</u>

The contract assets related to the Group's right to consideration for work performed on moulds but yet to be billed at the reporting date.

	<b>2025</b> <b>RM'000</b>	<b>2024</b> <b>RM'000</b>
Contract assets at 1 January	1,021	2,237
Revenue recognised but not yet billed during the year	592	451
Amounts transferred to trade receivables during the year due to billings made	(1,140)	(1,668)
Effect of movements in exchange rates	(1)	1
Contract assets at 31 December	<u>472</u>	<u>1,021</u>

Included in the contract liabilities amounting to RM1,343,000 (2024 : RM1,511,000) was advance consideration received from customers for which revenue is recognised over time.

Included in the contract liabilities amounting to RM653,000 (2024 : RM531,000) was the reward points under the customer loyalty programme awarded by the Group's Restaurant Division, estimated based on the fair value of food and beverages to be redeemed which also represents the aggregate amount of transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of the financial year. The contract liabilities will be recognised as revenue when the points are redeemed or upon expiry of the redemption period, whichever earlier.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 10. Contracts with customers - Group (continued)

Significant changes to contract liabilities balance during the period are as follows :

	2025 RM'000	2024 RM'000
Contract liabilities at 1 January	2,042	1,885
Contract liabilities recognised as revenue during the year	(2,042)	(1,885)
Amount collected from customers before work done	1,343	1,511
Reward points given during the year	622	519
Unredeemed vouchers	31	12
Contract liabilities at 31 December	<u>1,996</u>	<u>2,042</u>

### 11. Derivative financial (liabilities)/assets - Group

	← 2025 →		← 2024 →	
	Nominal value RM'000	Liabilities RM'000	Nominal value RM'000	Assets RM'000
Derivatives held for trading at fair value through profit or loss				
- Forward exchange contracts	<u>9,256</u>	<u>(148)</u>	<u>8,046</u>	<u>101</u>

Forward exchange contracts are used to manage the foreign currency exposures arising from the Group's receivables and payables denominated in currencies other than the functional currency of Group entities. The forward exchange contracts have maturities of less than one year after the end of the reporting period.

### 12. Cash and cash equivalents

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Short term deposits		16,089	9,118	-	-
Cash and bank balances		78,752	82,953	1,399	26
Cash and cash equivalents in the statements of financial position		<u>94,841</u>	<u>92,071</u>	<u>1,399</u>	<u>26</u>
Bank overdrafts	15	(279)	(13,657)	-	(1,042)
Cash and cash equivalents in the statements of cash flows		<u>94,562</u>	<u>78,414</u>	<u>1,399</u>	<u>(1,016)</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

**13. Share capital - Group/Company**

	2025		2024	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Issued and fully paid ordinary shares with no par value classified as equity instruments	126,373	157,853	126,373	157,853

**13.1 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. In respect of the Company's treasury shares that are held by the Group (see Note 14.3), all rights are suspended until those shares are reissued.

**14. Reserves**

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<i>Non-distributable :</i>					
Translation reserve	14.1	9,785	16,182	-	-
Merger reserve		1,092	1,092	-	-
Capital reserve	14.2	1,792	1,792	-	-
Treasury shares	14.3	(13,796)	(13,796)	(13,796)	(13,796)
Share options reserve	14.4	9,817	9,817	9,817	9,817
		<u>8,690</u>	<u>15,087</u>	<u>(3,979)</u>	<u>(3,979)</u>
<i>Distributable :</i>					
Retained earnings		21,744	7,711	285,549	263,074
		<u>30,434</u>	<u>22,798</u>	<u>281,570</u>	<u>259,095</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 14. Reserves (continued)

The movements in the reserves are disclosed in the statements of changes in equity.

#### 14.1 Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

#### 14.2 Capital reserve

The capital reserve of RM1,792,000 (2024 : RM1,792,000) represents the statutory reserve of foreign subsidiaries as required by the respective foreign legislations.

#### 14.3 Treasury shares

The shareholders of the Company, by an ordinary resolution passed in the Annual General Meeting ("AGM") held on 30 April 2015, approved the Company's plan to repurchase its own shares. The authority granted by the shareholders was subsequently renewed during subsequent AGMs of the Company including the last AGM held on 17 May 2023. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

During the financial year ended 31 December 2025 and 31 December 2024, the Company did not repurchase any ordinary shares from the open market. The cumulative number of shares repurchased as at 31 December 2025 is 9,282,000 (2024 : 9,282,000).

#### 14.4 Share option reserve

The share options reserve represents the fair value of the share options granted to eligible Directors and employees of the Group and the Company as disclosed in Note 24.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

**15. Loans and borrowings**

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Unsecured</b>					
<b>Non-current :</b>					
Term loans					
- Variable rate		25,524	23,152	-	-
Revolving credits		21,867	22,900	-	-
Hire purchase creditors		8,946	4,517	-	-
		<u>56,337</u>	<u>50,569</u>	<u>-</u>	<u>-</u>
<b>Current :</b>					
Bank overdrafts	12	279	13,657	-	1,042
Bankers' acceptances		47,806	49,968	-	-
Revolving credits		72,444	69,546	22,100	22,100
Term loans					
- Variable rate		13,698	10,832	-	-
- Fixed rate		-	653	-	-
Trust receipts		14,841	7,259	-	-
Other borrowings		4,525	7,076	-	-
Hire purchase creditors		4,120	2,969	-	-
		<u>157,713</u>	<u>161,960</u>	<u>22,100</u>	<u>23,142</u>
Total loans and borrowings		<u>214,050</u>	<u>212,529</u>	<u>22,100</u>	<u>23,142</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
For the year ended 31 December 2025

15. Loans and borrowings (continued)

15.1 Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	At 1 January 2024 RM'000	Net changes from financing cash flows RM'000	Derecognised due to termination of lease arrangements RM'000	Assets acquired under hire purchase arrangements RM'000	Remeasurement of existing leases RM'000	New leases obtained RM'000	Foreign exchange movements RM'000	At 31 December 2024 RM'000
Bankers' acceptances	47,864	2,104	-	-	-	-	-	49,968
Revolving credits	72,250	20,282	-	-	-	-	(86)	92,446
Term loans	27,921	6,812	-	-	-	-	(96)	34,637
Trust receipts	8,551	(1,008)	-	-	-	-	(284)	7,259
Other borrowings	6,943	312	-	-	-	-	(179)	7,076
Hire purchase creditors	8,682	(3,534)	-	2,339	-	-	(1)	7,486
	172,211	24,968	-	2,339	-	-	(646)	198,872
Lease liabilities	161,968	(29,824)	(7,585)	-	42,775	3,846	(278)	170,902
	334,179	(4,856)	(7,585)	2,339	42,775	3,846	(924)	369,774

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
For the year ended 31 December 2025

**15. Loans and borrowings (continued)**

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

Group	At 1 January 2025 RM'000	Net changes from financing cash flows RM'000	Derecognised due to termination of lease arrangements RM'000	Assets acquired under hire purchase arrangements RM'000	Remeasurement of existing leases RM'000	New leases obtained RM'000	Foreign exchange movements RM'000	At 31 December 2025 RM'000
Bankers' acceptances	49,968	(2,162)	-	-	-	-	-	47,806
Revolving credits	92,446	2,568	-	-	-	-	(703)	94,311
Term loans	34,637	4,673	-	-	-	-	(88)	39,222
Trust receipts	7,259	8,368	-	-	-	-	(786)	14,841
Other borrowings	7,076	(2,507)	-	-	-	-	(44)	4,525
Hire purchase creditors	7,486	(4,208)	-	9,788	-	-	-	13,066
	198,872	6,732	-	9,788	-	-	(1,621)	213,771
Lease liabilities	170,902	(27,483)	(1,079)	-	21,553	9,849	(943)	172,799
	369,774	(20,751)	(1,079)	9,788	21,553	9,849	(2,564)	386,570

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
For the year ended 31 December 2025

**15. Loans and borrowings (continued)**

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

Company	At 1 January 2024 RM'000	Assets acquired under hire purchase arrangements RM'000	Net changes from financing cash flows RM'000	At 31 December 2024/ 1 January 2025 RM'000	Net changes from financing cash flows RM'000	At 31 December 2025 RM'000
Revolving credits	20,100	-	2,000	22,100	-	22,100
Hire purchase creditors	62	-	(62)	-	-	-
	20,162	-	1,938	22,100	-	22,100

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

**16. Deferred liabilities**

Directors and Employees' retirement/resignation benefits

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	2,247	3,644	246	688
Provision during the year	857	614	108	128
Reclassification	1,065	-	-	-
Amount paid during the year	(386)	(1,993)	-	(570)
Effect of movements in exchange rates	(62)	(18)	-	-
At 31 December	<u>3,721</u>	<u>2,247</u>	<u>354</u>	<u>246</u>
Total at 31 December	3,721	2,247	354	246
Less : Amount payable within the next 12 months presented as current liabilities	(500)	(488)	-	-
	<u>3,221</u>	<u>1,759</u>	<u>354</u>	<u>246</u>

The Directors' retirement/resignation benefits of the Group and the Company are RM1,937,000 (2024 : RM1,798,000) and RM354,000 (2024 : RM246,000) respectively.

**17. Provision - Group**

	2025 RM'000	2024 RM'000
<i>Provision for site restoration costs</i>		
At 1 January	6,323	6,449
Provision made during the year	635	263
Provision utilised during the year	(917)	(382)
Effect of movements in exchange rate	(21)	(7)
	(303)	(126)
At 31 December	<u>6,020</u>	<u>6,323</u>
Presented as :		
Non-current	5,800	6,196
Current	220	127
	<u>6,020</u>	<u>6,323</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 17. Provision - Group (continued)

The site restoration costs for the rented premises are provided based on historical experience of expenses incurred. The Group expects to incur the liability when the leases expire or when they are terminated.

The amount provided for restoration costs is reviewed and updated annually based on the current cost of restoring the premises and for any leases terminated or extended.

Provision for restoration costs is classified as current liabilities if it is expected to be utilised within 12 months after the reporting date when the leases are expected to be terminated.

### 18. Trade and other payables

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Non-current</b>					
<b>Non-trade</b>					
Amount due to subsidiaries	18.1	-	-	185	1,073
Other payable	18.3	-	9,508	-	-
		-	9,508	185	1,073
<b>Current</b>					
<b>Trade</b>					
Trade payables		60,228	72,553	-	-
		60,228	72,553	-	-
<b>Non-trade</b>					
Amount due to :					
- subsidiaries	18.1	-	-	188	178
- associates	18.2	1,240	1,691	-	-
Other payables	18.3	39,718	50,187	214	41
Accrued expenses		38,719	34,294	1,480	1,341
		79,677	86,172	1,882	1,560
		139,905	158,725	1,882	1,560
		139,905	168,233	2,067	2,633

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 18. Trade and other payables (continued)

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Financial instruments</b>					
Trade and other payables		139,905	168,233	2,067	2,633
Add : Loans and borrowings	15	214,050	212,529	22,100	23,142
Deferred liabilities	16	3,721	2,247	354	246
Total financial liabilities measured at amortised cost		<u>357,676</u>	<u>383,009</u>	<u>24,521</u>	<u>26,021</u>

#### 18.1 Amounts due to subsidiaries

Included in the non-current amount due to subsidiaries is RM Nil (2024 : RM800,000) which is unsecured, bears interest at a rate of 6.00% per annum and is not repayable within the next twelve (12) months. Other than as disclosed, the non-current amount due to subsidiaries is unsecured, interest-free and is not repayable within the next twelve (12) months.

#### 18.2 Amounts due to associates

The non-trade amount due to associates is unsecured, interest-free and repayable on demand.

#### 18.3 Other payables

Included in the current and non-current other payable amounting to RM10 million (2024 : RM30 million) was the remaining balance for the acquisition of non-controlling interest in a subsidiary which is subject to interest charge of 4.08% (2024 : 4.08%) per annum. Besides, included in the current other payable amounting to RM3.3 million (2024 : RM6.3 million) was for the acquisition of plant and equipment.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 19. Revenue and operating profit

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue from contracts with customers	19.1	1,110,100	1,116,955	-	-
<i>Other revenue :</i>					
- Dividend income		-	-	30,817	13,780
- Rental income		622	987	-	-
		622	987	30,817	13,780
<b>Total revenue</b>	19.1	<u>1,110,722</u>	<u>1,117,942</u>	<u>30,817</u>	<u>13,780</u>
Cost of sales		(823,264)	(841,234)	-	-
Gross profit		<u>287,458</u>	<u>276,708</u>	<u>30,817</u>	<u>13,780</u>
Distribution costs		(132,987)	(131,826)	-	-
Administrative expenses		(119,537)	(117,049)	(6,999)	(6,672)
Other expenses		(3,333)	(3,940)	(1,000)	(5,168)
Other income		10,236	10,250	932	1,112
Net gain/(loss) on impairment of financial instruments - at amortised cost		43	(72)	-	-
<b>Operating profit</b>		<u><u>41,880</u></u>	<u><u>34,071</u></u>	<u><u>23,750</u></u>	<u><u>3,052</u></u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
For the year ended 31 December 2025

**19. Revenue and operating profit (continued)**

**19.1 Disaggregation of revenue - Group**

2025	Industrial RM'000	Restaurant RM'000	Polymer Engineering RM'000	Food RM'000	Venture Business RM'000	Others RM'000	Total RM'000
<b>Primary geographical markets</b>							
Malaysia	166,930	281,736	72,563	28,507	1,222	1,544	552,502
Singapore	51,400	-	11,915	1,548	-	-	64,863
Thailand	80,434	-	84,823	-	11	-	165,268
Vietnam	87,147	-	26,007	-	17	-	113,171
China	42,063	-	8,240	9,364	-	-	59,667
Myanmar	941	-	2	37,631	-	-	38,574
Indonesia	18,577	3,290	739	-	-	-	22,606
Japan	2,413	-	18,190	20,901	956	-	42,460
United States of America	-	-	6,749	647	-	-	7,396
Philippines	229	-	1,137	322	-	-	1,688
Australia	58	-	2,751	-	-	-	2,809
Italy	8,947	-	-	3,334	-	-	12,281
Taiwan	548	-	4,699	5,110	-	-	10,357
India	4,001	-	2,318	-	-	-	6,319
Germany	-	-	981	-	-	-	981
Switzerland	-	-	4,695	-	-	-	4,695
Others	1,315	-	2,947	-	201	-	4,463
	465,003	285,026	248,756	107,364	2,407	1,544	1,110,100

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
For the year ended 31 December 2025

**19. Revenue and operating profit (continued)**

**19.1 Disaggregation of revenue - Group (continued)**

2025	Industrial RM'000	Restaurant RM'000	Polymer Engineering RM'000	Food RM'000	Venture Business RM'000	Others RM'000	Total RM'000
<b>Major products and service lines</b>							
Chemicals, plastic resins and other industrial related products	465,003	-	-	-	-	-	465,003
Food and beverages	-	252,313	-	-	-	-	252,313
Medical life science related plastic products	-	-	82,261	-	-	-	82,261
Non-medical life science related plastic products	-	-	156,211	-	2,407	-	158,618
Surimi, fishmeal, seafood and other processed foods	-	-	-	107,364	-	-	107,364
Mould and tooling	-	-	10,284	-	-	-	10,284
Provision of services*	-	32,713	-	-	-	1,544	34,257
	465,003	285,026	248,756	107,364	2,407	1,544	1,110,100

\* The provision of services include management services, warehousing services and services rendered as insurance agents.

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
For the year ended 31 December 2025

**19. Revenue and operating profit (continued)**

**19.1 Disaggregation of revenue - Group (continued)**

	Industrial RM'000	Restaurant RM'000	Polymer Engineering RM'000	Food RM'000	Venture Business RM'000	Others RM'000	Total RM'000
<b>2025</b>							
<b>Timing and recognition</b>							
At a point in time	465,003	250,594	240,526	107,364	2,407	1,544	1,067,438
Over time	-	34,432	8,230	-	-	-	42,662
Revenue from contracts with customers	465,003	285,026	248,756	107,364	2,407	1,544	1,110,100
Other revenue	-	-	-	-	-	622	622
Total revenue	465,003	285,026	248,756	107,364	2,407	2,166	1,110,722

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
For the year ended 31 December 2025

**19. Revenue and operating profit (continued)**

**19.1 Disaggregation of revenue - Group (continued)**

	Industrial RM'000	Restaurant RM'000	Polymer Engineering RM'000	Food RM'000	Venture Business RM'000	Others RM'000	Total RM'000
<b>2024</b>							
<b>Primary geographical markets</b>							
Malaysia	181,806	271,314	70,885	24,936	86	1,257	550,284
Singapore	56,530	-	14,299	1,668	231	-	72,728
Thailand	82,261	-	71,284	-	12	-	153,557
Vietnam	85,133	-	31,155	-	121	-	116,409
China	53,303	-	7,381	10,630	-	-	71,314
Myanmar	1,983	-	15	32,758	-	-	34,756
Indonesia	19,992	1,167	1,177	-	-	-	22,336
Japan	356	-	10,356	36,046	1,131	-	47,889
United States of America	-	-	7,783	1,142	-	-	8,925
Philippines	1,260	-	1,759	-	-	-	3,019
Australia	1,310	-	2,170	-	-	-	3,480
Italy	2,617	-	-	6,373	-	-	8,990
Taiwan	813	-	747	5,426	-	-	6,986
India	3,920	-	3,234	-	-	-	7,154
Germany	-	-	2,244	-	-	-	2,244
Switzerland	-	-	3,029	-	-	-	3,029
Others	1,027	-	2,828	-	-	-	3,855
	<b>492,311</b>	<b>272,481</b>	<b>230,346</b>	<b>118,979</b>	<b>1,581</b>	<b>1,257</b>	<b>1,116,955</b>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
For the year ended 31 December 2025

**19. Revenue and operating profit (continued)**

**19.1 Disaggregation of revenue - Group (continued)**

	Industrial RM'000	Restaurant RM'000	Polymer Engineering RM'000	Food RM'000	Venture Business RM'000	Others RM'000	Total RM'000
<b>2024</b>							
<b>Major products and service lines</b>							
Chemicals, plastic resins and other industrial related products	492,311	-	-	-	-	-	492,311
Food and beverages	-	244,047	-	-	-	-	244,047
Medical life science related plastic products	-	-	82,244	-	-	-	82,244
Non-medical life science related plastic products	-	-	138,341	-	1,581	-	139,922
Surimi, fishmeal, seafood and other processed foods	-	-	-	118,979	-	-	118,979
Mould and tooling	-	-	9,761	-	-	-	9,761
Provision of services*	-	28,434	-	-	-	1,257	29,691
	<b>492,311</b>	<b>272,481</b>	<b>230,346</b>	<b>118,979</b>	<b>1,581</b>	<b>1,257</b>	<b>1,116,955</b>

\* The provision of services include management services, warehousing services and services rendered as insurance agents.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
For the year ended 31 December 2025

**19. Revenue and operating profit (continued)**

**19.1 Disaggregation of revenue - Group (continued)**

	Industrial RM'000	Restaurant RM'000	Polymer Engineering RM'000	Food RM'000	Venture Business RM'000	Others RM'000	Total RM'000
<b>2024</b>							
<b>Timing and recognition</b>							
At a point in time	492,311	242,915	220,585	118,979	1,581	1,257	1,077,628
Over time	-	29,566	9,761	-	-	-	39,327
Revenue from contracts with customers	492,311	272,481	230,346	118,979	1,581	1,257	1,116,955
Other revenue	-	-	-	-	-	987	987
<b>Total revenue</b>	<b>492,311</b>	<b>272,481</b>	<b>230,346</b>	<b>118,979</b>	<b>1,581</b>	<b>2,244</b>	<b>1,117,942</b>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
For the year ended 31 December 2025

**19. Revenue and operating profit (continued)**

**19.2 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
Chemicals, plastic resins and other industrial related products	Revenue is recognised at a point in time when the goods are delivered and accepted by the customers.	Credit period of 30 days to 60 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Food and beverages	Revenue is recognised at a point in time when the food and beverages are served/delivered and accepted by the customers.	Cash term.	Not applicable.	Not applicable.	Not applicable.
Medical life science related plastic products	Revenue is recognised at a point in time when the goods are delivered and accepted by the customers.	Cash term or credit period of 30 days to 60 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Non-medical life science related plastic products	Revenue is recognised at a point in time when the goods are delivered and accepted by the customers.	Cash term or credit period of 30 days to 60 days from invoice date.	Not applicable.	Not applicable.	Not applicable.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
For the year ended 31 December 2025

**19. Revenue and operating profit (continued)**

**19.2 Nature of goods and services (continued)**

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
Surimi, fishmeal, seafood and other processed foods	Revenue is recognised at a point in time when the goods are delivered and accepted by the customers.	Credit period of 14 days to 60 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Moulds and toolings	Revenue is recognised over time as performance obligations are satisfied. These contracts would meet the no alternative use criteria and the Group has rights to payment for work performed.	Credit period of 30 days to 60 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Services as described in Note 19.1	Revenue is recognised overtime when the services are performed or rendered.	Cash term or credit period of 30 days from invoice date.	Not applicable.	Not applicable.	Not applicable.

The Group applies the practical expedient on the exemption on disclosure of information on remaining performance obligations that have original expected durations of one year or shorter.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

**20. Finance costs**

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest expense of financial liabilities that are not at fair value through profit or loss	13,321	12,810	1,210	1,778
Interest expense on lease liabilities	8,286	7,999	-	-
	<u>21,607</u>	<u>20,809</u>	<u>1,210</u>	<u>1,778</u>

**21. Tax expense**

Major components of tax expense include :

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Current tax expense</b>				
- current year	13,079	9,067	66	80
- prior years	586	(781)	(1)	(3)
Total current tax	13,665	8,286	65	77
<b>Deferred tax expense</b>				
- current year	2,261	1,364	-	-
- prior years	(308)	(160)	-	-
Total deferred tax	1,953	1,204	-	-
Total tax expense	<u>15,618</u>	<u>9,490</u>	<u>65</u>	<u>77</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 21. Tax expense (continued)

#### Reconciliation of tax expense

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit for the year	4,878	5,326	22,475	1,197
Total tax expense	15,618	9,490	65	77
Profit excluding tax	<u>20,496</u>	<u>14,816</u>	<u>22,540</u>	<u>1,274</u>
Tax calculated using Malaysian tax rate at 24%	4,919	3,556	5,410	306
Effect of different tax rate in foreign jurisdictions	59	(453)	-	-
Non-deductible expenses	8,177	7,891	2,075	3,114
Results of equity-accounted associates	(53)	(373)	-	-
Non-taxable income	(166)	(809)	(7,419)	(3,340)
Deferred tax assets not recognised	2,151	715	-	-
Other items	253	(96)	-	-
Under/(Over) provision in prior years	278	(941)	(1)	(3)
Total tax expense	<u>15,618</u>	<u>9,490</u>	<u>65</u>	<u>77</u>

### 22. Employee information

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Staff costs (including key management personnel)	168,079	164,134	1,755	1,525
Contributions to Employees Provident Fund	12,194	11,582	178	135
Share-based payments (Note 24)	-	8	-	1
	<u>180,273</u>	<u>175,724</u>	<u>1,933</u>	<u>1,661</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

**23. Profit for the year**

Profit for the year is arrived at after charging/(crediting) :

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Auditors' remuneration				
- Audit fees				
- KPMG PLT in Malaysia	421	421	53	53
- Overseas affiliates of KPMG PLT in Malaysia	188	193	-	-
- Other auditors	363	368	-	-
- Non-audit fees				
- KPMG PLT in Malaysia	20	20	20	20
- Local affiliates of KPMG PLT in Malaysia	254	221	11	13
- Other auditors	236	189	-	-
<b>Material expenses/(income)</b>				
Directors' emoluments				
- fees	2,966	2,785	1,000	1,000
- others	5,127	7,479	773	1,353
- share-based payments	-	6	-	1
Inventories written down/(written back) (Note 8)	269	(497)	-	-
Impairment loss on :				
- Right-of-use assets (Note 4)	924	610	-	-
- Investment in subsidiaries (Note 5)	-	-	1,000	5,168
Property, plant and equipment :				
- Impairment loss (Note 3)	2,409	3,330	-	-
- Written off	723	959	-	-
Loss/(Gain) on foreign exchange, net	4,345	1,150	(76)	3
Gain on disposal of property, plant and equipment	(226)	(772)	(21)	-
Interest income	(1,184)	(1,066)	(382)	(583)
<b>Expenses/(Income) arising from leases</b>				
Expenses relating to :				
- short-term leases (Note a)	5,069	5,117	239	250
- leases of low-value assets (Note a)	688	573	-	-
- variable lease payments not included in the measurement of lease liabilities	3,046	2,281	-	-
Gain on termination of leases	(144)	(107)	-	-

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 23. Profit for the year (continued)

Profit for the year is arrived at after charging/(crediting) (continued) :

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<b>Expenses/(Income) arising from leases (continued)</b>				
Rental income from premises	(933)	(1,163)	-	-
<b>Net (gain)/loss on impairment of financial instruments</b>				
(Reversal)/Impairment on trade receivables	(43)	72	-	-

The estimated monetary value of Directors' benefits-in-kind of the Group and the Company are RM222,000 (2024 : RM180,000) and RM129,000 (2024 : RM80,000) respectively.

#### Note a

The Group and the Company lease office space, apartments, storage facilities and equipment with contract terms of not more than 1 year. These leases are short-term and/or leases of low-value items. The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for these leases.

### 24. Employee benefits - Group/Company

#### Share-based payments arrangement

The Company granted share options to eligible Executive Directors and employees of the Group to purchase shares in the Company under the Employees' Share Option Scheme ("ESOS") approved by the shareholders at an Extraordinary General Meeting of the Company held on 22 April 2022.

The ESOS shall be in force for a duration of 5 years, commencing from 27 April 2022.

	Number of options granted and accepted ('000)	Vesting period	Exercise price (RM/Share)
Granted on 29 April 2022			
- Tranche 1	3,240	29 April 2022 to 26 April 2027	2.45
- Tranche 2	3,240	1 January 2023 to 26 April 2027	2.45
- Tranche 3	4,326	1 January 2024 to 26 April 2027	2.45
	<u>10,806</u>		

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

**24. Employee benefits - Group/Company (continued)****Share-based payments arrangement (continued)**

The movements of the ESOS during the year are as follows:

	Weighted average exercise price 2025	Number of options (‘000) 2025	Weighted average exercise price 2024	Number of options (‘000) 2024
Outstanding at 1 January	2.45	6,952	2.45	7,932
Forfeited during the year	2.45	(2,100)	2.45	(980)
Outstanding at 31 December	2.45	<u>4,852</u>	2.45	<u>6,952</u>
Exercisable at 31 December		<u>4,852</u>		<u>6,952</u>

The fair value of services received in return for the ESOS granted is based on the fair value of share options granted, measured using the Binomial Option Pricing Model, with the following inputs :

	Grant date RM
<b>Fair value of share options and assumptions</b>	
Fair value at grant date	<u>1.1505</u>
Weighted average share price	2.4500
Share price at grant date	2.6525
Option life	5 years
Expected volatility	53.22%
Expected dividends	3.37%
Risk-free interest rate (based on Malaysian government bonds)	<u>3.89%</u>

No share options were granted in the current financial year.

**Value of employee services received for issue of share options**

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Share option reserve recognised	-	8	-	8
Less: Allocation of expenses to subsidiaries	-	-	-	(7)
Total expenses recognised as share-based payments	<u>-</u>	<u>8</u>	<u>-</u>	<u>1</u>

The share options expense re-charged to the subsidiaries benefiting from the services of the employees is not recognised in the profit or loss of the Company.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 25. Basic/Diluted earnings per ordinary share - Group

#### *Basic earnings per ordinary share*

The calculation of basic earnings or loss per ordinary share is based on the profit attributable to ordinary shareholders of RM3,409,000 (2024 : profit attributable to ordinary shareholders of RM6,743,000) and on the weighted average number of ordinary shares outstanding during the year of 117,091,000 (2024 : 117,091,000) calculated as follows :

	<b>2025</b> <b>RM'000</b>	<b>2024</b> <b>RM'000</b>
Profit attributable to ordinary shareholders	<u>3,409</u>	<u>6,743</u>
Weighted average number of ordinary shares at 31 December ('000)	<u>117,091</u>	<u>117,091</u>
Basic earnings per ordinary share (sen)	<u>2.91</u>	<u>5.76</u>

#### **Weighted average number of ordinary shares :**

	<b>2025</b> <b>'000</b>	<b>2024</b> <b>'000</b>
Issued ordinary shares at 1 January	126,373	126,373
Effect of treasury shares repurchased	(9,282)	(9,282)
Weighted average number of ordinary shares at 31 December	<u>117,091</u>	<u>117,091</u>

#### *Diluted earnings per ordinary share*

The calculation of diluted earnings or loss per ordinary share is based on the profit or loss attributable to ordinary shareholders and on the weighted average number of ordinary shares outstanding after adjusting the effect of all dilutive potential ordinary shares, calculated as follows :

	<b>2025</b> <b>RM'000</b>	<b>2024</b> <b>RM'000</b>
Profit attributable to ordinary shareholders	<u>3,409</u>	<u>6,743</u>
	<b>2025</b> <b>'000</b>	<b>2024</b> <b>'000</b>
Weighted average number of ordinary shares at 31 December (basic)	117,091	117,091
Effect of exercise of ESOS	*	*
Weighted average number of ordinary shares at 31 December (diluted)	<u>117,091</u>	<u>117,091</u>
Diluted earnings per ordinary share (sen)	<u>2.91</u>	<u>5.76</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 25. Basic/Diluted earnings per ordinary share - Group (continued)

#### *Diluted earnings per ordinary share (continued)*

- \* The Group's diluted earnings per ordinary share is assumed to be the same as basic earnings per ordinary share as the potential new ordinary shares are deemed to be anti-dilutive since the current market share price is lower than the ESOS's exercise price.

### 26. Related parties

#### **Identity of related parties**

For the purposes of these financial statements, parties are considered to be related to the Group 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.

The Group has related party relationships with its significant investor, Texchem Holdings Sdn. Bhd. in which Tan Sri Dato' Seri (Dr.) Fumihiko Konishi has a substantial financial interest, subsidiaries and associates as disclosed in the financial statements.

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 certain Directors of the Group and of the Company.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 26. Related parties (continued)

#### Significant related party transactions

The significant related party transactions of the Group and of the Company are shown below. Related party transactions have been entered in the normal course of business under negotiated terms.

#### A. Subsidiaries

	2025 RM'000	2024 RM'000
<b>Company</b>		
- Advances to subsidiaries	14,650	4,064
- Advances from subsidiaries	-	2,800
- Interest income	102	277
- Interest expense	32	603
- Dividend income	30,817	13,780
- Management fee expense	1,500	1,500
- Share options expense re-charged to subsidiaries	-	7
- Subscription of shares in subsidiaries	8,660	2,904

#### B. Texchem Holdings Sdn. Bhd.

	2025 RM'000	2024 RM'000
<b>Company</b>		
- Facility fees	180	180
<b>Group</b>		
- Facility fees	924	924
- Insurance premium income	137	117
- Service income	23	28

#### C. Associates

	2025 RM'000	2024 RM'000
<b>Group</b>		
- Management fee income	18	18
- Sales	2,069	1,670
- Service income	38	38
- Insurance premium income	90	48
- Rental income	2	1
- Storage and logistic income	73	63
- Purchases	2,766	2,400

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 26. Related parties (continued)

#### Significant related party transactions (continued)

##### D. Key management personnel

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors				
- Fees	2,966	2,785	1,000	1,000
- Remuneration	5,127	7,479	773	1,353
- Estimated value of benefits-in-kind	222	180	129	80
- Share-based payments	-	6	-	1
	<u>8,315</u>	<u>10,450</u>	<u>1,902</u>	<u>2,434</u>
Other key management personnel				
- Fees	148	125	-	-
- Remuneration	3,469	1,877	-	-
- Estimated value of benefits-in-kind	32	20	-	-
- Share-based payments	-	2	-	-
	<u>3,649</u>	<u>2,024</u>	<u>-</u>	<u>-</u>
	<u>11,964</u>	<u>12,474</u>	<u>1,902</u>	<u>2,434</u>

There were no transactions with the key management personnel other than the remuneration package paid to them in accordance with the terms and conditions of their appointment as disclosed above and the Directors' retirement/resignation benefits payable as disclosed in Note 16 to the financial statements.

The balances related to the above transactions are shown in Notes 9 and 18 to the financial statements. All the amounts outstanding are unsecured and are expected to be settled in cash. There was no impairment provided in respect of related party balances at the end of the reporting period.

### 27. Operating segments

The Group has five reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products or services, and are managed separately because they require different technology, operational and marketing strategies.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 27. Operating segments (continued)

For each of the strategic business units, the Group's Chief Executive Officer (the chief operating decision maker ("CODM")) reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments :

- Industrial
- Restaurant
- Polymer Engineering
- Food
- Venture Business

There are varying levels of integration between the segments such as the transfers of raw materials, rental of premises and shared distribution and administrative services. Inter-segment pricing is determined on negotiated basis.

Performance is measured based on segment profit or loss before tax, as included in the internal management reports that are reviewed by the CODM. Segment profit or loss is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate within these industries.

Other non-reportable segments comprise investment holding activities and the provision of intra-group management services. None of these segments met the quantitative thresholds for reporting segments in both financial years 2025 and 2024.

#### Segment assets

The total of segment asset is measured on all assets (including goodwill) of a segment as included in the internal management reports that are reviewed by the CODM. Segment total assets are used to measure the return of assets of each segment.

#### Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the CODM. Hence, no disclosure is made on segment liabilities.

#### Segment capital expenditure

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

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**  
For the year ended 31 December 2025

**27. Operating segments (continued)**

	Industrial RM'000	Restaurant RM'000	Polymer Engineering RM'000	Food RM'000	Venture Business RM'000	Others RM'000	Eliminations RM'000	Total RM'000
<b>2025</b>								
Revenue from external customers	465,003	285,026	248,756	107,364	2,407	2,166	-	1,110,722
Inter-segment revenue	9,040	2,826	1,331	55,398	3,076	13,784	(85,455)	-
<b>Total revenue</b>	<b>474,043</b>	<b>287,852</b>	<b>250,087</b>	<b>162,762</b>	<b>5,483</b>	<b>15,950</b>	<b>(85,455)</b>	<b>1,110,722</b>
Profit/(Loss) before share of results of equity-accounted associates	4,620	4,953	21,563	(4,515)	(3,032)	(3,316)	-	20,273
Share of profit of equity-accounted associates, net of tax	-	75	-	148	-	-	-	223
<b>Segment profit/(loss)</b>	<b>4,620</b>	<b>5,028</b>	<b>21,563</b>	<b>(4,367)</b>	<b>(3,032)</b>	<b>(3,316)</b>	<b>-</b>	<b>20,496</b>
Included in the measure of segment profit/(loss) are :								
- Inventories (written back)/written down	(82)	445	(117)	50	(27)	-	-	269
- Reversal of impairment loss on trade receivables	(43)	-	-	-	-	-	-	(43)
- Impairment loss on property, plant and equipment	-	2,248	-	161	-	-	-	2,409
- Impairment loss on right-of-use assets	-	815	-	109	-	-	-	924
- Property, plant and equipment written off	-	454	104	30	131	4	-	723
- Depreciation of property, plant and equipment	860	9,311	8,148	1,327	329	1,282	-	21,257
- Depreciation of right-of-use assets	1,326	26,533	730	129	-	390	-	29,108
<b>Segment assets</b>	<b>152,438</b>	<b>293,844</b>	<b>198,291</b>	<b>72,170</b>	<b>4,299</b>	<b>41,377</b>	<b>-</b>	<b>762,419</b>
Included in the measure of segment assets are :								
- Additions to property, plant and equipment	568	14,055	15,064	861	411	730	-	31,689
- Additions to right-of-use assets	-	9,793	56	-	-	-	-	9,849

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

27. Operating segments (continued)

2024

	Industrial RM'000	Restaurant RM'000	Polymer Engineering RM'000	Food RM'000	Venture Business RM'000	Others RM'000	Eliminations RM'000	Total RM'000
Revenue from external customers	492,311	272,481	230,346	118,979	1,581	2,244	-	1,117,942
Inter-segment revenue	6,978	1,913	1,512	62,106	4,370	12,082	(88,961)	-
<b>Total revenue</b>	<b>499,289</b>	<b>274,394</b>	<b>231,858</b>	<b>181,085</b>	<b>5,951</b>	<b>14,326</b>	<b>(88,961)</b>	<b>1,117,942</b>

Profit/(Loss) before share of results of equity-accounted associates

Share of profit of equity-accounted associates, net of tax

	6,421	(2,067)	19,250	(3,349)	(3,003)	(3,990)	-	13,262
<b>Segment profit/(loss)</b>	<b>6,421</b>	<b>(543)</b>	<b>19,250</b>	<b>(3,319)</b>	<b>(3,003)</b>	<b>(3,990)</b>	<b>-</b>	<b>14,816</b>

Included in the measure of segment profit/(loss) are :

- Inventories (written back)/written down
- Impairment loss on trade receivables
- Impairment loss on property, plant and equipment
- Impairment loss on right-of-use assets
- Property, plant and equipment written off
- Depreciation of property, plant and equipment
- Depreciation of right-of-use assets

**Segment assets**

Included in the measure of segment assets are :

- Investments in associates
- Additions to property, plant and equipment
- Additions to right-of-use assets

	(2)	(38)	(600)	18	125	-	-	(497)
	46	-	26	-	-	-	-	72
	-	1,549	-	1,781	-	-	-	3,330
	-	428	-	182	-	-	-	610
	-	791	37	1	91	39	-	959
	862	9,601	7,338	1,899	349	1,247	-	21,296
	1,262	29,392	858	137	-	356	-	32,005
<b>Segment assets</b>	<b>155,296</b>	<b>299,875</b>	<b>197,743</b>	<b>75,854</b>	<b>4,157</b>	<b>38,427</b>	<b>-</b>	<b>771,352</b>
	-	19,888	-	595	-	-	-	20,483
	707	7,740	12,604	1,440	243	959	-	23,693
	-	3,658	188	-	-	-	-	3,846

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 27. Operating segments (continued)

#### Geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments, investments in associates and deferred tax assets.

Geographical information	Revenue RM'000	Non-current assets RM'000
<b>2025</b>		
Malaysia	553,124	325,705
Singapore	64,863	12,962
Thailand	165,268	17,737
Vietnam	113,171	5,604
China	59,667	-
Myanmar	38,574	11,712
Indonesia	22,606	1,588
Japan	42,460	-
United States of America	7,396	-
Italy	12,281	-
Taiwan	10,357	-
Others	20,955	-
	<u>1,110,722</u>	<u>375,308</u>
<b>2024</b>		
Malaysia	551,273	315,945
Singapore	72,728	13,265
Thailand	153,557	18,135
Vietnam	116,409	4,618
China	71,314	-
Myanmar	34,756	13,997
Indonesia	22,336	4,947
Japan	47,889	-
United States of America	8,925	-
Italy	8,990	-
Taiwan	6,986	-
Others	22,779	-
	<u>1,117,942</u>	<u>370,907</u>

#### Major customer

During the current and previous financial year, there was no revenue from one-single customer that contributed to more than 10% of the Group's revenue.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 28. 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 investor, creditor 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 debt-to-equity ratio are as follows:

	<b>2025</b> <b>RM'000</b>	<b>2024</b> <b>RM'000</b>
<b>Group</b>		
Total loans and borrowings (Note 15)	214,050	212,529
Less: Cash and cash equivalents (Note 12)	(94,841)	(92,071)
	<u>119,209</u>	<u>120,458</u>
Total equity of the Group	<u>213,203</u>	<u>200,668</u>
Debt-to-equity ratio	<u>0.56</u>	<u>0.60</u>

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

### 29. Capital commitment - Group

	<b>2025</b> <b>RM'000</b>	<b>2024</b> <b>RM'000</b>
Contracted but not provided for - Property, plant and equipment	<u>9,646</u>	<u>8,828</u>

### 30. Financial instruments

#### 30.1 Categories of financial instruments

Trade and other receivables (excluding prepayments) and cash and cash equivalents are categorised as financial assets at amortised cost (Note 9) while trade and other payables, deferred liabilities, loans and borrowings are categorised as financial liabilities measured at amortised cost (Note 18).

Derivative financial liabilities and assets are categorised as fair value through profit or loss (Note 11).

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 30. Financial instruments (continued)

#### 30.2 Net gains and losses arising from financial instruments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net gains/(losses) on :				
Financial assets measured at amortised cost	1,227	994	382	583
Financial liabilities measured at amortised cost	(17,633)	(13,960)	(1,210)	(1,778)
Fair value through profit or loss :				
- designated upon initial recognition	(148)	101	-	-
	<u>(16,554)</u>	<u>(12,865)</u>	<u>(828)</u>	<u>(1,195)</u>

#### 30.3 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

#### 30.4 Credit risk

Credit risk is the risk of a financial loss 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 the individual characteristics of each customer. The Company's exposure to credit risk arises principally from advances to subsidiaries and financial guarantees given to banks and suppliers for banking and trade facilities granted to subsidiaries. There are no significant changes as compared to prior year.

##### Trade receivables and contract assets

##### *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 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 and contract assets are credit impaired.

The gross carrying amount of credit impaired trade receivables and contract assets are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group 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 and contract assets that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 30. Financial instruments (continued)

#### 30.4 Credit risk (continued)

##### Trade receivables and contract assets (continued)

##### *Exposure to credit risk, credit quality and collateral*

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

The exposure to credit risk for trade receivables and contract assets as at the end of the reporting period by geographical region was :

Group	2025 RM'000	2024 RM'000
Malaysia	50,914	55,159
Thailand	27,515	27,964
Vietnam	11,134	14,726
China	6,964	10,390
Singapore	12,842	6,144
Japan	4,438	4,275
Indonesia	4,468	2,666
Myanmar	3,125	1,300
Others	4,926	5,792
	<u>126,326</u>	<u>128,416</u>

##### *Recognition and measurement of impairment loss*

The Group uses an allowance matrix to measure Expected Credit Loss (“ECLs”) of trade receivables and contract assets for all segments. Consistent with the debt recovery process, invoices which are past due more than 120 days or 180 days as applicable to the relevant Group entities will be considered as credit impaired.

The Group will initiate appropriate debt recovery procedures on past due balances which are monitored by the sales management team. Where necessary, the Group will also commence legal proceeding against the customers.

Loss rates are calculated using a ‘roll rate’ method based on the probability of a receivable progressing through successive stages of delinquency to 120/180 days past due.

Loss rates are based on actual credit loss experienced over the past three years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group’s view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

**30. Financial instruments (continued)****30.4 Credit risk (continued)****Trade receivables and contract assets (continued)***Recognition and measurement of impairment loss (continued)*

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets which are grouped together as they are expected to have similar risk nature.

	<b>Gross carrying amount RM'000</b>	<b>Loss allowances RM'000</b>	<b>Net balance RM'000</b>
<b>2025</b>			
<b>Group</b>			
Current (not past due)	90,905	-	90,905
1 - 30 days past due	26,608	-	26,608
31 - 120 days past due	8,653	-	8,653
More than 120 days past due	160	-	160
	<hr/> 126,326	<hr/> -	<hr/> 126,326
<b>Credit impaired</b>			
Individually impaired	612	(612)	-
	<hr/> 126,938	<hr/> (612)	<hr/> 126,326
Trade receivables	126,466	(612)	125,854
Contract assets	472	-	472
	<hr/> 126,938	<hr/> (612)	<hr/> 126,326
<b>2024</b>			
<b>Group</b>			
Current (not past due)	100,176	-	100,176
1 - 30 days past due	20,624	-	20,624
31 - 120 days past due	7,184	-	7,184
More than 120 days past due	432	-	432
	<hr/> 128,416	<hr/> -	<hr/> 128,416
<b>Credit impaired</b>			
Individually impaired	1,021	(1,021)	-
	<hr/> 129,437	<hr/> (1,021)	<hr/> 128,416
Trade receivables	128,416	(1,021)	127,395
Contract assets	1,021	-	1,021
	<hr/> 129,437	<hr/> (1,021)	<hr/> 128,416

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 30. Financial instruments (continued)

#### 30.4 Credit risk (continued)

##### Trade receivables and contract assets (continued)

##### *Recognition and measurement of impairment loss (continued)*

The movements in the allowance for impairment in respect of trade receivables and contract assets during the year are shown below.

<b>Group</b>	<b>2025 Credit impaired RM'000</b>	<b>2024 Credit impaired RM'000</b>
At 1 January	1,021	1,027
Written off	(304)	(58)
Loss allowance (reversed)/recognised	(43)	72
Effect of movements in exchange rates	(62)	(20)
At 31 December	612	1,021

##### Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. 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.

These banks and financial 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.

##### Other receivables

Credit risk on other receivables is mainly arising from deposits paid for the Restaurant Division's outlets and warehouses' rental and advances to suppliers for securing the continuing supply of raw materials. The deposits will be received at the end of the lease term while advances for supplies will be set off against total amount due when the raw materials are delivered to the Group.

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.

##### Financial guarantees

##### *Risk management objectives, policies and processes for managing the risk*

The Group and the Company provide unsecured financial guarantees to banks and suppliers in respect of banking and trade facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans and payables on an individual basis.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 30. Financial instruments (continued)

#### 30.4 Credit risk (continued)

##### Financial guarantees (continued)

###### *Exposure to credit risk, credit quality and collateral*

The maximum exposure to credit risk amounted to RM209.2 million (2024 : RM201.3 million) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

The Group and the Company also issued corporate guarantees to the suppliers of certain subsidiaries amounting to RM11.8 million and RM1.0 million (2024 : RM11.8 million and RM1.0 million) respectively to secure the continuing supply of raw materials and/or services.

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

###### *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 loans individually using internal information available.

As at the end of the reporting period, there was no indication that any subsidiaries would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

##### Inter-company advances

###### *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 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.

The advances provided are not secured by any collateral or supported by any other credit enhancements.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 30. Financial instruments (continued)

#### 30.4 Credit risk (continued)

##### Inter-company advances (continued)

##### *Recognition and measurement of impairment loss*

Generally, the Company considers 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' advances, the Company considers the advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's advance to be credit impaired when :

- The subsidiary is unlikely to repay its 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 advances individually using internal information available.

The inter-company advances of RM16,550,000 as at 31 December 2025 (2024 : RM4,554,000) is regarded to be of low credit risk.

#### 30.5 Liquidity risk

Liquidity risk is the risk that the Group and 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 its various payables, loans and borrowings.

The Group and the Company maintain a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its 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 (CONT'D)**  
For the year ended 31 December 2025

**30. Financial instruments (continued)**

**30.5 Liquidity risk (continued)**

**Maturity analysis**

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

2025 Group	Carrying amount RM'000	Contractual interest rates/ Discount rates per annum %	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
<i>Non-derivative financial liabilities</i>							
Bank overdrafts	279	7.2 - 7.9	279	279	-	-	-
Bankers' acceptances	47,806	3.54 - 5.13	47,806	47,806	-	-	-
Revolving credits	94,311	4.14 - 6.85	94,311	72,444	10,033	11,834	-
Trust receipts	14,841	3.15 - 8.1	14,841	14,841	-	-	-
Term loans	39,222	4.36 - 7.9	42,276	15,440	24,987	1,849	-
Hire purchase creditors	13,066	1.72 - 6.58	14,561	4,790	6,138	3,633	-
Lease liabilities	172,799	4.00 - 6.00	227,673	33,277	33,199	74,238	86,959
Other borrowings	4,525	3.84 - 6.02	4,525	4,525	-	-	-
Other payables	10,000	4.08	10,000	10,000	-	-	-
Trade and other payables	129,905	-	129,905	129,905	-	-	-
Deferred liabilities	3,721	-	3,721	500	271	774	2,176
Financial guarantees	-	-	11,805	11,805	-	-	-
	530,475		601,703	345,612	74,628	92,328	89,135
<i>Derivative financial assets</i>							
Forward exchange contracts:							
- outflow	-		9,255	9,255	-	-	-
- inflow	148		(9,107)	(9,107)	-	-	-
	530,623		601,851	345,760	74,628	92,328	89,135

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
For the year ended 31 December 2025

**30. Financial instruments (continued)**

**30.5 Liquidity risk (continued)**

*Maturity analysis (continued)*

2025	Company	Carrying amount RM'000	Contractual interest rates/ Discount rate per annum %	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
	<i>Non-derivative financial liabilities</i>							
	Revolving credits	22,100	4.25 - 5.52	22,100	22,100	-	-	-
	Trade and other payables	2,067	-	2,067	1,882	185	-	-
	Deferred liabilities	354	-	354	-	-	353	1
	Financial guarantees	-	-	209,237	209,237	-	-	-
		<u>24,521</u>		<u>233,758</u>	<u>233,219</u>	<u>185</u>	<u>353</u>	<u>1</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
For the year ended 31 December 2025

**30. Financial instruments (continued)**

**30.5 Liquidity risk (continued)**

*Maturity analysis (continued)*

2024 Group	Carrying amount RM'000	Contractual interest rates/ Discount rates/ per annum %	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
<i>Non-derivative financial liabilities</i>							
Bank overdrafts	13,657	6.25 - 8.14	13,657	13,657	-	-	-
Bankers' acceptances	49,968	3.25 - 6.63	49,968	49,968	-	-	-
Revolving credits	92,446	4.51 - 6.80	92,446	69,546	11,400	11,500	-
Trust receipts	7,259	3.46 - 7.30	7,259	7,259	-	-	-
Term loans	34,637	2.00 - 8.90	35,293	11,809	10,776	12,708	-
Hire purchase creditors	7,486	3.78 - 6.45	8,145	3,291	2,701	2,153	-
Lease liabilities	170,902	4.00 - 6.00	215,825	31,947	26,579	61,636	95,663
Other borrowings	7,076	4.11 - 7.40	7,076	7,076	-	-	-
Other payables	29,508	4.08	30,000	20,000	10,000	-	-
Trade and other payables	138,725	-	138,233	138,233	-	-	-
Deferred liabilities	2,247	-	2,247	488	180	849	730
Financial guarantees	-	-	11,805	11,805	-	-	-
	553,911		611,954	365,079	61,636	88,846	96,393
<i>Derivative financial assets</i>							
Forward exchange contracts:							
- outflow	-		8,046	8,046	-	-	-
- inflow	(101)		(8,147)	(8,147)	-	-	-
	553,810		611,853	364,978	61,636	88,846	96,393

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
For the year ended 31 December 2025

**30. Financial instruments (continued)**

**30.5 Liquidity risk (continued)**

*Maturity analysis (continued)*

2024	Company	Carrying amount RM'000	Contractual interest rates/ Discount rates/ per annum %	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
<i>Non-derivative financial liabilities</i>								
	Bank overdrafts	1,042	7.65 - 7.99	1,042	1,042	-	-	-
	Revolving credits	22,100	4.53 - 5.51	22,100	22,100	-	-	-
	Trade and other payables	1,833	-	1,833	1,560	273	-	-
	Amount due to subsidiaries	800	6.00	800	-	800	-	-
	Deferred liabilities	246	-	246	-	-	100	146
	Financial guarantees	-	-	202,300	202,300	-	-	-
		<u>26,021</u>		<u>228,321</u>	<u>227,002</u>	<u>1,073</u>	<u>100</u>	<u>146</u>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 30. Financial instruments (continued)

#### 30.6 Market risk

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

##### 30.6.1 Currency risk

The Group incurs foreign currency risk on sales, purchases, borrowings and cash and bank balances that are denominated in Indonesia Rupiah (IDR), US Dollar (USD), Japanese Yen (JPY), Singapore Dollar (SGD) and Myanmar Kyat (KYAT). In respect of other monetary assets and liabilities held in currencies other than RM, the Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

The Group occasionally hedges its foreign currency risk on sales and purchases that are denominated in a currency other than the respective functional currencies of Group entities. The Group occasionally uses forward exchange contracts with maturities of less than one year after the end of the financial reporting period for this purpose.

##### *Exposure to foreign currency risk*

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

	<b>IDR</b> <b>RM'000</b>	<b>USD</b> <b>RM'000</b>	<b>JPY</b> <b>RM'000</b>	<b>SGD</b> <b>RM'000</b>	<b>KYAT</b> <b>RM'000</b>
<b>Group</b>					
<b>2025</b>					
Trade and other receivables	2,581	21,050	1,776	974	6,817
Cash and bank balances	928	10,810	336	395	721
Trade and other payables	(238)	(17,615)	(3,175)	(452)	(2,020)
Loans and borrowings	-	(47)	-	-	-
<b>Net exposure</b>	<b>3,271</b>	<b>14,198</b>	<b>(1,063)</b>	<b>917</b>	<b>5,518</b>
<b>2024</b>					
Trade and other receivables	933	13,812	2,286	1,887	3,263
Cash and bank balances	1,204	8,140	786	1,960	1,029
Trade and other payables	(488)	(22,926)	(640)	(698)	(1,337)
Loans and borrowings	-	(983)	-	-	-
<b>Net exposure</b>	<b>1,649</b>	<b>(1,957)</b>	<b>2,432</b>	<b>3,149</b>	<b>2,955</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 30. Financial instruments (continued)

#### 30.6 Market risk (continued)

##### 30.6.1 Currency risk (continued)

###### *Currency risk sensitivity analysis*

A 5% strengthening of the RM against the following currencies at the end of the reporting period would have increased/(decreased) pre-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	Profit or loss	
	2025 RM'000	2024 RM'000
IDR	164	(82)
USD	710	98
JPY	(53)	(122)
SGD	46	(157)
KYAT	276	(148)

A 5% weakening of the RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

##### 30.6.2 Interest rate risk

The Group's and the Company's fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. The Group's and the Company's variable rate borrowings 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 and the Company are presently enjoying competitive interest rates which are reviewed and negotiated on a yearly basis. The Group and the Company manage their interest rate risk by having a combination of borrowings with fixed and floating rates. The Group's and the Company's surplus funds are placed in deposits with licensed banks and financial institutions.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

**30. Financial instruments (continued)****30.6 Market risk (continued)****30.6.2 Interest rate risk (continued)***Exposure to interest rate risk*

The interest rate profile of the Group's and the Company's significant interest-earning and 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
<b>Fixed rate instruments</b>				
Financial assets	16,089	9,118	6,000	1,550
Financial liabilities	(357,348)	(365,298)	(22,100)	(22,900)
	<u>(341,259)</u>	<u>(356,180)</u>	<u>(16,100)</u>	<u>(21,350)</u>
<b>Floating rate instruments</b>				
Financial liabilities	<u>(39,501)</u>	<u>(47,641)</u>	<u>-</u>	<u>(1,042)</u>

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

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. 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 100 basis points (bp) in interest rates at the end of the reporting period would have increased/(decreased) pre-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant. There is no impact to equity arising from exposures to interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

**30. Financial instruments (continued)**

**30.6 Market risk (continued)**

**30.6.2 Interest rate risk (continued)**

*Interest rate risk sensitivity analysis (continued)*

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

	Group		Company	
	Profit or loss			
	100 bp increase RM'000	100 bp decrease RM'000	100 bp increase RM'000	100 bp decrease RM'000
<b>2025</b>				
Floating rate instruments	(395)	395	-	-
<b>2024</b>				
Floating rate instruments	(476)	476	(10)	10

**30.7 Fair value information**

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
For the year ended 31 December 2025

### 30. Financial instruments (continued)

#### 30.7 Fair value information (continued)

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

2025 Group	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<b>Financial assets</b>							
Deposits	-	-	-	-	-	6,148	6,148
	-	-	-	-	-	6,148	6,148
<b>Financial liabilities</b>							
Term loans							
- variable rate	-	-	-	-	-	(39,222)	(39,222)
Hire purchase creditors	-	-	-	-	-	(13,076)	(13,076)
Revolving credits	-	-	-	-	-	(94,311)	(94,311)
Other payables	-	-	-	-	-	(10,000)	(10,000)
Deferred liabilities	-	-	-	-	-	(3,721)	(3,721)
Forward exchange contracts	-	(148)	-	-	-	-	(148)
	-	(148)	-	(148)	-	(160,330)	(160,468)
<b>Company</b>							
<b>Financial liabilities</b>							
Deferred liabilities	-	-	-	-	-	(354)	(354)
Amount due to subsidiaries	-	-	-	-	-	(185)	(185)
	-	-	-	-	-	(539)	(539)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)  
For the year ended 31 December 2025

### 30. Financial instruments (continued)

#### 30.7 Fair value information (continued)

2024 Group	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<b>Financial assets</b>							
Deposits	-	-	-	-	-	7,696	8,819
Forward exchange contracts	-	101	-	-	-	-	101
	-	101	-	-	-	7,696	8,920
<b>Financial liabilities</b>							
Term loans							
- variable rate	-	-	-	-	-	(33,984)	(33,984)
- fixed rate	-	-	-	-	-	(653)	(653)
Hire purchase creditors	-	-	-	-	-	(7,500)	(7,486)
Revolving credits	-	-	-	-	-	(92,446)	(92,446)
Other payables	-	-	-	-	-	(30,000)	(29,508)
Deferred liabilities	-	-	-	-	-	(2,247)	(2,247)
	-	-	-	-	-	(166,830)	(166,324)
<b>Company</b>							
<b>Financial liabilities</b>							
Deferred liabilities	-	-	-	-	-	(246)	(246)
Amount due to subsidiaries	-	-	-	-	-	(1,073)	(1,073)
	-	-	-	-	-	(1,319)	(1,319)

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### 30. Financial instruments (continued)

#### 30.7 Fair value information (continued)

##### Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There has been no transfer between the levels in fair value during the financial year (2024 : no transfer in either direction).

##### *Non-derivative financial 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 market rate of interest at the end of the reporting period. For borrowings, the market rate of interest is determined by reference to similar borrowing arrangements.

##### *Derivatives*

The fair value of the forward exchange contracts is estimated by reference to the market rate for similar contracts obtained from the banks which the Group contracted with.

##### Level 3 fair value

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

The carrying amount of floating rate term loans approximate its fair value as their effective interest rates change accordingly to movements in the market interest rate. The fair value of non-current deposits, hire purchase creditors, fixed rate term loan, revolving credit, non-current other payables, deferred liabilities and non-current amount due to subsidiaries are calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

### 31. Tax matters

Texchem Resources Bhd. ("TRB") and certain of its subsidiaries ("claimant companies") previously claimed for group relief under Section 44A(3) of the Income Tax Act 1967 ("the ITA").

During the financial years ended 2019 and 2020, the Inland Revenue Board ("IRB") reviewed and disallowed the group relief claimed by TRB and the claimant companies for the assessment years 2009 to 2014 under the ITA. The additional taxes raised (including penalty) amounted to RM3.4 million and RM2.3 million were fully paid by the Group during the financial years ended 31 December 2019 and 31 December 2020 respectively. Of the RM5.7 million paid to the IRB, the Group had expensed off RM0.6 million and the remaining RM5.1 million was recognised as current tax assets in view that the claimant companies have a good case to contend that there is no legal or factual basis for the IRB to disallow the claims and to raise the tax assessments that were time-barred.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

For the year ended 31 December 2025

### **31. Tax matters (continued)**

On 23 October 2023, the Group entered into settlement agreement with IRB and was waiting for refund from IRB amounting to RM4.9 million which was recognised as current tax assets as at 31 December 2023.

During the financial year ended 2024, the Group has received the full tax refund amounting to RM4.9 million from IRB.

## 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 97 to 193 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 Board 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 of 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' Seri (Dr.) Fumihiko Konishi,**  
**PSM, DGPN, DSPN, DJN**  
Director

.....  
**Dr Yuma Konishi, DJN**  
Director

Date : 25 March 2026

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

I, **Loh Sau Mun**, the Group Chief Financial Officer, primarily responsible for the financial management of Texchem Resources Bhd., do solemnly and sincerely declare that the financial statements set out on pages 97 to 193 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 Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed **Loh Sau Mun**, NRIC: 770905-14-5740, MIA CA22775, at George Town in the State of Penang on 25 March 2026.

.....  
**Loh Sau Mun**  
Group Chief Financial Officer

Before me :

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TEXCHEM RESOURCES BHD.

(REGISTRATION NO. 197301002868 (16318 - K))  
(INCORPORATED IN MALAYSIA)

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Texchem Resources Bhd., 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 policy information, as set out on pages 97 to 193.

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 their 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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TEXCHEM RESOURCES BHD.

(REGISTRATION NO. 197301002868 (16318 - K))  
(INCORPORATED IN MALAYSIA)

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Valuation of intangible assets - Group</b>	
Refer to the basis of preparation on Note 2(d) – Use of estimates and judgements and Note 6 – Intangible assets to the financial statements.	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<p>As at 31 December 2025, the Group's statement of financial position includes intangible assets comprising goodwill and trademark which amounted to RM34.4 million and RM21.5 million respectively.</p> <p>The recoverable amounts of these non-current assets are determined based on the value-in-use of the cash generating units in which the goodwill and trademark are associated with. The value-in-use is calculated by discounting the future cash flows to be generated by the cash generating units.</p> <p>The calculation of value-in-use requires the Group to apply judgement in determining the key assumptions used in estimating the future cash flows. As a result, the projected cash flows are inherently uncertain, and changes in the future economic and market conditions could impact on the outcome of the projected cash flows, and hence, the determination of the recoverable amounts of these non-current assets.</p> <p>This is a key audit matter due to the degree of judgement involved in our assessment of the key assumptions applied by the Group in estimating the future cash flows.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• We evaluated the Group's determination of the cash generating units where the goodwill and trademark are associated with based on the understanding of the Group's business in which independent cash flows were generated.</li> <li>• We evaluated the key assumptions used by the Group in estimating the future cash flows to internally derived sources as well as external or published information, and by considering the accuracy of the Group's past forecasts and future business plans.</li> <li>• We also considered the adequacy of the Group's disclosures made in respect of the impairment assessment.</li> </ul>

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

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TEXCHEM RESOURCES BHD.

(REGISTRATION NO. 197301002868 (16318 - K))  
(INCORPORATED IN MALAYSIA)

### **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 of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the 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.

### **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.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TEXCHEM RESOURCES BHD.

(REGISTRATION NO. 197301002868 (16318 - K))  
(INCORPORATED IN MALAYSIA)

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

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

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

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TEXCHEM RESOURCES BHD.

(REGISTRATION NO. 197301002868 (16318 - K))  
(INCORPORATED IN MALAYSIA)

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

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.

### **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

**Chong Chen Kian**  
Approval Number : 03232/02/2028 J  
Chartered Accountant

Penang

Date : 25 March 2026



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**TEXCHEM RESOURCES BHD**

Registration No. 197301002868 (16318-K)

Level 18, Menara Boustead Penang  
39 Jalan Sultan Ahmad Shah  
10050 George Town, Penang, Malaysia  
Tel: 604-229 6000

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