

WELLCALL
ACTIVITY

ANNUAL REPORT 2024

WELLCALL HOLDINGS BERHAD

Registration No: 200501025213 (707346-W)



**THE SUSTAINING
SUSTAINABILITY**

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Group Non-Independent Non-Executive Chairman

Datuk Ng Peng Hong @ Ng Peng Hay
D.M.S.M., D.S.M., P.J.K.

Group Non-Independent Managing Director

Huang Sha, P.M.P.

Non-Independent Executive Director

Huang Yu Fen

Alternate Director to Huang Sha, P.M.P.

Huang Kai Lin

Non-Independent Non-Executive Directors

Tan Kang Seng
George Tan Kan Chin

Alternate Director to Tan Kang Seng

Chua Yi Rong, Edmund (Cai YiRong, Edmund)

Senior Independent Non-Executive Director

Datuk Yong Peng Tak

Independent Non-Executive Directors

Chin Yoke Wah
Azian Binti Mohd Yusof
Tan Choon Soon
Ong Suan Suan

REMUNERATION COMMITTEE

Chairman

Datuk Yong Peng Tak

Members

Tan Kang Seng
Azian Binti Mohd Yusof
Tan Choon Soon

AUDIT COMMITTEE

Chairman

Datuk Yong Peng Tak

Members

Tan Kang Seng
Chin Yoke Wah
Tan Choon Soon

NOMINATION COMMITTEE

Chairman

Chin Yoke Wah

Members

Azian Binti Mohd Yusof
Tan Choon Soon

COMPANY SECRETARIES

Chin Wai Yi
(SSM PC 202008004409)
(MAICSA 7069783)

Yoong Wai Yee
(SSM PC 202008001635)
(MAICSA 7066077)

Lim Zhi Xuan
(SSM PC 202408000432)
(MAICSA 7076624)

**CORPORATE INFORMATION
(CONT'D)****PRINCIPAL PLACE OF BUSINESS**

Plot 48, Jalan Johan 2/5,
Kawasan Perindustrian Pengkalan II,
Fasa II,
31550 Pusing,
Perak Darul Ridzuan.

Tel : 05-366 8805 / 06 / 07
Fax : 05-366 8768
E-mail : wellcall@wellcall.com.my
Website : www.wellcallholdings.com

REGISTERED OFFICE

E-10-4, Megan Avenue 1,
189, Jalan Tun Razak,
50400, Kuala Lumpur,
Wilayah Persekutuan,
Malaysia.

Tel : 03-2181 0516
Fax : 03-2181 0516
Email : office@gapadvisory.my
Website : www.gapadvisory.com.my

REGISTRAR

Symphony Corporate Services Sdn. Bhd.
The Gamuda Biz Suites,
S-4-04, No. 12, Jalan Anggerik Vanilla 31/99,
Kota Kemuning,
40460, Shah Alam, Selangor.

Tel : 016-439 7718
Fax : 03-8605 5303
Website : <https://www.symphonycorporateservices.com.my>

PRINCIPAL BANKERS

Malayan Banking Berhad
HSBC Bank Malaysia Berhad

STOCK EXCHANGE LISTING

Main Market
Bursa Malaysia Securities Berhad

Stock Name : Wellcal
Stock Code : 7231
Sector : Industrial Products

AUDITORS

Ecovis Malaysia PLT
Chartered Accountants
No. D-10-03, Level 10, EXSIM Tower,
Millerz Square @ Old Klang Road, Megan Legasi,
No. 357, Jalan Kelang Lama,
58000 Kuala Lumpur,
Wilayah Persekutuan.

Tel : 03-7986 0066
Website : www.ecovis.com.my

CORPORATE STRUCTURE



WELLCALL HOLDINGS BERHAD
[Registration No. 200501025213 (707346-W)]

WELLCALL HOSE (M) SDN. BHD.
[Registration No. 199501014529 (343730-A)]

100%

Wholly owned subsidiary

Principal Activities

Manufacturing of rubber hose and related products, property investment and other related activities

TRELLEBORG WELLCALL SDN. BHD.
[Registration No. 201901009745 (1319073-X)]

49%

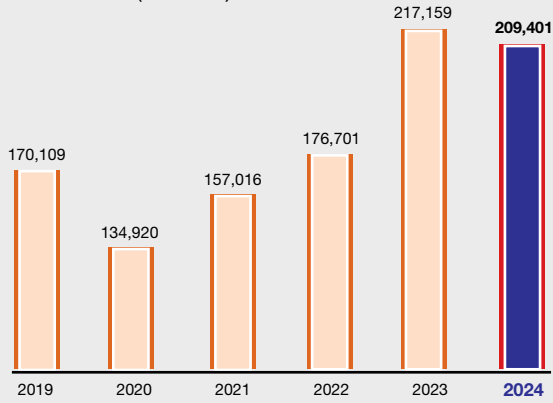
Owned associate

Principal Activities

Manufacturing, marketing and sale of composite hose and fittings
*Terminated on 31 December 2024

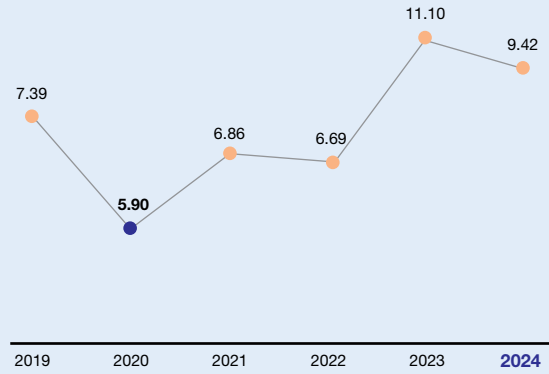
SIX YEARS GROUP FINANCIAL REVIEW

REVENUE (RM'000)



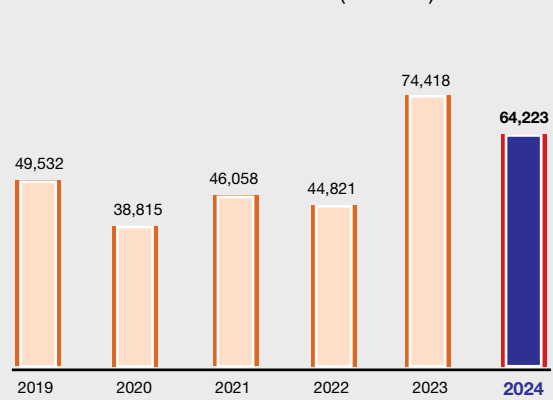
Financial Year Ended 30 September 2024

NET EARNINGS PER SHARE (SEN)



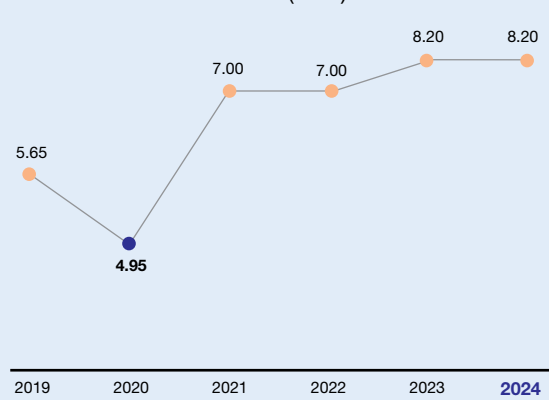
Financial Year Ended 30 September 2024

PROFIT BEFORE TAXATION (RM'000)



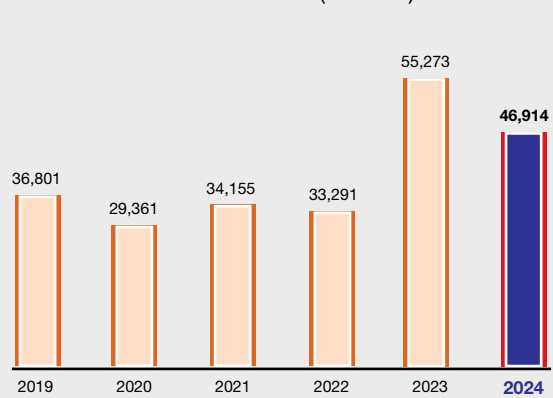
Financial Year Ended 30 September 2024

DIVIDEND PER SHARE (SEN)



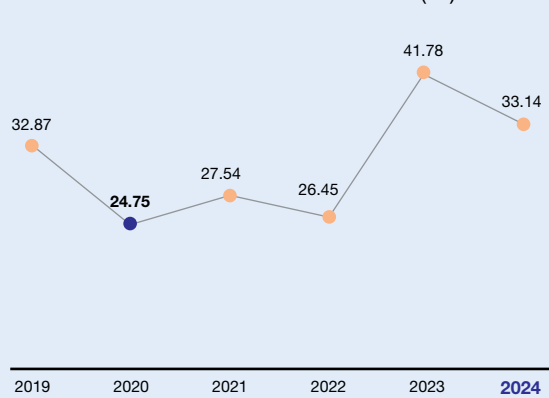
Financial Year Ended 30 September 2024

PROFIT AFTER TAXATION (RM'000)



Financial Year Ended 30 September 2024

RETURN ON CAPITAL EMPLOYED (%)



Financial Year Ended 30 September 2024

SIX YEARS GROUP FINANCIAL REVIEW (CONT'D)

| | 2019 RM'000 | 2020 RM'000 | 2021 RM'000 | 2022 RM'000 | 2023 RM'000 | 2024 RM'000 |
|--|----------------|----------------|----------------|----------------|----------------|-----------------|
| Revenue | 170,109 | 134,920 | 157,016 | 176,701 | 217,159 | 209,401 |
| Earnings Before Interest, Depreciation and Taxation | 53,576 | 43,359 | 51,330 | 49,686 | 78,136 | 67,627 |
| Interest Expense | – | – | (185) | (168) | (215) | (174) |
| Interest Income | 1,213 | 1,038 | 293 | 331 | 1,421 | 1,857 |
| Depreciation | (5,257) | (5,582) | (5,380) | (5,028) | (4,924) | (5,087) |
| Profit Before Taxation | 49,532 | 38,815 | 46,058 | 44,821 | 74,418 | 64,223 |
| Tax Expense | (12,731) | (9,454) | (11,903) | (11,530) | (19,145) | (17,309) |
| Profit Attributable to Equity Holders | 36,801 | 29,361 | 34,155 | 33,291 | 55,273 | 46,914 |
| Net Assets/Shareholders' Equity (RM'000) | 116,400 | 120,864 | 127,134 | 124,573 | 140,010 | 143,105 |
| Total Assets (RM'000) | 138,153 | 145,095 | 155,942 | 159,406 | 175,333 | 174,932 |
| Net EPS (Sen) * | 7.39 | 5.90 | 6.86 | 6.69 | 11.10 | 9.42 |
| Net Dividend Per Share (Sen) * (tax exempt/single tier) | 5.65 | 4.95 | 7.00 | 7.00 | 8.20 | 8.20 |
| Return On Capital Employed (%) | 32.87 | 24.75 | 27.54 | 26.45 | 41.78 | 33.14 |
| Return On Assets (%) | 27.39 | 20.73 | 22.69 | 21.11 | 33.02 | 26.79 |
| Weighted Average Number of Shares in Issue ('000) * | 497,948 | 497,948 | 497,948 | 497,948 | 497,948 | 497,948 |
| Net Assets Per Share (Sen) | 23.38 | 24.27 | 25.53 | 25.02 | 28.12 | 28.74 |

Note:

* Adjusted to reflect the share split of every two (2) ordinary shares in the Company into three (3) ordinary shares in the Company held in the Company ("Subdivided Share"). The subdivided shares was completed on 14 September 2017.

AWARDS

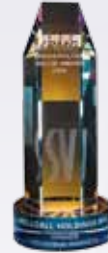
2004



2005



2008



2015



2016



2017



2004

6th Global Golden Solid Awards

2005

28th Taiwan & 14th Overseas Entrepreneurs Awards

2008

KPMG Shareholder Value Awards

2013

Forbes Asia's Top 200 Best Under Billion Awards

2015

Malaysia Rubber Export Promotion Council Industry Award 2015

- Malaysia Largest Exporter of Dry Rubber Products Awards

Asia Pacific Entrepreneurship Awards 2015 Malaysia

- Outstanding Category

Golden Eagle Award

- Eminent Eagles

Best Under Billion Awards (BUBA) 2015

- Best Return on Assets

2016

Best Under Billion Awards (BUBA) 2016

- Best in Transparency

2017

19th Outstanding Overseas Taiwanese SMEs Award

MANAGEMENT DISCUSSION AND ANALYSIS

Dear Valued Stakeholders,

On behalf of the Board of Directors (“**the Board**”) of Wellcall Holdings Berhad (“**the Company**”), we are pleased to present the Management Discussion and Analysis of the Company and its subsidiary company (“**Wellcall**” or “**the Group**”) for the financial year ended 30 September 2024 (“**FYE 2024**”) where we achieved a favourable financial performance record of revenue and profit after tax at RM209 million and RM47 million respectively.

The following management discussion and analysis of the operating performance and financial condition of the Group for the twelve (12) months ended 30 September 2024 should be read in conjunction with the Audited Financial Statements (“**AFS**”) for the FYE 2024 and related notes thereto.

OVERVIEW

Another challenging year ahead for FYE 2024, driven by the factors such as inflation pressures, market-related issues, supply chain disruptions, climate changes and fluctuation of foreign currency. In response, the Group will continue to be cautious and responsive to market needs, focus on prudent procurement strategies and inventory management to optimise cost and enhance operational efficiency. Despite these challenges, the Group remains positive in its position as a prominent global market player.

FINANCIAL PERFORMANCE REVIEW

Review on Statements of Comprehensive Income

(a) Revenue

The Group recorded revenue of RM209 million for FYE 2024 compared to revenue of RM217 million recorded for the financial year ended 30 September 2023 (“**FYE 2023**”) respectively, representing a decrease of RM8 million or 4%.

The export and local market contributed approximately 91% and 9% respectively to the Group’s annual revenue. The export market experienced a decrease of 5%, while the local market registered an increase of 13% as compared to the preceding financial year.

The decrease in revenue were mainly due to softening of demand in low and medium pressure industrial rubber hose in the global market.

(b) Profit Before Taxation (“**PBT**”)

The Group achieved lower PBT of RM64 million for FYE 2024 compared to PBT of RM74 million recorded in FYE 2023, representing RM10 million decrease or approximately 14%.

The decrease in PBT was mainly due to higher unrealised loss on foreign exchange translation arising from appreciation of Ringgit Malaysia resulting from volatility of foreign exchange sentiment.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL PERFORMANCE REVIEW (CONT'D)

Review on Statements of Comprehensive Income (Cont'd)

(c) Non-Financial Performance

The Group understands the significance of non-financial performance measurement in establishing a connection between strategies and daily tasks. The following are non-financial performance measurements for the Group:-

(i) Customer Retention

We maintained over 95% customer retention as our marketing team performed data analytics to predict customers' purchasing behaviour. In addition, we also regularly communicated with existing and inactive customers to address any concerns in a timely manner.

(ii) Customer Satisfaction

Our products are customised based on customers' required specifications, such as diameter, colour, working pressure, length and temperature resistance level. Furthermore, we offer flexibility in quantity and product type, accepting low quantity-high mix orders. This sets us apart from larger players who are unwilling to accept small orders.

(iii) On Time Delivery

With a short delivery lead time of thirty (30) to forty-five (45) days, the Group ensures that we can handle urgent orders with a two (2) weeks' notice. This essential service reduces our customers' stock holding and cashflow requirements. Additionally, we are less affected by logistical disruptions, allowing us to deliver most customer orders promptly and maintain long-lasting relationship.

Review on Statements of Financial Position

(i) Total Assets

The Group's total assets stood at RM175 million for both FYE 2024 and FYE 2023, the fairly constant of the total assets indicated that the company's financial stability, reflecting the ability of the company in maintaining its steady position.

(ii) Total Liabilities

Total liabilities have decrease from RM35 million for FYE 2023 to RM32 million for FYE 2024, the decline was primarily driven by a reduction in other payables and accruals, coupled with lower tax liability which was resulted from declined in profit before tax for FYE 2024 compared to FYE 2023.

(iii) Loan & Borrowing

The Group did not have any short-term and long-term borrowings during the financial year under review.

(iv) Net Assets Per Share & Basic Earnings Per Share

The Group maintains a strong financial position, with net assets per share of 28.74 sen for FYE 2024 (FYE 2023: 28.12 sen per share). Basic earnings per share for FYE 2024 was 9.42 sen per share as compared to 11.10 sen per share in FYE 2023.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL PERFORMANCE REVIEW (CONT'D)

Review on Statements of Cash Flow

(i) Operating Activities

The Group recorded a net cash flow from operating activities of RM52 million for FYE 2024, reflecting a 6% decrease. This modest decrease was mainly due to lower revenue recorded resulted in lower profit before tax for FYE 2024 as compared with FYE 2023.

(ii) Investing Activities

Net cash flow used in investing activities amounted to RM8 million for FYE 2024 as compared to RM3 million for FYE 2023. Investing activities mainly consisted of capital expenditures on property, plant and equipment, along with investment in capital work-in-progress.

(iii) Financing Activities

The Group's net cash used in financing activities amounted to RM44 million for FYE 2024 compared to RM40 million for FYE 2023. The difference was primarily due to higher dividends paid out during the financial year under review.

Capital Expenditure

The Group incurred capital expenditures of RM8.5 million on property, plant and equipment, mainly for the maintenance and upgrading of existing production lines to enhance operational efficiency. Additionally, the Group incurred another RM5.5 million as capital work-in-progress.

RISK RELATING TO OUR BUSINESS

Business Risk

General business risks, as well as risks inherent in the manufacturing industry are vital to the Group. For example, the Group may be affected by a general downturn in the global, regional and/ or national economy, constraints in labour supply, shortage and the rising cost of raw materials, changes in the law and tax legislation affecting the industry, increased operational costs, fluctuations in foreign exchange rates and changes in business and credit condition.

Although the Group seeks to manage these risks through maintaining good business relationships with customers and suppliers, enhancing efficiency and implementing cost control measures, no assurance can be given that a change in any of the abovementioned factors will not have an adverse effect on the Group's business.

Credit Risk

The Group's credit risk exposure mainly arises from the trade receivables. However, the Group does not make any material allowance pertaining to the impairment of trade receivables as long as sound and effective credit control is in place. Our valued customers pay in accordance with the respective credit term granted, which forms greater support and cooperation from our valued customers. Nevertheless, the Group continues to evaluate the creditability and credit procedures periodically in order to mitigate the credit risk.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

RISK RELATING TO OUR BUSINESS (CONT'D)

Cost Fluctuation of Raw Materials

The cost fluctuation of raw materials is crucial to the Group's performance as it affects the cost of sales and gross profit margin. The volatility of raw material costs arising from the global demand and supply mechanism, as well as currency fluctuations, has affected our pricing strategy and operating cost. However, the Group is still able to minimize and manage the impact of raw material sentiment by maintaining a gross profit margin range above 30% margin.

In order to secure the supply of key raw materials, our procurement team continues to maintain close communication with the key raw materials suppliers and regularly monitors the cost fluctuation of raw materials. Meanwhile, we also maintain a buffer inventory of raw materials which can serve our production for up to three (3) months to avoid interruption in production.

INDUSTRY TREND, DEVELOPMENT AND PROSPECT

The Group acknowledges the importance of operational efficiency and will continue to effectively manage operating costs. Furthermore, the Group remains competitive in the industrial rubber hoses industry by maintaining its market positioning and price competitiveness, while focusing on volume growth.

Despite unforeseen circumstances and any significant changes in the industrial rubber hose market, the Group will remain committed to deliver high quality products to existing customers, proactively securing orders from new customers and monitoring prevailing market conditions to adopt appropriate strategies to mitigate risks and achieve sustainable growth for the Group.

DIVIDEND POLICY

The Group has consistently paid out dividends over the previous financial years and has exceeded its dividend pay-out ratio over the past six (6) financial years. The Company's policy is to maintain a dividend pay-out ratio of at least fifty percent (50%) of its net profit per year. The Group ensures that it meets the provisions of the Companies Act, 2016 and satisfies the solvency test as well as the profit availability test prior to recommending a dividend declaration for approval.

APPRECIATION

On behalf of the Board of Directors, we would like to take this opportunity to convey our deepest appreciation to our valued stakeholders for their precious contributions, dedication and continuation of trust and support during the financial year. Our appreciation is also extended to our management and employees for their commitment, dedication, contribution and professionalism towards the performance of the Group. Finally, we would also like to thank our Board of Directors for their valuable advice, guidance and support rendered to the Group.

HUANG SHA, P.M.P.
Group Managing Director

DIRECTORS' PROFILE

DATUK NG PENG HONG @ NG PENG HAY, D.M.S.M., D.S.M., P.J.K.

Group Non-Independent Non-Executive Chairman

Malaysian | Male | 72

Qualification

Malaysia Certificate of Education

Occupation

Company Director

Board Committee

None

Date First Appointed to the Board

17 April, 2006

Other Directorships in Public Companies and Listed Issuers

(a) Bonia Corporation Berhad

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Securities Holding in the Company

(a) Direct: Nil
(b) Indirect: 9,507,250 ordinary shares

Securities Holding in Subsidiary Company

Nil

Family Relationship with Any Director and/or Major Shareholders of the Company

None

Working Experience

He was appointed to the Board of Wellcall on 17 April, 2006. On 3 October 2022, he was re-designated to Group Non-Independent Non-Executive Director. He served as the State Assemblyman for Tengkeru Constituency under Barisan Nasional between 1982 and 1986. He then served as a Senator in the Malaysian Parliament from 1987 to 1993. His first involvement in social activities was upon completing his secondary education. He was appointed as the Investment Co-ordinator of the Malacca State Development Corporation to handle direct investments in the State of Melaka since 1988. Together with his team of officials and his excellent public relations, he has helped in attracting numerous Taiwanese, Singaporean and Chinese investors into the State of Melaka. In recognition of his efforts and dedication, he was conferred the Darjah Mulia Seri Melaka by his Excellency, the Governor of Melaka in 1992. On 17 July, 1999, the Taiwanese Government awarded him the Economic Medal. He is also a Non-Executive Director of Wellcall Hose (M) Sdn. Bhd., a wholly owned subsidiary company of Wellcall.

DIRECTORS' PROFILE (CONT'D)

HUANG SHA, P.M.P.

Group Non-Independent Managing Director

Taiwanese (Permanent Resident of Malaysia) | Male | 69

Qualification

Secondary Education, Taiwan

Occupation

Director of Wellcall Holdings Berhad and Wellcall Hose (M) Sdn. Bhd.

Board Committee

None

Date First Appointed to the Board

17 April, 2006

Other Directorships in Public Companies and Listed Issuers

None

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Securities Holding in the Company

- (a) Direct: 16,945,317 ordinary shares
- (b) Indirect: 168,750 ordinary shares

Securities Holding in Subsidiary Company

Deemed to have interest in shares of the subsidiary company to the extent the Company has an interest.

Family Relationship with Any Director and/or Major Shareholders of the Company

- (a) Father of Huang Yu Fen,
Non-Independent Executive Director
- (b) Father of Huang Kai Lin,
Alternate Director to Huang Sha, P.M.P.

Other Position Held Before

President of Taipei Investor's Association in Malaysia

Achievements for Individual & Company

1. 6th Global Golden Solid Awards
2. 28th Taiwan & 14th Overseas Entrepreneurs Awards
3. KPMG Shareholder Value Award
4. Forbes Asia's Top 200 Best Under A Billion Award
5. Malaysia Rubber Export Promotion Council Industry Award 2015 - Malaysia Largest Exporter of Dry Rubber Products Awards
6. Asia Pacific Entrepreneurship Awards 2015 Malaysia - Outstanding Category
7. Golden Eagle Award - Eminent Eagles
8. Best Under Billion Awards (BUBA) 2015 - Best Return on Assets
9. Best Under Billion Awards (BUBA) 2016 - Best in Transparency
10. 19th Outstanding Overseas Taiwanese SMEs Award

Working Experience

He was appointed to the Board of Wellcall on 17 April, 2006 and was appointed as Managing Director at the even date. He began his career in 1972 upon completing his secondary education and worked for various manufacturers of rubber products in Taiwan and Indonesia and progressed to the position of Production Manager. From 1989 to the mid-1990s, he joined Jetflo Robin (M) Sdn. Bhd., a manufacturer of industrial rubber hose, as a General Manager. Subsequently, he established our subsidiary company, Wellcall Hose (M) Sdn. Bhd. ("WHSB"), together with 2 other partners. With his in-depth knowledge, skills and expertise in all aspects of the manufacturing of rubber hose for more than 40 years, he has formulated our subsidiary company's strategic plans to be in line with the changes in the trends of various industries and customers' needs. He has also led WHSB to new heights by diversifying its customer's base and expanding its existing product range in the oil and gas sector as well as developing 3 new rubber hoses, namely food and beverage hose, chemical hose and steam hose. As recognition for his achievement in the industry, he was awarded the Winner of the Global Top Enterprise Golden Solid Awards by the Chinese Enterprise Development Association of Taiwan on 2 October, 2004 and won The Asia Pacific Entrepreneurship Awards 2015 in August 2015. In October 2017, he has also cruised WHSB to a greater height as the winner of the 19th Outstanding Overseas Taiwanese SMEs Award. He also heads our R&D division where he plays a pivotal role in the product formulation and development. He is also the Managing Director of our subsidiary company, WHSB, where he is currently responsible for the strategic planning and development of our Group.

DIRECTORS' PROFILE (CONT'D)

HUANG YU FEN

Non-Independent Executive Director

Taiwanese (Permanent Resident of Malaysia) | Female | 45

Qualification

Diploma in London Chamber of Commerce and Industry (LCCI), UK

Occupation

Manager

Board Committee

None

Date First Appointed to the Board

23 May, 2018

Other Directorships in Public Companies and Listed Issuers

None

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Securities Holding in the Company

- (a) Direct: 562,500 ordinary shares
- (b) Indirect: Nil

Securities Holding in Subsidiary Company

Deemed to have interest in shares of the subsidiary company to the extent the Company has an interest.

Family Relationship with Any Director and/or Major Shareholders of the Company

- (a) Daughter of Huang Sha, P.M.P.,
Group Non-Independent Managing Director
- (b) Sister of Huang Kai Lin,
Alternate Director to Huang Sha, P.M.P.

Working Experience

She was appointed to the Board of Wellcall on 23 May, 2018. She graduated from the Stamford College, Malaysia with a Diploma in Accounting in 1999. Upon graduation, she joined WHSB as a Marketing Executive assisting in sales and marketing functions and later promoted as the Assistant Marketing Manager managing the marketing function as well as the business development segment. In view of the vast experience in managing the marketing functions, she was then promoted as the Business Development Manager overseeing the business development functions and assuming her current position as Manager to Group Managing Director office. She was appointed as the Executive Director of WHSB on 1 June, 2018.

DIRECTORS' PROFILE (CONT'D)

HUANG KAI LIN

Alternate Director to Huang Sha, P.M.P.

Taiwanese (Permanent Resident of Malaysia) | Male | 40

Qualification

Bachelor of Chemical Engineering National Taiwan University, Taiwan

Occupation

Company Director

Board Committee

None

Date First Appointed to the Board

12 April, 2010

Other Directorships in Public Companies and Listed Issuers

None

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5*

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Securities Holding in the Company

- (a) Direct: Nil
- (b) Indirect: 2,186,850 ordinary shares

Securities Holding in Subsidiary Company

Deemed to have interest in shares of the subsidiary company to the extent the Company has an interest.

Family Relationship with Any Director and/or Major Shareholders of the Company

- (a) Son of Huang Sha, P.M.P.,
Group Non-Independent Managing Director
- (b) Brother of Huang Yu Fen
Non-Independent Executive Director

Working Experience

He was appointed to the Board of Wellcall on 12 April, 2010. On 3 October, 2022, He has ceased to be Alternate Director to Leong Hon Chong and appointed as Alternate Director to Huang Sha, P.M.P.. He graduated from the National Taiwan University, Taiwan with a Bachelor of Chemical Engineering in 2008. He has several years of working experience in the rubber product industry and later joined as an engineer, in the Research and Development department of WHSB and later being promoted as General Manager overseeing the operations of the Company and subsidiary company. He was appointed as the Executive Director of WHSB on 1 June, 2018.

Note:

(*) Huang Kai Lin attended 5 out of 5 meetings by invitation.

DIRECTORS' PROFILE (CONT'D)

TAN KANG SENG

Non-Independent Non-Executive Director

Malaysian | Male | 57

Qualification

Malaysian Certificate of Education

Occupation

Company Director

Board Committee

- (a) Member of Audit Committee
- (b) Member of Remuneration Committee

Date First Appointed to the Board

17 April, 2006

Other Directorships in Public Companies and Listed Issuers

None

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Securities Holding in the Company

- (a) Direct: 1,687,500 ordinary shares
- (b) Indirect: 55,989,478 ordinary shares

Securities Holding in Subsidiary Company

Deemed to have interest in shares of the subsidiary company to the extent the Company has an interest.

Family Relationship with Any Director and/or Major Shareholders of the Company

- (a) Father-in-law of Chua Yi Rong, Edmund (Cai YiRong, Edmund)
Alternate Director to Tan Kang Seng
- (b) Father of George Tan Kan Chin,
Non-Independent Non-Executive Director

Working Experience

He was appointed to the Board of Wellcall on 17 April, 2006. He is also a Non-Executive Director of Wellcall Hose (M) Sdn. Bhd..

Tan has wide ranging interest in property, hospitality and financial technology businesses in Malaysia and overseas. He is also an active investor in food and beverages industries.

DIRECTORS' PROFILE (CONT'D)

DATUK YONG PENG TAK

Senior Independent Non-Executive Director

Malaysian | Male | 56

Working Experience

He was appointed to the Board of Wellcall on 1 April, 2015. He has more than 20 years of successful experience within the financial and investment management industries in Malaysia and Singapore. He is the Founder and Chief Executive Officer of the Fortress Capital Group.

Qualification

- (a) Bachelor of Accountancy (Hons)
The National University of Singapore
- (b) Master of Business Administration
Imperial College, University of London
- (c) Fellow Chartered Accountant
Institute of Singapore Chartered Accountants
- (d) Chartered Financial Analyst
CFA Institute, USA

Occupation

Company Director

Board Committee

- (a) Chairman of Audit Committee
- (b) Chairman of Remuneration Committee

Date First Appointed to the Board

1 April, 2015

Other Directorships in Public Companies and Listed Issuers

None

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Securities Holding in the Company

- (a) Direct: Nil
- (b) Indirect: Nil

Securities Holding in Subsidiary Company

Nil

Family Relationship with Any Director and/or Major Shareholders of the Company

None

DIRECTORS' PROFILE (CONT'D)

CHIN YOKE WAH

Independent Non-Executive Director

Malaysian | Male | 41

Qualification

- (a) Professional Qualification – Advocates & Solicitors High Court of Malaya
- (b) Professional Qualification – Certificate of Legal Practice Legal Profession Qualifying Board
- (c) Masters in MSc Accounting and Finance University of Leicester, Leicester, UK
- (d) Degree in LLB (Hons) University of West of England, Bristol, UK

Occupation

Company Director

Board Committee

- (a) Chairman of Nomination Committee
- (b) Member of Audit Committee

Date First Appointed to the Board

22 August, 2022

Other Directorships in Public Companies and Listed Issuers

None

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Securities Holding in the Company

- (a) Direct: Nil
- (b) Indirect: Nil

Securities Holding in Subsidiary Company

Nil

Family Relationship with Any Director and/or Major Shareholders of the Company

None

Working Experience

Chin Yoke Wah began his professional career in the banking and financial industry in 2005 before joining the legal profession in 2013. He started his legal career with a top tier law firm in Malaysia before setting up his own legal practice in 2016. He currently leads the corporate practice of a boutique law firm and he specializes in corporate advisory, mergers & acquisitions, regulatory and compliance matters.

DIRECTORS' PROFILE (CONT'D)

AZIAN BINTI MOHD YUSOF

Independent Non-Executive Director

Malaysian | Female | 66

Qualification

Bachelor Degree of Economics, University of Malaya.

Occupation

Company Director

Board Committee

- (a) Member of Remuneration Committee
- (b) Member of Nomination Committee

Date First Appointed to the Board

22 August, 2022

Other Directorships in Public Companies and Listed Issuers

- (a) Bonia Corporation Berhad
- (b) Solarvest Holdings Berhad
- (c) Texchem Resources Berhad

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Securities Holding in the Company

- (a) Direct: Nil
- (b) Indirect: Nil

Securities Holding in Subsidiary Company

Nil

Family Relationship with Any Director and/or Major Shareholders of the Company

None

Working Experience

She was appointed to Board of Wellcall on 22 August, 2022, Azian Binti Mohd Yusof served the Malaysian Investment Development Authority ("MIDA"), a government agency under the Ministry of International Trade and Industry, from June 1982 until July 2018, when she left the organisation for retirement. She has over 30 years of experience in promoting the growth of investments in Malaysia during her tenure with MIDA. She was the Director of Communications and Media Division from 2007 to 2010 and responsible for the branding and strategizing MIDA's position globally through collaborations with Forbes, Nikkei and other notable media companies. From 2010 to 2012, she became the Director of Business Services Division and was involved in the development and promotion of the Services Sector Capacity Development Fund, a fund allocated by the Government targeted to grow the Internet of Things (IoT) among small and medium enterprises. She was also involved in promoting the Green Technology Fund created by the Government under the Malaysian Green Technology Corporation. She then held the position of Director of Resource Based Industries covering food, wood based including furniture, paper packaging and oil palm industries from 2013 to 2014. She served as the Executive Director of Services sector covering Green Technology, Hospitality, Healthcare and Oil & Gas services industries from 2015 to 2017. Thereafter, she held the position as the Deputy Chief Executive Officer in charge of Strategic Planning and Coordination before she retired in July 2018.

DIRECTORS' PROFILE (CONT'D)

CHUA YI RONG, EDMUND

Alternate Director to Tan Kang Seng

Singaporean | Male | 40

Qualification

- (a) Bachelor of Business (Accounting/Banking and Finance), Monash University, Australia
- (b) Diploma in Information Technology (Information Systems), Singapore Polytechnic, Singapore

Occupation

Director/Country Head, Singapore

Board Committee

None

Date First Appointed to the Board

10 January, 2023

Other Directorships in Public Companies and Listed Issuers

None

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5*

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Securities Holding in the Company

- (a) Direct: Nil
- (b) Indirect: Nil

Securities Holding in Subsidiary Company

Nil

Family Relationship with Any Director and/or Major Shareholders of the Company

- (a) Son-in-law of Tan Kang Seng,
Non-Independent Non-Executive Director
- (b) Brother-in-law of George Tan Kan Chin,
Non-Independent Non-Executive Director

Working Experience

Chua Yi Rong, Edmund has vast experience of more than 15 years in various fields, ranging from real estate investments to merger and acquisitions to information technology, among many others. He has previously worked in both advisory and auditor roles at a multinational professional services firm in their Singapore office. He is currently the Director of VT Family Office Pte Ltd and Country Head of VT Group Pte Ltd, which are running its base out of Singapore and having an extensive asset portfolio comprising of real estate, land and business investments.

Note:

(*) Chua Yi Rong, Edmund attended 5 out of 5 meetings by invitation.

DIRECTORS' PROFILE (CONT'D)

TAN CHOON SOON

Independent Non-Executive Director

Malaysian | Male | 65

Qualification

- (a) Bachelor of Economics, Monash University, Australia
- (b) Diploma in Operations Research, Monash University, Australia

Occupation

Director

Board Committee

- (a) Member of Audit Committee
- (b) Member of Remuneration Committee
- (c) Member of Nomination Committee

Date First Appointed to the Board

1 June, 2023

Other Directorships in Public Companies and Listed Issuers

None

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Securities Holding in the Company

- (a) Direct: Nil
- (b) Indirect: Nil

Securities Holding in Subsidiary Company

Nil

Family Relationship with Any Director and/or Major Shareholders of the Company

None

Working Experience

Tan Choon Soon has worked as an auditor in an international accounting firm in their Singapore office from year 1983 to 1986. In the subsequent years from 1986 to 2007, he became the Director and Chief Financial Officer of a family business in Johor Bahru, Tan Brothers Construction and Development Sdn. Bhd., which was a major construction and building materials company in Johor. He is currently managing his personal investments in property and information technology companies.

DIRECTORS' PROFILE (CONT'D)

ONG SUAN SUAN

Independent Non-Executive Director

Malaysian | Female | 58

Qualification

- (a) Professional Qualification – Malaysian Institute of Accountants (MIA)
- (b) Professional Qualification – Asean Chartered Professional Accountants (ASEAN CPA)

Occupation

Company Director

Board Committee

None

Date First Appointed to the Board

28 August, 2024

Other Directorships in Public Companies and Listed Issuers

None

Conflict of Interest

None

Board Meetings Attended in the Financial Year

-

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Securities Holding in the Company

- (a) Direct: Nil
- (b) Indirect: Nil

Securities Holding in Subsidiary Company

Nil

Family Relationship with Any Director and/or Major Shareholders of the Company

None

Working Experience

Chartered Accountant of the Malaysian Institute of Accountants (**MIA**)

Member of ASEAN Chartered Professional Accountant (**ACPACC**)

Member of the Malaysian Institute of Certified Public Accountants from 1995 to 2017 (**MICPA**)

Ong Suan Suan, a Malaysian, aged 58 years old. She was appointed to the board on 28 August 2024.

She brings with her nearly 37 years of experience across audit, tax, company secretarial-related activities, accounting, management reporting, working capital management, fraud management, credit management, as well as business analytics.

She was a member of The Malaysian Institute of Certified Public Accountants from 1995 up to 2017. She is a Chartered Accountant of the Malaysian Institute of Accountants since 2001 and also an ASEAN Chartered Professional Accountant since 2019.

Her career began in audit at KPMG Peat Marwick (1986 – 1990) and PwC (1991 – 1993). She transitioned to the commercial sector in 1993 with a second board listed company engaged in carton manufacturing and offset printing.

She has 17 years experience in the telco industry, having worked at Digi Telecommunications Sdn. Bhd. (formerly known as Mutiara Telecommunications Sdn. Bhd.) from 1995 to 2011, where she advanced from Finance and Business Control Manager, Head of Finance and finally as Principal in Business Development before her departure in 2011. She later joined Packet One Networks (Malaysia) Sdn. Bhd. as an Associate Director in the Financial Accounting and Taxation Department (2011 – 2012).

From 2012 to 2014, she worked in central finance for a local financial institution and a currency exchange services company, before moving to a property development company where she remained until January 2024.

DIRECTORS' PROFILE (CONT'D)

GEORGE TAN KAN CHIN

Non-Independent Non-Executive Director

Malaysian | Male | 30

Qualification

Secondary School – Wesley College

Occupation

Company Director

Board Committee

None

Date First Appointed to the Board

28 August, 2024

Other Directorships in Public Companies and Listed Issuers

(a) AppAsia Berhad

Conflict of Interest

None

Board Meetings Attended in the Financial Year

-

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

Securities Holding in the Company

- (a) Direct: Nil
- (b) Indirect: Nil

Securities Holding in Subsidiary Company

Nil

Family Relationship with Any Director and/or Major Shareholders of the Company

- (a) Son of Tan Kang Seng,
Non-Independent Non-Executive Director
- (b) Brother-in-law of Chua Yi Rong,
Edmund (Cai YiRong, Edmund),
Alternate Director to Tan Kang Seng

Working Experience

He was appointed to Board of Wellcall on 28 August 2024, George Tan Kan Chin is an investment consultant with over 10 years of experience in business and operations management, as well as investment consultancy. He has expertise in property development, property management, trading and services, and food and beverage sectors. He excels in identifying investment opportunities, developing and executing investment strategies, and maximising returns. He is a dedicated and knowledgeable investment consultant with a strong track record in achieving favourable outcomes.

George Tan is well-versed in economic and market trends and prioritizes ethical standards and regulatory compliance. He holds directorship positions in various private businesses. Currently, he is also the Non-Independent Non-Executive Director of AppAsia Berhad.

KEY SENIOR MANAGEMENT PROFILE

HUANG SHA, P.M.P.

Group Non-Independent Managing Director

Taiwanese (Permanent Resident of Malaysia) | Male | 69

(Please refer to his profile as listed in Directors' Profile)

HUANG YU FEN

Non-Independent Executive Director

Taiwanese (Permanent Resident of Malaysia) | Female | 45

(Please refer to her profile as listed in Directors' Profile)

HUANG KAI LIN

Alternate Director to Huang Sha, P.M.P

Taiwanese (Permanent Resident of Malaysia) | Male | 40

(Please refer to his profile as listed in Directors' Profile)

KEY SENIOR MANAGEMENT PROFILE (CONT'D)

LEONG HON CHONG

Executive Director of Wellcall Hose (M) Sdn Bhd

Malaysian | Male | 79

Leong was graduated from the University of Otago in New Zealand with a Bachelor of Commerce (Accountancy) in 1970. He started his career as an auditor with Swenry & Co., a public accounting firm in New Zealand and later he has ventured into corporate sector in charge of accounting and finance management for various industries. He has more than 45 years of experience in accounting and finance management. He is currently responsible for the administration and marketing functions of the Group.

Directorships in Public Companies and Listed Issuers

None

Family Relationship with Any Director and/or Major Shareholders of the Company

None

Conflict of Interest with Listed Issuers

None

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

YU TAT KEONG

Financial Controller

Malaysian | Male | 47

Yu was appointed on 18 July 2016. He is a fellow member of the Association of Chartered Certified Accountants (ACCA), UK and also a member of Malaysian Institute of Accountants (MIA). He has more than 19 years working experience in auditing, accounting and financial management, taxation, risk management, internal audit, secretarial, advisory, company listing exercise, performance management, administrative and human resource management. He started his career with KPMG and gained his commercial working experience and exposure in manufacturing, trading, services, education and stock broking sectors, mainly from listed companies where holding and subsidiaries are operating in Malaysia as well as in overseas.

Directorships in Public Companies and Listed Issuers

None

Family Relationship with Any Director and/or Major Shareholders of the Company

None

Conflict of Interest with Listed Issuers

None

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

KEY SENIOR MANAGEMENT PROFILE (CONT'D)

LIEW KEAN PENG

Senior Manager – Production

Malaysian | Male | 66

Liew was being promoted on 1 February 2015. Prior to his promotion, he was the Production Manager in the subsidiary company, Wellcall Hose (M) Sdn. Bhd. In 1976, he started his career with Kami Plastic Sdn. Bhd. and was promoted to the position of Production Leader in 1988. From 1988 to 1992, he joined Polyparts Sdn. Bhd. as a Production Supervisor. Thereafter, he left to join Jetflo Robin (M) Sdn. Bhd. as a Production Supervisor of the extrusion division. He joined our subsidiary company in 1996 and has retired on the 20 August 2018. However, with his vast experience that he has in rubber hose industry, he was then being appointed as senior manager in production for him to pass his expertise to a successor of the Group.

Directorships in Public Companies and Listed Issuers

None

Family Relationship with Any Director and/or Major Shareholders of the Company

None

Conflict of Interest with Listed Issuers

None

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

TAN BEE LENG

Marketing Manager

Malaysian | Female | 53

Tan was appointed on 2 July 2019. She has more than 19 years working experience in human resources and operational management for a Malaysian multinational organisation which is the largest home textile maker in Southeast Asia. She pursued in ICSA – The Institute of Chartered Secretaries and Administrators a recognised professional body in Malaysia. She has started her career as an accounting assistant with a furniture retail & manufacturer under a local corporation group then further gained experience in human resources in a multinational organisation which she has built up the first human resources department. She has further gained experience in operational and exposure in shipping, procurement, retail & property sales and event organising.

Directorships in Public Companies and Listed Issuers

None

Family Relationship with Any Director and/or Major Shareholders of the Company

None

Conflict of Interest with Listed Issuers

None

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

KEY SENIOR MANAGEMENT PROFILE (CONT'D)

FOO LAI BEE

Finance Manager - Treasury

Malaysian | Female | 53

Foo was being promoted on 1 June 2011. Prior to her promotion, she was the Assistant Head of Accounts and Finance division of our subsidiary company, Wellcall Hose (M) Sdn. Bhd. She graduated with a Diploma in London Chamber of Commerce and Industry (LCCI), UK in 1991. She started her career with C&T Management Sdn. Bhd. as an Accounts Clerk in 1994, before joining Solid Sector Sdn. Bhd. as an Accounts Executive in 1995. She joined our subsidiary company in 1997 and assumed her career progression till present with our subsidiary company.

Directorships in Public Companies and Listed Issuers

None

Family Relationship with Any Director and/or Major Shareholders of the Company

None

Conflict of Interest with Listed Issuers

None

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

LOW WOAN MEY

Manager – Business Development

Malaysian | Female | 55

Low was graduated from the National Taiwan University, Taiwan with a Bachelor of Arts at Foreign Languages and Literature. She started her career at Atras Communication (M) Sdn. Bhd. as Head of Administration to oversee the administration and shipping management before joining Wellcall Hose (M) Sdn. Bhd. as Assistant Manager – Logistic & Shipping. She was promoted as Manager - Business Development in year 2016. She has more than 25 years working experience in administrative and shipping management.

Directorships in Public Companies and Listed Issuers

None

Family Relationship with Any Director and/or Major Shareholders of the Company

None

Conflict of Interest with Listed Issuers

None

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

KEY SENIOR MANAGEMENT PROFILE (CONT'D)

YEONG YOKE WEI

Assistant Manager – Procurement

Malaysian | Female | 50

Yeong was appointed on 1 August 2006 as Procurement Executive. She started her career as a Purchasing Assistant with the wholesale or retail under a local corporation and then further gained experience in procurement office. In 2021, she has been promoted as Assistant Manager – Procurement. She has more than 25 years of working experience in procurement and supply chain management in rubber industry. She also has vast experience in segments of sales, shipping, account, payroll, procurement, operational management, ISO internal audit and administration.

Directorships in Public Companies and Listed Issuers

None

Family Relationship with Any Director and/or Major Shareholders of the Company

None

Conflict of Interest with Listed Issuers

None

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

CHONG PHOOI FUN

Manager – Administrative & Human Resources

Malaysian | Female | 43

Chong was appointed as Personal Assistant to General Manager on 20 April 2016. She graduated with an Advanced Diploma in Business Administration in 2005. She has more than 12 years working experience in sales, marketing, property advisor and event organizing before joining Wellcall Hose (M) Sdn. Bhd..

Directorships in Public Companies and Listed Issuers

None

Family Relationship with Any Director and/or Major Shareholders of the Company

None

Conflict of Interest with Listed Issuers

None

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

KEY SENIOR MANAGEMENT PROFILE
(CONT'D)**HASSIMA BINTI MOHAMED SALEHAN**

Acting Head of Department – Logistic & Shipping

Malaysian | Female | 44

Hassima started her career at Wellcall Hose (M) Sdn. Bhd. as Logistic Clerk in 2004. She graduated with Bachelor of Accounting (Hons) from University Putra Malaysia. She has more than 19 years of working experience in logistics and supply chain management.

Directorships in Public Companies and Listed Issuers

None

Family Relationship with Any Director and/or Major Shareholders of the Company

None

Conflict of Interest with Listed Issuers

None

List of Convictions for Offences Within the Past 5 Years Other Than Traffic Offences

None

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (the “**Board**”) of Wellcall Holdings Berhad (“**the Company**”) recognises the importance of practicing high standards of corporate governance in the best interest of the Company and its stakeholders, and to protect and enhance shareholders’ value and the performance of the Company and its subsidiary (the “**Group**”). The Board is pleased to present this Corporate Governance (“**CG**”) Overview Statement (the “**Statement**”) to provide shareholders and investors with an overview of the CG practices adopted by the Company during the financial year ended 30 September 2024 (“**FYE 2024**”) in achieving the intended outcomes as set out in the Malaysian Code on Corporate Governance (“**MCCG**”) with reference to the following three (3) key principles, under the stewardship of the Board:

- (a) Principle A: Board Leadership and Effectiveness;
- (b) Principle B: Effective Audit and Risk Management; and
- (c) Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

This statement also serves as in compliance with Rule 15.25 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**MMLR**”) and it is to be read together with the CG Report for FYE 2024 of the Company (“**CG Report**”) which is available on the Company’s website. The CG Report provides the details on how the Company has applied each Practice as set out in the MCCG during FYE 2024. The CG Report is available at <https://www.wellcallholdings.com>.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Intended Outcome

1.0 Every company is headed by a board, which assumes responsibility for the company’s leadership and is collectively responsible for meeting the objectives and goals of the company.

- 1.1 The Board collectively has set clear functions to be responsible by the Board and Management in the Charter for Board of Directors (“**Board Charter**”). The Board is collectively responsible to oversee the Group’s strategic planning, corporate governance risk management, leadership, succession planning, financial control and reporting, sustainability, social responsibility and operational management. This oversight ensures that obligations towards shareholders and other stakeholders are fulfilled. The Management of the Company is led by the Group Managing Director with the assistance of Executive Director and General Manager of the Company. The Board relies on the reports provided by the Group Managing Director (“**GMD**”) who oversees the entire business and operations of the Group and setting the strategic aims of the Company. At each Audit Committee (“**AC**”) meeting and Board meeting, the GMD and General Manager will brief the Directors on the current operations, issues faced and plans of the Group in order for the Board to be kept abreast on the conduct, business activities and developments. The Board to discuss and advise the Management in its formulation of the Company’s business strategies, both short term and long-term. The Financial Controller will brief the Directors on the current financial position including current cashflow and liquidity position of the Group. Discussions would include the deployment of the resources in order to meet the objective of the Company. In making its decisions, the Board would be guided by the Company’s values and quality policy. Our Group’s Vision Statement, Corporate Mission Statement, Corporate Values as well as Quality Policy are available at <https://www.wellcallholdings.com>.

In the discharge of the Board’s duties and responsibilities, the Board has delegated certain duties and authorities to three (3) Board Committees namely, the AC, Nomination Committee (“**NC**”), Remuneration Committee (“**RC**”) and three (3) Management Committees namely the Risk Management Committee (“**RM**”), Sustainability Committee (“**SSC**”) and Corporate Disclosure Committee (“**CDC**”) to assist the Board in discharging its responsibilities, overseeing the Company’s affairs and in deliberation of issues within their respective functions and terms of reference (“**TOR**”), which outlined clearly their objectives, duties and powers. The Chairman of each Committee will report to the Board on the outcome of the Committee’s meetings and resolutions, which would also include the key issues deliberated at the Committee’s meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Intended Outcome (Cont'd)

1.0 Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company. (Cont'd)

- 1.2 The Board is chaired by Datuk Ng Peng Hong @ Ng Peng Hay, who provides effective leadership, strategic direction and necessary governance to the Group. During Board meetings, the Chairman plays an active role in ensuring that all Directors are given an opportunity and sufficient time to contribute to discussions, encourage active participation and that all matters on the agenda are addressed.
- 1.3 The positions of the Chairman and GMD of the Company are held by two (2) different individuals and each has a clear accepted division of responsibilities to ensure a balance of power and authority, such that no one individual has unfettered powers in decision making. The Chairman is primarily responsible for instilling good corporate governance practices, leadership and effectiveness of the Board as a whole, while the GMD has overall responsibilities over the business operations and day-to-day management of the Group and the implementation of the Board's policies and decisions. These divisions of responsibilities are set out in the Company's Board Charter.
- 1.4 The Chairman is not a member of the AC, NC, RC, RMC, SSC and CDC of the Company.
- 1.5 The Company is supported by three (3) suitably qualified and competent Company Secretaries. The Company Secretaries are Fellow and Associate Members of The Malaysian Institute of Chartered Secretaries and Administrators and who are experienced and qualified to act as Company Secretaries pursuant to Sections 235 and 241 of the Companies Act 2016. The Company Secretaries possess vast knowledge and experience from being in public practice. The Company Secretaries play an active role in assisting Management with the preparation of all required documentation, minutes and updates for Board and Board Committee meetings. During the financial year under review, the Company Secretaries and the representative of the Company Secretaries attended all Board and Board Committee meetings. In addition, the Company Secretaries provided advise, updates and guidance to the Board and Management on matters of a regulatory or company secretarial nature. The Board is satisfied with the performance and support rendered by the Company Secretaries in discharging their functions and duties.
- 1.6 The agenda for the Board Meetings together with relevant reports and information on the Company's business operations, in addition to proposal papers for the Board's consideration, are circulated to all the Directors at least seven (7) days in advance of the Board/Board Committee meetings to enable the Directors have ample time to review the material and to obtain additional information or clarification as needed prior to the meeting. The Board papers comprising of due notice of issues to be discussed and supporting information and documentations are provided to the Board sufficiently in advance. The Minutes of Board/Board Committee meetings are circulated to the respective Chairman of the meetings in a timely manner for review before they are confirmed and adopted by members of the Board/Board Committee at their respective meetings.

During the FYE 2024, the Board had convened a total of five (5) Board Meetings for the purposes of deliberating on the Company's quarterly financial results, the audited financial statements, business plan and development, the declaration of dividends and discussing other strategic and important matters. During the Board Meetings, the Board reviewed the operations, budget, financial position and performance of the Group and other strategic issues that may affect the Group's business. Relevant senior management members and advisors were invited to attend some of the Board Meetings to provide the Board with their views and clarifications on issues raised by the Directors. The NC was satisfied that the Directors, to the best of their ability, have devoted sufficient time and effort to attend Board and/or Board Committee meetings for the FYE 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Intended Outcome (Cont'd)

- 1.0 Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company. (Cont'd)

The attendance of Directors during the FYE 2024 is set out below:

| Name | Designation | The attendance for the following type of meetings | | | |
|---|--|---|-----|-----|-----|
| | | Board | AC | NC | RC |
| Datuk Ng Peng Hong @ Ng Peng Hay | Group Non-Independent Non-Executive Chairman | 5/5 | - | - | - |
| Huang Sha | Group Managing Director | 5/5 | - | - | - |
| Huang Yu Fen | Executive Director | 5/5 | - | - | - |
| Tan Kang Seng | Non-Independent Non-Executive Director | 5/5 | 5/5 | - | 2/2 |
| Datuk Yong Peng Tak | Senior Independent Non-Executive Director | 5/5 | 5/5 | - | 2/2 |
| Huang Kai Lin | Alternate Director to Huang Sha | 5/5* | - | - | - |
| Azian Binti Mohd Yusof | Independent Non-Executive Director | 5/5 | - | 1/1 | 2/2 |
| Chin Yoke Wah | Independent Non-Executive Director | 5/5 | 5/5 | 1/1 | - |
| Chua Yi Rong, Edmund (Cai YiRong, Edmund) | Alternate Director to Tan Kang Seng | 5/5* | - | - | - |
| Tan Choon Soon | Independent Non-Executive Director | 5/5 | 5/5 | 1/1 | 2/2 |
| George Tan Kan Chin ¹ | Non-Independent Non-Executive Director | - | - | - | - |
| Ong Suan Suan ² | Independent Non-Executive Director | - | - | - | - |

Note

¹ George Tan Kan Chin was appointed as Non-Independent Non-Executive Director on 28 August 2024.

² Ong Suan Suan was appointed as Independent Non-Executive Director on 28 August 2024.

* By invitation

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Intended Outcome (Cont'd)

2.0 There is demarcation of responsibilities between the board, board committees and management.

There is clarity in the authority of the board, its committees and individual directors.

2.1 The Company has adopted a Board Charter that has included a formal schedule of matters reserved for the Board, which is periodically reviewed. The Board Charter outlines the Board's strategic intent and the Board's roles and responsibilities. The Board Charter serves as a source reference and a primary induction literature provided insights to prospective board members and senior management and to assist the Board in establishing operating procedures for the Board. It is also a policy document that the Board has decided upon to meet its statutory and other responsibilities and serves as a reminder for the Board of the statutory framework within which it operates. The said schedule details the responsibilities of the Board and Board-Management relationship, including management limitations. With this, the respective functions, roles and responsibilities of the Directors and Management are clearly set out in the Board Charter as guidance and clarity to enable them to effectively discharge their duties. The Board Charter also includes an outline on what is expected of Directors in terms of their commitment, roles and responsibilities as Board Members. The Board Charter is published and available on the Company's website at <https://www.wellcallholdings.com>.

3.0 The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness.

The Board, management, employees and other stakeholders are clear on what is considered acceptable behaviour and practice in the Company.

3.1 The Company has established both Directors' Code of Conduct and Ethics ("DCCE") and the Code of Conduct and Ethics for Employees of the Group ("CCEE") sets out the provisions the Code of Conduct and Ethics for Directors and employees that are applicable to all Directors and employees of the Group, which set forth the general principles and standards of business conduct and ethical behaviour for the Directors and employees of the Group in the performance and exercise of their responsibilities as Directors and employees of the Group or when representing the Group and includes the professionalism and trust expected from the Directors and employees. This includes areas concerning:

- (a) corporate governance;
- (b) relationship with shareholders, employees, creditors and customers;
- (c) social responsibilities and the environment;
- (d) compliance with laws, rules and regulations;
- (e) avoid of conflicts of interest;
- (f) anti-corruption/bribes;
- (g) protect the Company's assets;
- (h) confidentiality;
- (i) insider trading policy;
- (j) fair dealing and anti-competition; and
- (k) reporting violation of the DCCE and CCEE.

In compliance with the Malaysian Anti-Corruption Commission Act, the Company has also established and implemented an Anti-Bribery and Corruption Policy ("**ABC Policy**") which governs the prevention of corruption and unethical practices within the Company. The said DCCE, CCEE, the Board Charter and ABC Policy are available on the Company's website at <https://www.wellcallholdings.com>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Intended Outcome (Cont'd)

3.0 The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency and fairness. (Cont'd)

3.2 The Board has adopted both Corporate Fraud Policy (“**Fraud Policy**”) and the Whistleblowing Policy (“**WB Policy**”) aid in detection and prevention of fraud and to facilitate the whistleblower to report or disclose through established channels on any violations or wrongdoings they may observe in the Group without fear of retaliation should they act in good faith when reporting such concerns. Only genuine concerns should be reported under the whistleblowing procedures. The report should be made in good faith with a reasonable belief that the information and any allegations made are substantially true and the report is not made for personal gain. Malicious and false allegations will be viewed seriously and treated as a gross misconduct and may lead to dismissal if proven. The Board shall be apprised of any report which are serious in nature or of grave repercussions.

4.0 The Company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success.

4.1 The Board is ultimately accountable for ensuring that sustainability is integrated into the strategic direction of the Group and its operation. The GMD together with the Executive Directors are entrusted by the Board in overseeing the formulation, implementation and effective management of the Group’s sustainability strategies. The GMD leads the Management of the Company to review the business operation of the Group to further strengthen the sustainability framework within the organisation. To support the Board in fulfilling its responsibilities related to sustainability, a Sustainability Committee (“**SSC**”) has been established. The SSC comprises senior management of the Group and is responsible for overseeing the implementation of sustainability-related policies, measures and actions to achieve the Company’s sustainability milestones and goals. The SSC also oversees the preparation of sustainability disclosures as required by laws and/or rules, recommending them for the Board’s approval.

Additionally, the SSC, together with the Group Managing Director will prepare an action plan for management sustainability matters and submit it to the Board and the RMC to ensure alignment with the Group’s strategic plan and long terms value creation and sustainability goals.

4.2 The Board is amidst developing sustainability roadmap. The GMD leads the Management of the Company to review the business operation of the Group to further strengthen the sustainability framework within the organisation. The approach duly adopted by the Company to sustainability are establishment the sustainability governance, define the material matters, stakeholders’ engagement; and establishment of policies, practices and performance.

The Group is preparing the framework towards sustainability reporting to identify the material matters that are important to both the organisation and their stakeholders which covering three (3) main material matters category, namely Governance, Environment and Social. The Company views stakeholders’ engagement as an integral aspect in our sustainability commitments. Successful stakeholder management is crucial in terms of building relationships and trust to implement corporate sustainability strategies and program. Leveraging expertise from all levels within and outside of the organisation can ensure that the Group understand the perspective views of all stakeholders. Stakeholders’ feedback is valuable for our continuous improvement on sustainability measuring and reporting standard. The Group is encouraging all stakeholders to provide their feedback and comment to the group. Through the stakeholder engagement as stipulated in the Sustainability Statement in Annual Report for the current financial year under review, the Board and the Management are actively engaged with various stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Intended Outcome (Cont'd)

4.0 The Company addresses sustainability risks and opportunities in an integrated and strategic manner to support its long-term strategy and success. (Cont'd)

- 4.3 The Group's NC will assess the training programmes attended by all the Directors during the financial year under review to ensure the Board is kept abreast on sustainability issues which are relevant to the Group's business and operations, and regarding the various international standards and best practices to address sustainability risks and opportunities.

To ensure that the Board remains informed on sustainability matters relevant to the Group's business and operations, all the directors and the management have participated in various training programmes to gather further insights. The following seminars, courses and training programs were attended during FYE 2024: -

| Date Attended | Seminars/Courses/Training Programs |
|----------------|--|
| 28 August 2024 | ESG and TCFD Masterclass: Frameworks and Strategies for Guiding Sustainability: Introduction to ESG and TCFD and ESG Metrics and Reporting |

- 4.4 The Board together with the NC had reviewed a Gap Analysis study of the internal practices in the Group against the best practices recommended in the revised MCCG ("**Gap Analysis**"). Both parties acknowledged that the performance of the Board and senior management in addressing the Company's material sustainability risks and opportunities. The Board conducted a review on the current evaluation system for the Directors and the Management, resulting in revision to include their experience in management of sustainability. However, both the Directors' observations and the senior management's feedback have consistently highlighted the need for greater focus and attention in managing sustainability. The Sustainability Statement in the Company's Annual Report 2024 which demonstrates the strategic approach adopted by the Management in addressing risks and opportunities within the context of Governance, Environment and Social aspects. The objective is to achieve business sustainability and create long-term value for our shareholders and stakeholders.
- 4.5 The Board does not identify a Chief ESG Officer, however, the Group MD leads the management of sustainability FYE 2024.

II. BOARD COMPOSITION

Intended Outcome

5.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights.

- 5.1 The Board Charter sets out that the NC of the Company is responsible to assist the Board in the development and implementation of the policies on the nomination and appointment of Directors to achieve long-term sustainability of the Group in accordance with the TOR of the NC.

The NC is chaired by an Independent Non-Executive Director and the composition of the NC are as follows:

| Designation | Name | Directorship |
|-------------|------------------------|------------------------------------|
| Chairperson | Chin Yoke Wah | Independent Non-Executive Director |
| Member | Azian Binti Mohd Yusof | Independent Non-Executive Director |
| Member | Tan Choon Soon | Independent Non-Executive Director |

The TOR of NC detailed the roles and responsibilities of the NC is accessible on the Company's website at <https://www.wellcallholdings.com>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Intended Outcome (Cont'd)

5.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. (Cont'd)

Summary activities of the NC

During the FYE 2024, the NC has undertaken the following activities in the discharge of its duties:

- (a) Annually assessment of the four Independent Directors and their tenure;
- (b) Annually assessment on the size, composition of the Board, the contribution of the Board and Board Committees as well as the effectiveness of the Board as a whole and assessment the contribution of each individual director and the performance of the Board Committees;
- (c) Reviewed the meetings attendance of the Board of Directors and Members of the Board Committees;
- (d) Reviewed the sufficiency of time commitment of the Directors in discharging their roles and responsibilities in the Company;
- (e) Discussed and considered the appointment of George Tan Kan Chin as the Non-Independent Non-Executive Directors (“**NINED**”) and Ong Suan Suan as the Independent Non-Executive Directors (“**INED**”) of the Company;
- (f) Recommended to the Board of Directors the re-election of George Tan Kan Chin as NINED and Ong Suan Suan as INED who shall be retired pursuant to Clause 91 of the Company’s Constitution at the forthcoming AGM;
- (g) Recommended to the Board of Directors, the re-election of Tan Kang Seng, Datuk Yong Peng Tak and Huang Yu Fen who are due for retirement by rotation pursuant to Clause 84.1 of the Company’s Constitution at the forthcoming AGM and being eligible, have offered themselves for re-election;
- (h) Reviewed and assessed the re-election of Datuk Yong Peng Tak as INEDs of the Company based on the selection criteria including fit and proper, character, qualification, experience, integrity, competence, time commitment to effectively discharge their role, expertise and knowledge, professionalism, independent status test, related party and disclosure of interests and etc;
- (i) Discuss with the Board of Directors for retention of Datuk Yong Peng Tak as INED of the Company for the length of service beyond nine (9) years;
- (j) Reviewed the training programmes attended by the Directors and recommended the relevant training programmes to assist the Directors in discharging their duties and keep abreast with the industry developments, trends and understand the sustainability issues relevant to the Company and its business, including climate-related risks and opportunities; and
- (k) Reviewed the Compliance Score Card of the Company in relation to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and MCCG, and recommended to the Board.

All Directors appointed to the Board have attended the Mandatory Accreditation Program Part I prescribed by Bursa Securities. The Directors are encouraged to attend Mandatory Accreditation Program Part II before the timeline prescribed by Bursa Malaysia Securities Berhad and any continuous education programs/ seminars/ conferences and shall as such receive further training from time to time to keep abreast with the latest developments in statutory requirement and regulatory guidelines, where appropriate, in line with the changing business environment and enhance their business acumen and professionalism in discharging their duties to the Group.

In order for the Group to remain competitive, the Board ensures that the Directors continuously enhance their skills and expand their knowledge to meet the challenges of the Board.

Upon assessing the training needs of the Directors, the Board recognised that continuing education would be the way forward in ensuring its members are continually equipped with the necessary skills and knowledge to meet the challenges ahead. During the FYE 2024, the Directors have attended at least one (1) training program.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Intended Outcome (Cont'd)

5.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. (Cont'd)

5.1 Summary activities of the NC (Cont'd)

The training programs and seminars attended by the Directors during the FYE 2024 were as follows:

| Directors | Seminars/Conferences/Training Programmes Attended | Date Attended |
|-------------------------------------|---|----------------------------------|
| Datuk Ng Peng Hong @ Ng Peng Hay | <ul style="list-style-type: none"> ESG and TCFD Masterclass: Frameworks and Strategies for Guiding Sustainability: Introduction to ESG and TCFD and ESG Metrics and Reporting | 28 August 2024 |
| Huang Sha | <ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (LIP) ESG and TCFD Masterclass: Frameworks and Strategies for Guiding Sustainability: Introduction to ESG and TCFD and ESG Metrics and Reporting | 20-21 May 2024 28 August 2024 |
| Huang Kai Lin | <ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (LIP) ESG and TCFD Masterclass: Frameworks and Strategies for Guiding Sustainability: Introduction to ESG and TCFD and ESG Metrics and Reporting | 20-21 May 2024 28 August 2024 |
| Huang Yu Fen | <ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (LIP) ESG and TCFD Masterclass: Frameworks and Strategies for Guiding Sustainability: Introduction to ESG and TCFD and ESG Metrics and Reporting | 20-21 May 2024 28 August 2024 |
| Tan Kang Seng | <ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (LIP) ESG and TCFD Masterclass: Frameworks and Strategies for Guiding Sustainability: Introduction to ESG and TCFD and ESG Metrics and Reporting | 20-21 May 2024 28 August 2024 |
| Datuk Yong Peng Tak | <ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (LIP) ESG and TCFD Masterclass: Frameworks and Strategies for Guiding Sustainability: Introduction to ESG and TCFD and ESG Metrics and Reporting | 20-21 May 2024 28 August 2024 |
| Azian Binti Mohd Yusof | <ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (LIP) ESG and TCFD Masterclass: Frameworks and Strategies for Guiding Sustainability: Introduction to ESG and TCFD and ESG Metrics and Reporting | 20-21 May 2024 28 August 2024 |

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Intended Outcome (Cont'd)

5.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. (Cont'd)

5.1 Summary activities of the NC (Cont'd)

The training programs and seminars attended by the Directors during the FYE 2024 were as follows:
(Cont'd)

| Directors | Seminars/Conferences/Training Programmes Attended | Date Attended |
|---|--|---|
| Chin Yoke Wah | <ul style="list-style-type: none"> Hybrid Conference on Corporate and Commercial Law Mandatory Accreditation Programme Part II: Leading for Impact (LIP) Webinar on dawn raid: Practical aspects on how law firms can manage dawn raids ESG and TCFD Masterclass: Frameworks and Strategies for Guiding Sustainability: Introduction to ESG and TCFD and ESG Metrics and Reporting | 4 December 2023 20-21 May 2024 15 August 2024 28 August 2024 |
| Chua Yi Rong, Edmund (Cai YiRong, Edmund) | <ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (LIP) ESG and TCFD Masterclass: Frameworks and Strategies for Guiding Sustainability: Introduction to ESG and TCFD and ESG Metrics and Reporting | 20-21 May 2024 28 August 2024 |
| Tan Choon Soon | <ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (LIP) ESG and TCFD Masterclass: Frameworks and Strategies for Guiding Sustainability: Introduction to ESG and TCFD and ESG Metrics and Reporting | 23-24 Jan 2024 28 August 2024 |

5.2 The Board composition has been revised as follows: -

- Appointment of George Tan Kan Chin as a NINED with effect from 28 August 2024; and
- Appointment of Ong Suan Suan as an INED with effect from 28 August 2024.

(Hereinafter collectively, referred to as the “**Revision of the Board Composition**”)

After the Revision of the Board Composition, the Board size increased to 10 members and that half of the Board comprise of INEDs. The current Board composition is in line with the MCCG’s recommendation to have at least half of the Board to comprise INEDs. The INEDs and the Non-Independent Non-Executive Chairman who collectively form a majority of the Board size, make a positive contribution and development of the Company’s strategy and policies through their independent, constructive and informed judgement.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Intended Outcome (Cont'd)

5.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. (Cont'd)

5.3 For FYE 2024, the INEDs of the Company have the following tenures: -

- (a) Datuk Yong Peng Tak was first appointed to the Board on 1 April 2015 and he has served the Board for 9 years 4 months;
- (b) Both Azian Binti Mohd Yusof and Chin Yoke Wah were appointed as the INEDs on 22 August 2022 respectively. They have served on Board for 2 years;
- (c) Tan Choon Soon was appointed as INED on 1 June 2023. He has served on Board for 1 year 2 months; and
- (d) Ong Suan Suan was appointed as INED on 28 August 2024. She has served on Board less than a year.

During the Company's 18th Annual General Meeting of the Company, shareholders of the Company approved the re-appointment of Tan Choon Soon as the INEDs, as well as the retention of Datuk Yong Peng Tak as the INED, who served the Board for a cumulative term of more than (9) nine years.

During the year, the NC has conducted an annual assessment of the independence status of the Independent Directors, inter-alia their skills, experience and contributions, and whether the Independent Directors were able to discharge their duties with fair judgment. The NC and Board also review the tenure of the Directors and the Board composition to ensure the Board has an appropriate mix of skills and experience for the requirements of the business. The retiring Directors who are INEDs have provided their confirmation that they fulfilled the independence criteria prescribed by MMLR. They have confirmed that they do not have any existing or potential conflict of interest, business or family that could affect the execution of their role as Directors.

The justification for the Board's recommendation to re-elect Datuk Yong Peng Tak as the INED through two-tier voting process at the 18th AGM are disclosed in the CG Report. The same evaluation criteria have been applied to Datuk Yong Peng Tak for the Board's recommendation to re-elect him as the INED through two-tier voting process at the 19th AGM.

According to the MMLR, Datuk Yong Peng Tak's tenure of independent director shall be up to 12 years. If he has cumulatively served as an INED of the Company or any one or more of the subsidiaries of the Company for a cumulative term of more than twelve (12) years, he may continue to serve on the Board, subject to his redesignation as a Non-Independent Director. The NC and the Board will follow the Group's selection and appointment procedures and carefully consider with to identify a suitable individual with diverse backgrounds who is equipped with sufficient professional and technical knowledge, to effectively represent the interests of shareholders in setting the Company's strategy and ensuring its implementation to fill in any vacancy.

- 5.4 The Company has not adopted a policy which limits the tenure of its independent directors to nine years without further extension. According to the Term of Reference of the NC, Independent Directors whose cumulative tenure has exceeded nine (9) years, it is required to review his/her independence and if deemed appropriate for continuance in the office, to provide justification to the Board for consideration and seek annual shareholders' approval through a two-tier voting process.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Intended Outcome (Cont'd)

5.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. (Cont'd)

5.5 The Company practices a formal and transparent procedure for the appointment and re-election of Directors and the Board's diversity. The Board is supportive of diversity on the Board and Senior Management team. The appointment and re-election of Directors and senior management and the Board's diversity is done in accordance with the Board Charter and the TOR of the NC of the Company governing the Board of Directors, both of which are available on the Company's website. The details of diversity in the age, gender, race/ethnicity and nationality of the existing Board and Key Senior Management as at 30 September 2024 are set out in the CG Report of the Company.

The Board has not set the limit for diversification on its Board composition to achieve the 30% representation from Women as the Board is of the opinion that the appointment of directors is based on merits without giving regards to the gender of the appointed directors and also consider the following criteria: -

- who have the required mix skills, experience and other qualities and competencies;
- who exercise the highest standard of conduct and integrity are maintained;
- who fulfil the regulatory compliance and selection criteria;
- who can provide effective contribution and support to the functions of the Board; and
- who are more in tune with the business model of the Company.

The Board had on 28 August 2024 appointed Ong Suan Suan as an additional woman director on Board and the women representation in the Board of the Company has been increased from 25% to 30%. The Board has also directed the management of the Company to continuously assess its current diversity levels of the Group and consider linking achievement of the measurable objective to be established by the Board. Consideration must be given to all recommendations to the Board the establishment of the measurable diversity objectives and also that to link the achievement of these measurable objectives to key performance indicators of the Company.

During the financial year under review, the Group has achieved 21% of women employees from the total workforce of the Group. The NC shall review and monitor from time to time the status of the diversity level. Insofar as board diversity is concerned, the Board does not discriminate on the basis of age, gender, physical disability or religion. The evaluation of the suitability of candidates for filling of casual vacancy, re-election or re-appointment is solely based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company, including, where appropriate, the ability of the candidates to act as Independent Non-Executive Directors, as the case may be.

The NC has also taken this into consideration when assessing the performance of the Directors. The diverse backgrounds of the Board of the Company by gender, age and races as at 30 September, 2024 is as follows: -

| Age (Years) | 20 - 40 | | 41 - 60 | | 61 above | | Total |
|-------------|---------|----|---------|----|----------|----|-------|
| Race | M | C | M | C | M | C | |
| | % | % | % | % | % | % | % |
| Male | - | 10 | - | 30 | - | 30 | 70 |
| Female | - | - | - | 20 | 10 | - | 30 |

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Intended Outcome (Cont'd)

5.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. (Cont'd)

5.5 The total workforce of the Group by gender, age and races as at 30 September, 2024 are as follows:-

| Age (Years) | 18 - 30 | | | | 31 - 40 | | | | 41 above | | | | Total |
|-------------|---------|-----|-----|------|---------|-----|-----|------|----------|-----|-----|-----|-------|
| Race | M | C | I | O | M | C | I | O | M | C | I | O | |
| | % | % | % | % | % | % | % | % | % | % | % | % | % |
| Male | 2.1 | 0.7 | 0.4 | 25.7 | 2.4 | 2.4 | 0.9 | 26.4 | 3.8 | 5.0 | 2.1 | 7.1 | 79 |
| Female | 2.9 | 0.5 | 1.0 | 0.5 | 2.1 | 1.9 | 0.5 | 0.5 | 4.1 | 3.6 | 2.9 | 0.5 | 21 |
| Total | 5 | 1.2 | 1.4 | 26.2 | 4.5 | 4.3 | 1.4 | 26.9 | 7.9 | 8.6 | 5.0 | 7.6 | 100 |

Remarks:-

M – Malay C – Chinese I – Indian O – Others

5.6 The TOR of the NC provides that the Board does not solely rely on recommendations from the existing Board members, management or shareholders of the Company in identifying candidates for appointment of Directors. The Board shall endeavor to utilise independent sources or any other sources to identify suitably qualified candidate to fulfil Board positions. The NC would assess their suitability based on the relevant criteria and skills matrix as may be set by the NC from time to time.

5.7 Pursuant to the provisions of the Constitution of the Company, the following Directors who are due for retirement and being eligible, have offered themselves for re-election in accordance with the Company's Constitution at the Nineteenth Annual General Meeting ("**19th AGM**") of the Company:

- (a) Tan Kang Seng pursuant to Clause 84.1 of the Constitution of the Company;
- (b) Datuk Yong Peng Tak pursuant to Clause 84.1 of the Constitution of the Company;
- (c) Huang Yu Fen pursuant to Clause 84.1 of the Constitution of the Company;
- (d) George Tan Kan Chin pursuant to Clause 91 of the Constitution of the Company; and
- (e) Ong Suan Suan pursuant to Clause 91 of the Constitution of the Company.

Additionally, Datuk Yong Peng Tak will be subject to a two-tier voting process at the upcoming 19th AGM as advocated under MCCG for his re-appointment and if approved by the shareholders, Datuk Yong Peng Tak will then continue to serve as an Independent Non-Executive Director. This is due to him serving as an INED for a cumulative term of more than nine (9) years.

The Board has established an annual performance evaluation process to assess the performance of each director. Each Director conducts a peer assessment of the other Directors. Taking into consideration the Directors' Self and Peer Assessment results which were satisfactory, the Board of Directors upon recommended by the NC resolved to approve and support the re-election and re-appointment of the aforesaid Directors and submitted its recommendation to the shareholders for approval at the 19th AGM.

The justification for the recommendations of the NC and the Board to re-elect Datuk Yong Peng Tak as the INED at the upcoming 19th AGM, through two-tier voting process has been disclosed in Practice 5.3 of the CG Report and the notice of the 19th AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Intended Outcome (Cont'd)

5.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. (Cont'd)

5.8 The NC is chaired by Chin Yoke Wah, the Independent Non-Executive Director.

5.9 The Board comprised approximately 30% women directors after the appointment of Ong Suan Suan.

5.10 The Board has established its Diversity Policy in the TOR of the NC. The TOR of NC is made available at the Company's website.

6.0 Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Directors

6.1 The Board through NC had on 28 August 2024 conducted the following annual assessments and evaluation of the performance to determine the effectiveness of the Board and Board Committees as well as each individual Directors for the FYE 2024. The process was carried out via digital assessment forms sent to Directors pertaining to the following evaluation:

(a) Performance Evaluation for the Board and Board Committees

All Directors had participated the assessment on the performance of the Board and Board Committees of the Company for the FYE 2024 comprising the following seven (7) areas:

- (i) Size and composition the Board;
- (ii) Qualification of Directors and other key officers;
- (iii) Size of Non-Executive participation and the Board Balance;
- (iv) Board Committees and its composition;
- (v) Gender and workforce diversity measurement;
- (vi) Evaluation the training needs for directors; and
- (vii) Evaluation the succession planning of the Group.

(b) Performance Evaluation for Individual Director

Each Director of the Company, and the scope of assessment comprising the Directors' contribution to interaction, knowledge, quality of input, their understanding of role and Sustainability Governance. In addition, the performance of the Board Chairman and the GMD were also assessed by all Directors in terms of their roles and responsibilities.

- (c) Reviewed the size and composition of the Board and made recommendation to the Board as regards any changes that may, in their view, be beneficial to the Company and Group;
- (d) Reviewed the effectiveness of the Board as a whole, Board Committees and the contribution of individual Directors;
- (e) Reviewed the terms of office and effectiveness of the AC as a whole and the performance of individual AC Members;

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Intended Outcome (Cont'd)

6.0 Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Directors (Cont'd)

6.1 The Board through NC had on 28 August 2024 conducted the following annual assessments and evaluation of the performance to determine the effectiveness of the Board and Board Committees as well as each individual Directors for the FYE 2024. The process was carried out via digital assessment forms sent to Directors pertaining to the following evaluation: (Cont'd)

- (f) Reviewed and assessed the independence of INED; and
- (g) Reviewed and recommended the re-election of retiring Directors at the forthcoming Annual General Meeting.

Based on the aforesaid evaluations conducted, NC and the Board were satisfied with the performance of each Director, the Board as a whole, and Board Committees for the FYE 2024.

7.0 The level and composition of remuneration of Directors and Senior Management take into account the Company's desire to attract and retain the right talent in the Board and Senior Management to drive the Company's long-term objectives.

Remuneration policies and decisions are made through a transparent and independent process.

7.1 The Board has in place policies and procedures to determine the remuneration of Directors and Senior Management that sets out the criteria to be used in recommending remuneration packages for the Executive Directors, Non-Executive Directors and any senior management personnel. The said Policy is available on the Company's website at <http://www.wellcallholdings.com>.

The RC is chaired by an INED and the composition of the RC are as follows:

| Designation | Name | Directorship |
|-------------|------------------------|---|
| Chairperson | Datuk Yong Peng Tak | Senior Independent Non-Executive Director |
| Member | Tan Kang Seng | Non-Independent Non-Executive Director |
| Member | Azian Binti Mohd Yusof | Independent Non-Executive Director |
| Member | Tan Choon Soon | Independent Non-Executive Director |

7.2 The RC has written TOR which deals with its authority and duties and is accessible at the Company's website at <https://www.wellcallholdings.com>.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Intended Outcome (Cont'd)

8.0 Stakeholders are able to assess whether the remuneration of Directors and Senior Management commensurate with their individual performance, taking into consideration the Company's performance

- 8.1 The detailed disclosure on named basis of the remuneration of individual Directors and the breakdown of the remuneration of each individual Directors from the Company for the FYE 2024 is disclosed in the CG Report of the Company FYE 2024.
- 8.2 The Company has disclosed the senior management's remuneration component in bands of RM50,000 but not on named basis as the Board considers the information sensitive and proprietary since the Group's business operates in a competitive market. Besides, the issue of personal security is also taken into consideration and may be wrongly used or quoted by certain parties. The top five senior management's remuneration in bands of RM50,000 is set out in the CG Report of the Company.
- 8.3 The detailed remuneration of each member of senior management on a named basis will not be disclosed for confidentiality purposes.

9.0 There is an effective and independent AC.

The Board is able to objectively review the AC's findings and recommendations.

The Company's financial statement is a reliable source of information.

- 9.1 The AC is chaired by Datuk Yong Peng Tak, who is an INED, while the Chairman of the Board is Datuk Ng Peng Hong @ Ng Peng Hay, the Group Non-Independent Non-Executive Chairman. This ensured that the objectivity of the Board's review of AC's findings and recommendations is not impaired.
- 9.2 The AC has adopted a policy that requires a former partner of the external audit firm to observe a cooling-off period of at least three (3) years before being appointed as an AC member. The policy had been codified in TOR of AC of the Company by the Board. The TOR of AC is available at the Company's website.
- 9.3 The AC has in place procedures to continuously monitor and undertake an annual assessment of the suitability, objectivity and independence of the external auditors as well as to make subsequent recommendations to the Board on the appointment, re-appointment or termination of the external auditors in compliance with its TORs. During FYE 2024, the AC assessed the suitability, objectivity and independence of the External Auditors, Ecovis Malaysia PLT ("Ecovis"). According to the annual assessment conducted for FYE 2024, the AC is satisfied with the performance, competence and independence of the External Auditors.

Ecovis has indicated their willingness for seeking for re-appointment at the forthcoming 19th AGM of the Company. The resolution for re-appointment of Ecovis's appointment as the external auditors of the Company will be tabled for approval by the shareholders at forthcoming 19th AGM of the Company.

- 9.4 The AC comprises a chairperson is Senior Independent Non-Executive Director and two (2) members are INED and one (1) member is a NINED. The AC of the Company not comprise solely of Independent Directors, but instead have a majority of independent directors along with exclusively non-executive directors, is to maintain a balance of perspectives and expertise within the AC. Overall, a balance between Independent Directors and non-executive directors in the AC can enhance its effectiveness and provide a holistic perspective on financial matters while maintaining strong corporate governance practices.
- 9.5 The NC conducted the following reviews of AC for FYE 2024:
- (a) its composition in accordance with MMLR;
 - (b) the terms of office of the AC members; and
 - (c) the performance of the AC and its members.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

Intended Outcome

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

I. AUDIT COMMITTEE (CONT'D)

Intended Outcome (Cont'd)

9.0 There is an effective and independent AC. (Cont'd)

Datuk Yong Peng Tak, the AC member is a member of the Chartered Financial Analyst Institute (previously known as the Institute of Chartered Financial Analysts), United States of America, since 1995 and a Fellow member of the Institute of Singapore Chartered Accountants, Singapore, since 2005. He has approximately 31 years of experience in investment management and financial advisory services. With his qualification and past experience, he has fulfilled the requirements under Paragraph 7.1(a)(ii) of the Practice Note 13 of MMLR. The two (2) members of AC possess the accounting and finance qualifications and the other one member is not member of any professional accounting bodies. All four (4) members of AC kept abreast of developments in accounting and auditing standards, practices and rules through updates from our external auditors of changes in accounting and auditing standards. All members of AC have also undertaken and will continue to undertake continuous professional development to keep update relevant developments in accounting and auditing standards, practices and rules.

Based on the outcome of the annual assessment, the Board is satisfied that the Chairman and all members of AC possess the relevant skills, competencies and also comprehend to effectively perform the assigned responsibilities and duties. The AC has reviewed and provided advice on the financial statements which provide a true and fair view of the Company's financial position and performance.

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

10.0 Company makes informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives.

The Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the Company's objectives is mitigated and managed.

10.1 The Board Charter sets out that the Board is responsible for the system internal control and risk management of the Group. The Board, through RMC, monitors risks and internal control. The Board has established a Risk Management Framework. Risk reports are presented to the AC and tabled to the Board to deliberate the Group's risk mitigating measures and any further action required for improvement.

10.2 The Board has established an Enterprise Risk Management Policy ("**ERM Policy**"). The Board, through the RMC, monitors risks and internal control via an Enterprise Risk Management Framework, which is a comprehensive report tabling the current status, action taken and conclusion of the key risks identified in twice a year. The ERM Policy is available on the Company's website.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

Intended Outcome (Cont'd)

10.0 Company makes informed decisions about the level of risk they want to take and implement necessary controls to pursue their objectives. (Cont'd)

10.3 Group would include the members of INED as part of the RMC in the coming financial year. The Board has formed a Risk Management Committee that does not comprises a majority of independent directors, but instead consist of various department heads or functions, is to ensure that individuals with a deep understanding of the specific risks and operations of the Company and its subsidiary are actively involved in the risk management process. Various functions or department heads possess specialized knowledge and expertise in their respective domains. Their involvement in the risk management committee allows for a comprehensive and nuanced analysis of risks specific to their areas of responsibility.

While it is important to have independent directors on the Risk Management Committee to provide an objective viewpoint and oversight, including various department heads allows for a more practical and hands-on approach to risk management, tailored to the organisation's specific needs and challenges. The Board will review the composition the Risk Management Committee from time to time.

11.0 Companies have an effective governance; risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

11.1 The internal audit function of the Group is carried out by an outsourced professional service firm, Needsbridge Advisory Sdn Bhd ("**Needsbridge**"). The outsourced Internal Auditors report directly to the AC and provides the AC and the Board with much of the assurance it requires in respect of the adequacy and effectiveness of the Group's system on the risk management and internal control. The internal audit function is independent and the internal audit assignments are performed with impartiality, proficiency and due professional care. The internal audit review of the Group's operations encompasses independent assessment of the adequacy of the internal control system and the auditee company's compliance with its internal control system and recommendations are made for further improvement. During the FYE 2024, the AC has reviewed and assessed the adequacy of the scope, functions, competency and resources of the outsourced Internal Auditors and that they have the necessary authority to carry out their work.

11.2 The outsourced internal audit function is led by the engagement director, Pang Nam Ming, who is a Certified Internal Auditor and Certification in Risk Management Assurance accredited by the Institute of Internal Auditors Global and a professional member of the Institute of Internal Auditors Malaysia. He has a vast experience and exposure in auditing as well as corporate governance to act as an independent internal auditor. An evaluation on the competency and interviews had been carried out prior to the engagement of the internal auditors. The internal audit was led by a qualified partner and managers as well as experience personnel to carry out the internal audit review in FYE 2024. All the internal audit personnel involved are free from any relationships or conflicts of interest, which could impair their objectivity and independence. The internal audits are carried out, in material aspects, in accordance with the International Professional Practices Framework ("**IPPF**"), i.e. Mission, Core Principles for the Professional Practice of Internal Auditing, Code of Ethics and the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors Global.

The outsourced internal audit function of the Group is explained in greater detail in Statement on Risk Management and Internal Control of this Annual Report and Practice 11.1 and 11.2 of CG Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. COMMUNICATION WITH STAKEHOLDERS

Intended Outcome

12.0 There is continuous communication between the Company and stakeholders to facilitate mutual understanding of each other's objectives and expectations.

Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility.

12.1 The Board recognises the need for transparency and accountability to the Company's shareholders and regular communication with its shareholders, stakeholders and investors on the performance and major developments in the Company. The Board ensures that there is effective, transparent and regular communication with its stakeholders through a variety of communication channels as follows:

(a) The Company's corporate website

The Company's corporate website <https://www.wellcallholdings.com> is a platform to provide convenient access to the latest as well as historical information about the Company and the Group. Once relevant information is disclosed to the public and available to investors, it is also published on the corporate website.

The corporate website will dedicate Investor Relations section and Corporate Governance section that provide relevant investor-related information. The information available on the corporate website includes corporate and financial information, annual reports, press releases and regulatory announcements made to Bursa Securities.

(b) Email and face-to-face communications

Email and face-to-face communications are the main communication channel in our day-to-day operations with various customers and suppliers.

The Company will provide an email address which all shareholders can send their queries to and make any inquiry.

(c) Annual General Meeting ("AGM")

The AGM is used as the main forum of dialogue for shareholders to make known their views and raise any matters of concern pertaining to the Group. The shareholders will be given the opportunity to speak and seek clarifications during the AGM for effective and transparent communications. The Management shall ensure all information disclosed remains succinct, current, relevant and accurate.

(d) Press release

The Company also issues press releases periodically to communicate with its stakeholders on the corporate and business developments of the Group. The Company disseminates its press releases through financial press, printed and electronic media for wider publicity and media coverage to keep the stakeholders informed of the progress and development of the Wellcall group's businesses

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

I. COMMUNICATION WITH STAKEHOLDERS (CONT'D)

Intended Outcome (Cont'd)

12.0 There is continuous communication between the Company and stakeholders to facilitate mutual understanding of each other's objectives and expectations. (Cont'd)

12.1 The Board recognises the need for transparency and accountability to the Company's shareholders and regular communication with its shareholders, stakeholders and investors on the performance and major developments in the Company. The Board ensures that there is effective, transparent and regular communication with its stakeholders through a variety of communication channels as follows: (Cont'd)

(e) Periodic and Continuous Disclosures

Shareholders and investors can obtain our Group's latest announcements such as material information, updates and periodic financial reports in the dedicated website of the Company. The Company's key channel of shareholder communication includes the Company's annual report, corporate governance report and quarterly group financial results. The Company's annual report and corporate governance report provide comprehensive and up-to-date information about our Group. The scope and extent of the information disclosed in the annual report and corporate governance report are in compliance with the MMLR.

(f) Investors' Relation

Shareholders may contact the Financial Controller for investors' updates via periodic dialogues and presentation slides. Contact details for investors' relation are published in the Company's website.

(g) Minutes of the General Meeting

Minutes of the general meeting including issues/concerns raised and responses by the Company (*summary of the key matters discussed at the AGM*) should be circulated to shareholders or make available at the Company's website no later than 30 business days after the general meeting.

12.2 The Company has not implemented integrated reporting due to lack of internal resources needed to develop and implement the necessary reporting processes and tools. The Company recognises the value of integrated reporting, but has determined that they need to focus their current resources on other strategic priorities at this time.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

II. CONDUCT OF GENERAL MEETINGS

Intended Outcome

13.0 Shareholders are able to participate, engage the Board and Senior Management effectively and make informed voting decisions at general meetings.

- 13.1 The AGM provides an opportunity for the shareholders to seek and clarify any issues pertaining to the Group and to have a better understanding of the Group's activities and performance. Both individuals and institutional shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions. The Annual Report, which contains the Notice of 18th AGM, was provided to shareholders at least twenty-eight (28) days prior to the date of the meeting to give sufficient time to shareholders to consider the resolutions that will be discussed and decided at the AGM. The Notice of AGM, which sets out the businesses to be transacted at the AGM, was also published in a major local newspaper. The notes to the Notice of AGM also provide the necessary explanation for each resolution proposed to enable shareholders to make informed decisions in exercising their voting rights.
- 13.2 All Directors of the Company had attended the 18th AGM of the Company which was held on 23 February 2024 on a fully virtual basis to engage with the shareholders proactively. In compliance with the MCGG, all Directors of the Company had attended the 18th AGM and the Chair of the AC, NC, RC and RMC have provided meaningful responses to the questions addressed to them.
- 13.3 Shareholders who wish to attend AGM/general meetings are given at least twenty-eight (28) days, to ensure that shareholders are able to make the necessary arrangements to attend general meetings, review agenda items, and formulate questions, if any. Where they are not able to attend, they may appoint proxies to attend on their behalf to vote and represent them. At its fully virtual 18th AGM, the Company has leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolution. A short video by the Poll Administrator has been played to demonstrate to the members, corporate representatives or proxies who has presented at the 18th AGM on the process for online voting. The voting session has commenced from the time as announced by the Chairman until the close of the voting session as announced by the Chairman later. The scrutineers have verified and announced the poll results for each resolution with the details of votes for in favour and against. The Chairman thereafter declared the poll results and the same has been made available at the Company's website for the benefit of all shareholders.
- 13.4 The Chairman of the Board, all the Directors and Chairperson of the Board Committees have attended at the 18th AGM of the Company, which was held as fully virtual meeting through live streaming and online remote participation and voting facilities from the broadcast venue on 23 February 2024 to engage with the shareholders virtually and proactively. The Administrative Guides for the 18th AGM has been circulated to all shareholders of the Company and made available at the Company's website for the procedures to register, participate and vote remotely at the 18th AGM through the remote participating and voting facilities. Shareholders can raise their questions or issues or seek explanation from the Board or the Management at the 18th AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

II. CONDUCT OF GENERAL MEETINGS (CONT'D)

Intended Outcome (Cont'd)

13.0 Shareholders are able to participate, engage the Board and Senior Management effectively and make informed voting decisions at general meetings. (Cont'd)

- 13.5 The 18th AGM of the Company was held on 23 February 2024 as fully virtual meeting through live streaming and online remote voting from the broadcast venue. The Board has appointed a Poll Administrator to verify the eligibility of shareholders/corporate representatives/proxies to attend the 18th AGM based on the Annual General Meeting's Record of Depositors and upon the cut-off date and time for proxy form submission. The shareholders who are not able to attend the 18th AGM can appoint their proxy or appoint the Chairman as their proxy to attend and vote on his/her behalf provided that the relevant proxy form is lodged at the Company's Share Registrar's office at least forty-eight (48) hours before the 18th AGM. Shareholders who participated at the 18th AGM virtually, were able to speak (including posing questions to the Board via real time submission of typed texts) and also voted remotely via the Remote Participation and Voting ("RPV") facility.
- 13.6 Upon the conclusion of 18th AGM, the Company has uploaded the list of questions posed by shareholders via the RPV facilities together with the answers responded by the Board and Management on the Company's website within thirty (30) business days. To uphold the best practice as per MCCG, the minutes of the 18th AGM was published on the Company's website no later than 30 business days after the 18th AGM. The Corporate Governance Overview Statement and the Corporate Governance Report are made in accordance with a resolution of the Board of Directors passed on 16 January 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

In pursuant to Paragraph 15.26(b) and Practice Note 9 of the Main Market Listing Requirements of Bursa Securities, the Board is pleased to provide the following Statement on Risk Management and Internal Control which outlines the nature and scope of internal controls of the Group for the financial year ended 30 September 2024.

BOARD'S RESPONSIBILITY

The Board's responsibilities for risk management and internal control includes maintaining an adequate and sound system of risk management and internal control, and for reviewing its adequacy and integrity to safeguard shareholders' investment and the Group's assets; establishes risk appetite of the Group based on the mission, vision, core values, strategies, business objectives, business context, business nature and corporate life cycle; and review of the Group's risk management and system of internal control is a concerted and continuing process.

In the pursuit of the objective, the Directors shall aware that the internal control system is designed to manage rather than eliminate the risk of failure to achieve the Group's objectives and can only provide reasonable and not absolute assurance against material misstatement of management and financial information or against financial losses and fraud.

The Group's system of risk management and internal control applies principally to the Group and its subsidiaries but do not apply to the associate. The Group's interest in the associate is served through Board representation. This representation also provides the Board with timely information on the financial performance of the associate.

RISK MANAGEMENT GOVERNANCE AND SYSTEM

The Board has endeavoured to identify the relevant major risks faced by the Group on a regular basis and in order to prevent the occurrence of the identified risks or mitigate the impact of these risks so as to ensure that the Group achieves its business goals. In managing the major risks, we had developed an Enterprise Risk Management Policy ("ERM Policy") to identify and evaluate significant business risks faced by the Group to manage the risk. The framework is also designed to ensure proper management of the risks that may impede the achievement of the Group's goals and objectives. This ERM Policy enables the Management to identify, evaluate, monitor and manage all key risks faced by the Group. The details of ERM Policy made available at the Company's website at www.wellcallholdings.com.

The Board had formalised the formation of Risk Management Committee ("RMC") which is headed by the General Manager and comprised of the Head of each Department. The RMC had also presented the ERM Policy which was tabled and approved by the Board of Directors. According to the ERM Policy, the RMC shall meet at least twice a year or more frequent if deemed necessary. The RMC re-assesses and updates its risk profiles and register on a periodic basis.

This statement on Risk Management and Internal Control does not deal with associated company as the Group does not have management control over their operations.

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

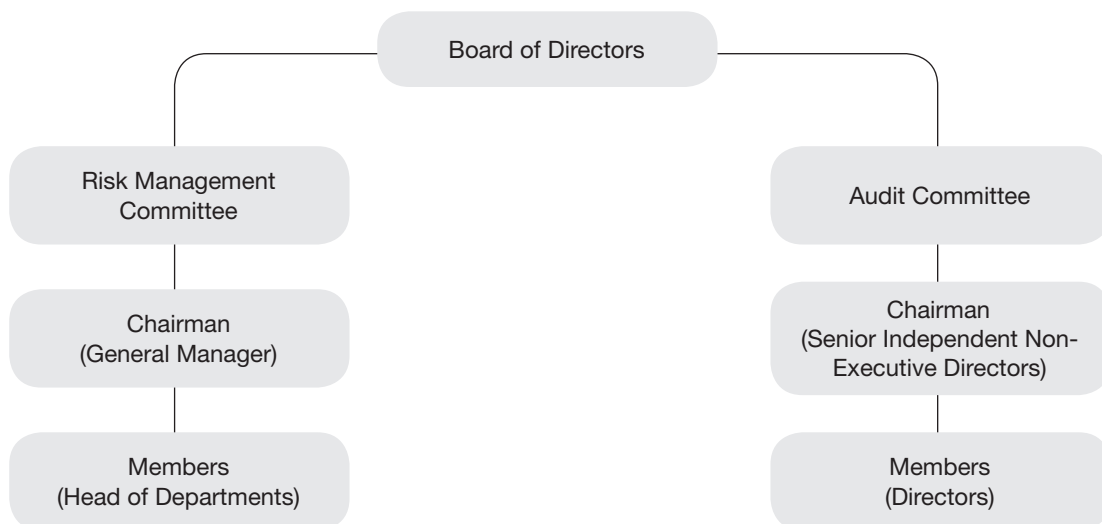
RISK MANAGEMENT GOVERNANCE AND SYSTEM (CONT'D)

The key elements of the Group's ERM Policy comprise the followings: -



It is also important to ensure the ERM Policy and risks are re-evaluated and updated on an on-going basis to reflect new information and experiences so that all significant risks are appropriately identified and addressed and that any material opportunities are not overlooked.

The Group adopts a decentralised approach to risk management, where all the Head of Departments take ownership and accountability for risks at their respective levels. The process of risk management and treatment is the responsibility of the Head of Departments. The risk management governance structure of the Group as per below:



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

RISK MANAGEMENT GOVERNANCE AND SYSTEM (CONT'D)

The Group's subsidiary has been audited by International Organization for Standardization ("ISO") auditor during the financial year under review and there were three (3) potential risks namely rescheduling of shipping delivery, insufficient time for worker's training and climate related risk on production found in the Company's Shipping Department and Production Department. After the review done in the respective departments, the total of risks registered stood at 52 as per the table below: -

| Department | Risk Rating | | | |
|-----------------------------|-------------|-----------|----------|-----------|
| | Low | Medium | High | Total |
| Sales & Marketing | 1 | 5 | - | 6 |
| Production | 2 | 3 | - | 5 |
| Warehouse (Store) | - | 4 | - | 4 |
| Maintenance & Facilities | - | 3 | - | 3 |
| Finance | 1 | 5 | - | 6 |
| Human Resource | - | 3 | 1 | 4 |
| Information Technology | 2 | 4 | - | 6 |
| Shipping (Logistic) | 1 | 3 | - | 4 |
| Purchasing | 1 | 4 | - | 5 |
| Quality Assurance & Control | - | 3 | - | 3 |
| Research & Development | - | 2 | 1 | 3 |
| Electrical | - | 3 | - | 3 |
| Total | 8 | 42 | 2 | 52 |

The RMC has tabled its risk management report twice a year to the Board via the quarterly meeting. The above process has been practiced by the Group for the financial year under review and up to the date of approval of this statement.

INTERNAL AUDIT GOVERNANCE

The Group's internal audit function is outsourced to an independent professional firm, namely, NeedsBridge Advisory Sdn. Bhd. ("NeedsBridge"). The outsourced internal audit function reports directly to the Audit Committee to provide the Audit Committee with the assurance required regarding the adequacy and integrity of the Group's system of internal control. The engagement senior director of the outsourced internal audit function, namely, Pang Nam Ming, is a Certified Internal Auditor ("CIA") and Certification in Risk Management Assurance ("CRMA") accredited by the Institute of Internal Auditors Global ("IIA Global") and a professional member of the Institute of Internal Auditors Malaysia ("IIAM"). As a CIA, the engagement director is required to declare compliance with the Standards of the Institute of Internal Auditors during his renewal as CIA.

During the financial year under review, the resources allocated to the fieldwork of the internal audit by the outsourced internal audit function were one (1) director, assisted by at least one (1) senior consultant and one (1) consultant per one (1) engagement with oversight performed by the engagement senior director. The internal audits are carried out, in material aspects, in accordance with the International Professional Practices Framework ("IPPF"), i.e. Mission, Core Principles for the Professional Practice of Internal Auditing, Code of Ethics and the International Standards for the Professional Practice of Internal Auditing established by the IIA Global.

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

INTERNAL AUDIT GOVERNANCE (CONT'D)

As Third-Line, the internal control review procedures performed by the outsourced internal audit function are designed to understand, document and evaluate risks and related controls in order to determine the adequacy and effectiveness of governance, risk structures, control structures and control processes. The outsourced internal audit function shall provide recommendations formulated based on the root cause(s) of the internal audit observations. The internal audit procedures applied principally consist of process evaluations through interviews with relevant personnel involved in the process under review, review of the standard operating procedures and/or process flows provided and observations of the functioning of processes against the results of interviews, documented standard operating procedures and/or process flows. Thereafter, testing of controls for the respective audit areas through the review of the samples selected based on sample sizes calculated in accordance with predetermined formulation, subject to the nature of testing and verification of the samples.

The activities undertaken by NeedsBridge during the financial year under review comprise the following: -

- Conducted four (4) cycles of internal audit on shipping management; sales and marketing management; recurrent related party transactions and fixed asset management;
- Conducted follow-up review on issues raised in preceding cycles of internal audit to assess the implementation status of Management's action plans;
- Engaged with Executive Directors and Management on the outcome of the internal audit/review and follow-up;
- Reported to the Audit Committee, highlighting the results of internal audit/review conducted during the financial year and status of Management's action plans in addressing issues highlighted in preceding cycles of internal audit; and
- Reported to the Audit Committee its staff strength, qualification and experience as well as continuous professional education for the Audit Committee to review.

Risk-based internal audit plan in respect of financial year ended 30 September 2024 was drafted by the outsourced internal audit function, after taking into consideration the existing and emerging key business risks, the Senior Management's opinion and the previous internal audits performed, and was reviewed by the Audit Committee and approved by the Board prior to execution. Each internal audit cycle within the internal audit plan are specific with regards to audit objective, key risks to be assessed and scopes of the internal control review.

INTERNAL CONTROL SYSTEM

Internal controls are important to support the function of the risk management system. The Group continually reviews and enhances its internal control procedures with the recommendation of auditors.

The key features of the control framework and procedures in the Group are as follows: -

- Management organisation structure defining the management's responsibilities and hierarchical structure of reporting lines and accountability;
- Delegation and separation of responsibilities between the Board and management and the establishment of various Board Committees and the presence of Independent Directors to overseeing the financial, compliance and operational performance of the management;
- ISO Quality Manual sets out the operating procedures guiding staff members in carrying out their function effectively. This Quality Manual covers the monitoring of non-conformity controls and risk-based action. Annually, the quality system is subject to internal quality and annual independent surveillance audits;
- Operational risks are shared by way of insurance to minimize Group's financial exposures and losses resulting from the risk of fire, public liability, group term life, workmen compensation and contractor's all risk; and
- Regular meetings with Head of Departments which provide a platform for the Head of Departments to communicate with, and provide feedback to, the Management.

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

OTHER CORE COMPETENT OF INTERNAL CONTROL SYSTEM

Aside from above-mentioned, the below stated core components are also included in the system of internal controls:

- i) Integrity and Ethical Value
 - a) Code of conduct for Directors and employees;
 - b) Anti-bribery and corruption policy;
 - c) Whistleblowing policy;
 - d) Corporate disclosure policy; and
 - e) Fraud policy.

- ii) Performance Measurement
 - a) Key performance indicator;
 - b) Customer complaint log; and
 - c) Performance appraisal for Directors and employees.

- iii) Succession Planning and Human Resources
 - a) Employee handbook;
 - b) Succession planning policy;
 - c) Emergency succession policy; and
 - d) Appropriate recruitment processes.

- iv) Risk Assessment and Control Activities
 - a) Enterprise risk management policy;
 - b) ISO 9001:2015; and
 - c) Internal audit report.

- v) Information and Communication
 - a) Staffs training and briefings;
 - b) Quarterly and annual reports;
 - c) Email; and
 - d) Board and Management meetings.

- vi) Monitoring and Review
 - a) On-going monitoring the risk level and recommend improvement on the risk found to the acceptance risk level; and
 - b) On-going reviewing operation and business policies, processes and activities in order to assess the effectiveness of the internal controls system.

ASSURANCE BY THE MANAGING DIRECTOR ON THE ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

In accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers of Bursa Securities, Management is accountable to the Board for identifying risks associated with the business of the Group and its strategies; maintaining sound system of risk management and internal control; and monitoring and reporting to the Board of control deficiencies and changes in risks that could affect the Group achievement of its objective and performance significantly.

Towards this end, the Board has received assurance from the Managing Director that, to the best of their knowledge, the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects.

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

BOARD'S OPINION ON THE ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board is of the view that the Group's system of internal control and risk management for the year under review and as at the date of this statement is sound and adequate to safeguard the shareholders' investments and the Group's assets. However, the Board is also cognizant of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the Group system of internal control and risk management framework. However, stakeholders should note that all risk management and internal control systems could only manage rather than eliminate risks of failure to achieve business objectives. For each identified risk, the Company shall establish an appropriate response option in order to optimize the risk based in the four (4) possible response action which are accept, mitigate, transfer and avoid. Further details of the risk treatment are made available in ERM policy which is made available at Company's website. Therefore, these systems can only provide reasonable but not absolute assurance against material misstatements of frauds and losses.

REVIEW BY THE EXTERNAL AUDITORS

As required by Paragraph 15.23 of Main Market Listing Requirements of Bursa Securities, the External Auditors shall review this Statement. The review should be guided by the Audit and Assurance Practice Guide 3 ("AAPG3") issued by the Malaysian Institute of Accountants. Based on their procedures performed, nothing has come to their attention that caused them to believe that this statement is not prepared, in all material respect, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Controls: Guidance for Directors of Listed Issuers to be set out, nor is factually inaccurate.

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

This Statement is issued in accordance with a resolution of the Board dated 16 January 2025.

AUDIT COMMITTEE REPORT

The Board of Directors (“the Board”) is pleased to present the following Audit Committee Report and its summary of work for the financial year ended 30 September 2024.

1. COMPOSITION AND DESIGNATION

The composition of the Audit Committee for the financial year ended 30 September 2024 comprises the following members: -

Chairman

Datuk Yong Peng Tak (*Senior Independent Non-Executive Director*) ^{*(1)}

Members

(i) *Tan Kang Seng (Non-Independent Non-Executive Director)*

(ii) *Chin Yoke Wah (Independent Non-Executive Director)*

(iii) *Tan Choon Soon (Independent Non-Executive Director)*

The members of the Audit Committee comprise wholly Non-Executive Directors. The composition of the Audit Committee has complied with Paragraph 15.09 of the Main Market Listing Requirement (“MMLR”) and Practice 1.4 of the Malaysian Code on Corporate Governance (“MCCG”).

The members of the Audit Committee have diverse backgrounds and qualifications, possessing a wide range of skills necessary to fulfill their duties. They bring a mix of expertise in commercial, asset fund management, financial skills, and accounting experience. To enhance their current financial literacy and their ability to comprehend matters within the purview of the Audit Committee, including the financial reporting process, all members of the Audit Committee actively participate in continuous professional development programmes. These programmes focus on accounting and auditing standards, practices, and rules, ensuring that members stay updated and knowledgeable in relevant areas. Based on the outcome of the annual assessment, the Board is satisfied with the effective discharged of duties by the Audit Committee, in accordance with its Terms of Reference.

^{*(1)} Datuk Yong Peng Tak has fulfilled the requirements under Paragraph 7.1(a)(ii) of the Practice Note 13 of MMLR.

2. TERMS OF REFERENCE

The terms of reference (“TOR”) of the Audit Committee as approved by the Board are available on the Company website at www.wellcallholdings.com.

AUDIT COMMITTEE REPORT (CONT'D)

3. ATTENDANCE OF MEETINGS

During the financial year ended 30 September 2024, the Audit Committee held five (5) meetings to discuss matters relating to the accounting, operating procedures, internal control, financial reporting, and compliance practices of the Group and the Company. Details of attendance of each Audit Committee member are as follows: -

| Members | Position | No. of Meetings Attended on Their Tenure of Service | Percentage (%) |
|---------------------------------------|--|---|----------------|
| Datuk Yong Pek Tak <i>Chairman</i> | Senior Independent Non-Executive Director | 5/5 | 100% |
| Tan Kang Seng <i>Member</i> | Non-Independent Non- Executive Director | 5/5 | 100% |
| Chin Yoke Wah <i>Member</i> | Independent Non-Executive Director | 5/5 | 100% |
| Tan Choon Soon <i>Member</i> | Independent Non-Executive Director | 5/5 | 100% |

The meeting dates where the Audit Committee met during the financial year were as follows: -

- 27 November 2023;
- 19 January 2024;
- 23 February 2024;
- 28 May 2024; and
- 28 August 2024.

The external auditors for both Wellcall Holdings Berhad (“the Company”) and its subsidiary company (“the Group”) had attended three (3) of the Audit Committee meetings during the year.

4. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 30 September 2024, the Audit Committee had discharged its functions and carried out its duties as set out in TOR which is published on our website at www.wellcallholdings.com. The Audit Committee had also met up the External Auditors without the presence of all the Executive Directors of the Company and the Management during the financial year.

The following activities were undertaken by the Audit Committee for the financial year ended 30 September 2024: -

Financial Reporting

- reviewed the unaudited quarterly results of the Group focusing particularly on the significant and unusual events before recommending them for approval by the Board for announcement to Bursa Malaysia Securities Berhad;
- reviewed the External Auditors’ reports in relation to audit and accounting issues arising from the audit;
- updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board (“MASB”) prior to submission to the Board for approval; and

**AUDIT COMMITTEE REPORT
(CONT'D)****4. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)****Financial Reporting (Cont'd)**

- ensure the financial reporting and disclosures requirements are in compliance with:-
 - Provision of Companies Act 2016;
 - Main Market Listing Requirements of Bursa Malaysia Securities Berhad;
 - Applicable approved accounting standards in Malaysia; and
 - Other legal and regulatory requirements.

In the review of the annual audited financial statements, the Audit Committee has discussed with the Management and the External Auditors on the accounting principles and standards that were applied and their judgement of the items that may affect the financial statements.

The Audit Committee has also reviewed the variation in results between the draft audited and unaudited fourth quarterly report of the Company before recommending to the Board for approval.

Dividend Declaration

- reviewed the recommended dividend pay-outs including the related solvency tests for the financial year under review.

Internal Audit

- reviewed the annual internal audit plan to ensure adequate scope and comprehensive coverage over the activities of the Group;
- reviewed and discussed the internal audit reports which were tabled during the meetings, the audit issues, root causes, potential risks, implications and recommendations made and management's response to these recommendations;
- monitoring and ensuring corrective actions have been taken to rectify the weaknesses highlighted and all the key risks and control lapses have been addressed;
- reviewed and assessed the competency of the internal audit function;
- reviewed and assessed audit personnel are free from any relationships or conflicts of interest, which impair their objectivity and independence;
- reviewed whether the internal audit activities are carried out in accordance with the approved internal audit plan;
- reviewed the persons responsible for internal audit has relevant experience, sufficient standing and authority to enable him or her to discharge his or her functions effectively;
- reviewed the availability and sufficiency of resources and no obstacles to access information to enable it to carry out its role effectively; and
- reviewed the personnel assigned to undertake internal audit have the necessary competency, experience and resources to carry out the function effectively.

AUDIT COMMITTEE REPORT (CONT'D)

4. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

External Audit

- reviewed and discussed with External Auditors' audit planning memorandum, audit strategy and scope of the year;
- reviewed annual audited financial statements of the Group and Company prior to submission to the Board for approval;
- reviewed and discussed External Auditors' observations, the key audit matters, the results of the annual audit, audit report and management letter together with management's response to the findings before recommending to the Board for approval;
- assessed and discussed the performance and effectiveness of the External Auditors, including the independence, objectivity and professional scepticism, communication interaction, audit finalization, the quality of skills and capabilities of audit team, sufficient of resources and terms of engagement. The Audit Committee is satisfied with the performance of the External Auditor and recommended the audit fee payable for the Board approval as well as recommending them to be re-appointed at the forthcoming Annual General Meeting;
- met thrice during the financial year, on and respectively, with External Auditors without the presence of management to discuss with them problems arising from the audit and to reinforce the independence of the external audit function of the Company and the Group. There were no major issues highlighted by them; and
- reviewed and discussed of the non-audit services by the external auditors.

Risk Management Function

The Audit Committee reviewed the Group's procedures on internal controls and ensure that appropriate arrangements are in place for matters relating to financial reporting and financial control.

The Board and Management work together to embark on the risk management culture and endeavours to ensure that the Group's employees have a good understanding and application of risk management principles towards cultivating a sustainable risk management culture. The key management undertakes to conduct regular risk awareness sessions at the operational level to promote the understanding of risk management principles and practices across different functions within the Group. The Management will review and discuss the Enterprise Risk Management process, profiles and update the register periodically. The Audit Committee reviewed the mitigating measures and updates from the Risk Management Committee.

The Statement on Risk Management and Internal Control, set out in this Annual Report further details on the activities undertaken by the Audit Committee during the year.

Related Party Transactions

- reviewed the related party transactions are complied with Malaysian Accounting Standards Board and MMLR;
- reviewed the quarterly recurrent related party transactions during the financial year under review and was satisfied that the recurrent related party transactions were transacted on an arm's length basis and on normal commercial terms which are not unfavorable to the Group nor detrimental to the minority shareholders' interest of the Company and to ensure these transactions were carried out within the mandate approved by shareholders and in compliance with the MMLR.
- reviewed the Related Party Transactions Policy and Procedures before tabling to the Board for approval and adoption; and
- reviewed announcements regarding to the recurrent related party transactions had been released pursuant to the requirement of MMLR, if any.

AUDIT COMMITTEE REPORT (CONT'D)

4. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE (CONT'D)

Annual Reporting

- reviewed the Audit Committee Report, Statement on Risk Management & Internal Control, Corporate Governance Overview Statement, the Corporate Governance Report and Sustainability Statement to ensure adherence to legal and regulatory reporting requirements and appropriate resolution of all accounting matters requiring significant judgement and recommended the same to the Board for approval.

Others

In addition, during the financial year under review the Audit Committee also carried out the following activities:-

- reviewed and recommend the audit and non-audit fees payable to external auditors to the Board.
- reviewed the financial projection and its variation;
- reviewed the Board policies and procedures of the Group; and
- reviewed the circular in relation to the proposed new shareholders' mandate for recurrent related party transactions of a revenue or trading nature.

Evaluation and Assessment of the Audit Committee

The performance and effectiveness of Audit Committee would be assessed annually through Audit Committee evaluation and Audit Committee members' self and peer evaluation conducted by the Audit Committee, and Nomination Committee reviewed the results of such assessments. The Nomination Committee reviewed the term of office and performance of the Audit Committee members annually.

During the year, the Board is satisfied that the Audit Committee and its members have been able to discharge their functions, duties and responsibilities in accordance with the TOR of the Audit Committee.

Training

During the year, all Audit Committee members have attended various seminars, training programmes and conferences. The list of trainings attended is disclosed in the Corporate Governance Overview Statement set out in this Annual Report.

5. INTERNAL AUDIT FUNCTION

In pursuant of Paragraph 15.27 of MMLR, as a listed issuer must establish an internal audit function which is independent of the activities it audits and must ensure its internal audit reports directly to the Audit Committee. The primary responsibility of this internal audit function is to assist the Board and the Audit Committee in providing an independent assessment on the adequacy and effectiveness of the Group's system of internal control, as well as providing recommendations to strengthen these internal control procedures.

The Group has outsourced the internal audit function to an interdependent professional firm, namely, NeedsBridge Advisory Sdn Bhd. The outsourced internal audit function assists the Board and the Audit Committee in providing an independent assessment of the adequacy and effectiveness of the Group's system of internal control. The outsourced internal audit function reports directly to the Audit Committee. The appointment and resignation of the internal audit function as well as the proposed audit fees are subject to review and approval by the Audit Committee for its reporting to the Board for ultimate approval.

AUDIT COMMITTEE REPORT (CONT'D)

5. INTERNAL AUDIT FUNCTION (CONT'D)

The audit engagement of the outsourced internal audit function is governed by the engagement letter and Internal Audit Charter reviewed by the Audit Committee and recommended to the Board for approval during the financial year under review. Key terms of the engagement include the purpose and scope of work, accountability, independence, responsibilities of each party, authority granted to the outsourced internal audit function, limitation of scope of works, confidentiality, proposed fees and engagement team. On the other hand, the Internal Audit Charter governs the internal audit function by specifying the purpose and mission of internal audit function, its roles, professionalism required (including adherence to The Institute of Internal Auditors' mandatory guidance including the Core Principles for the Professional Practice of Internal Auditing, Definition of Internal Auditing, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing (hereinafter referred to as "Standards"), its authorities, the reporting structure, independence and objectivity required, its responsibilities, purpose of internal audit plan, reporting and monitoring and quality assurance and improvement program.

The scope of review by the outsourced internal audit function, through the internal audit plan, is determined and approved by the Audit Committee with feedback from the senior management. In addition, the Audit Committee enhanced their oversight by reviewing the resources of the outsourced internal audit function in terms of their qualifications and experiences/exposures and continuous professional development during the financial under review.

To preserve the independence and objectivity, the outsourced internal audit function is not permitted to act on behalf of the Management, decide and implement management action plan, perform on-going internal control monitoring activities (except follow up on progress of action plan implementation), authorise and execute transactions, prepare source documents on transactions, have custody of assets or act in any capacity equivalent to a member of the Management or the employee. The outsourced internal audit function is accorded unrestricted access to all functions, records, property, personnel, Audit Committee and other specialised services from within or outside the Group and necessary assistance of personnel in units of the Group where they perform audits.

During the financial year under review, the outsourced internal audit function conducted scheduled internal audits in accordance with the internal audit plan (and any amendments thereof) approved by the Audit Committee.

Areas of improvement in internal controls identified together with the recommendations and management action plans were presented during the corresponding Audit Committee meetings. The status of the management action plans through follows up reviews conducted by the outsourced internal audit function were also reported to the Audit Committee during the same meeting. The total fees incurred for the internal audit function in respect of the financial year ended 30 September 2024 was RM46,000.00.

There were no material control failures that would have resulted in any significant losses to the Group during the financial year under review.

Further details of the activities of the internal audit function performed during the financial year under review is set out in the Statement on Risk Management and Internal Control of this Annual Report.

SUSTAINABILITY STATEMENT

ABOUT THIS SUSTAINABILITY STATEMENT

This statement has been meticulously crafted to outline the sustainability initiatives and efforts undertaken by Wellcall Holdings Berhad (“the Group”) through its subsidiary, Wellcall Hose (M) Sdn Bhd. It serves as a comprehensive document that encapsulates the Group’s commitment to sustainability and corporate social responsibility. Recognizing the importance of stakeholder engagement, this report incorporates the perspectives and interests of key stakeholders, including employees, customers, suppliers, and the communities in which we operate. This ensures a holistic approach to sustainability that aligns with the diverse expectations and values of our stakeholders.

The Group’s objective is to provide a clear and accessible statement that not only details its sustainability strategy but also explains the rationale behind each initiative undertaken. By elucidating the reasons for our sustainability efforts, we aim to foster a deeper understanding of our commitments and how they contribute to our overall business objectives. Additionally, this statement includes key data points that align with globally recognized reporting frameworks, ensuring that our sustainability practices are transparent and measurable.

Through this statement, we strive to offer a transparent view of Wellcall’s sustainability journey, highlighting the progress made and the challenges faced along the way. We believe that responsible business practices are fundamental to our long-term success, and this report reflects our dedication to integrating sustainability into every facet of our operations. By sharing our sustainability initiatives, we hope to inspire trust and confidence among our stakeholders, demonstrating that Wellcall Holdings Berhad is not only committed to business excellence but also to making a positive impact on the environment and society at large. Ultimately, this statement reinforces our mission to create sustainable value for all stakeholders while contributing to a more sustainable future.

SCOPE OF THIS STATEMENT

This statement provides an overview of Wellcall Holdings Berhad’s sustainability initiatives and performance during financial year 2024 (FYE 2024). It highlights the Group’s efforts toward achieving its environmental, social, and governance (ESG) goals. Key material issues and topics have been carefully selected for their relevance to the Group’s operations and stakeholder interests, aligning with broader sustainability trends.

Building on the baseline established in FYE 2022, this fourth consecutive report reflects Wellcall’s commitment to transparency and continuous improvement in sustainability. It consolidates data from previous years, identifies areas for future progress, and outlines the Group’s sustainability evolution. In future reports, Wellcall plans to enhance indicators and provide a more detailed view of its initiatives, reinforcing its dedication to global sustainability standards and positive community impact.

MEMBERSHIPS

The Group is an active member of the following organizations:

1. Malaysia Rubber Products Manufacturers Association (“MRPMA”)
2. Federation of Malaysian Manufacturers (“FMM”)

SUSTAINABILITY STATEMENT (CONT'D)

ORGANIZATIONAL STRUCTURE

Who are we?

The Group, a leader in industrial manufacturing, has established itself as a trusted provider of high-quality industrial rubber hose products. Our commitment to quality, innovation, and reliability has earned us a global reputation as a reliable business partner. Guided by integrity, customer satisfaction, and social responsibility, we view ethical practices as fundamental to our operations.

Customer trust is vital, and we focus on building transparent, long-term relationships. We continually invest in research and development to meet the evolving needs of industries such as automotive, petroleum, marine, and construction. Our employees, the foundation of our success, drive innovation and excellence, supported by training and a culture of inclusivity.

Listed on Bursa Malaysia, the Group specializes in producing rubber hoses for diverse industries. Beyond manufacturing, we play a key role in enabling operational efficiency across the supply chain. With a strong focus on sustainability, we adhere to strict ecological standards to balance productivity with environmental responsibility.

Business Segments



SUSTAINABILITY STATEMENT (CONT'D)

ORGANIZATIONAL STRUCTURE (CONT'D)

What we do?

The Group exemplifies the strength of Malaysian manufacturing, having emerged as the largest industrial rubber hose manufacturer in the country since 1995. Their extensive product range is thoughtfully designed for a wide array of applications, meeting the diverse requirements of industries around the globe. The Group's offerings are categorized into several segments, each tailored to specific industry needs.

Their product lineup includes hoses for the conveyance of water, air, and petroleum products, as well as specialized hoses for welding, automotive use, and the handling of abrasive materials. Each hose reflects the Group's unwavering commitment to quality, built to withstand the demanding conditions associated with various substances.

In the petroleum and oil sector, the Group offers suction and discharge hoses capable of handling petroleum products with aromatic content up to 50%. These hoses are engineered to endure temperatures ranging from -20°C to +70°C and feature a black, smooth NBR rubber tube, reinforced with high-strength synthetic cord and helix wire, along with a weather- and oil-resistant outer cover.

For example, their Fuel/Oil Suction and Discharge Hose is expertly crafted for both suction and delivery of petroleum products, designed to withstand a wide temperature range while incorporating robust reinforcement from high-strength synthetic cord and helix wire. The Group prioritizes safety and quality, ensuring their products are equipped to meet various working conditions and requirements.

Moreover, the Group is highly responsive to unique customer needs, offering customization options such as different diameters, colors, working pressures, lengths, and temperature ranges. This adaptability underscores their customer-centric approach, guaranteeing that clients receive products tailored specifically to their operational demands.

REPORTING METHODS

Data Preparation Methodology

The calculation, collection, and consolidation of economic, environmental, and social indicators presented in this report were conducted in alignment with the GRI Standards' reporting principles and requirements. This process is based on the current protocols established within the Group for gathering and preparing management information. Financial data is reported in Ringgit Malaysia (RM), and for amounts expressed in other currencies, conversions will utilize the spot rate from Bank Negara Malaysia. Information regarding personnel management, labor protection, industrial safety, and environmental protection, which are mandatory disclosures to the state, will serve as foundational elements for our reporting.

To ensure data comparability, the most relevant indicators related to the Group's activities are presented alongside those from the financial year ending 2024 (FYE 2024).

SUSTAINABILITY STATEMENT (CONT'D)

OUR APPROACH TOWARDS SUSTAINABILITY

Our dedication to sustainability stems from our aspiration to be the leading manufacturer of high-quality industrial hose products on a global scale. We continuously weave sustainability into our mission, ensuring it aligns with our broader objectives.

Sustainability principles are embedded within our core values: “Integrity and total commitment, Global Customer Satisfaction, Do it right the first time and every time, Excellence in quality and competitiveness, and Environment-friendly and social responsibility.” This integration has profoundly shaped our approach to identifying material issues, which is discussed in more detail later in this report.



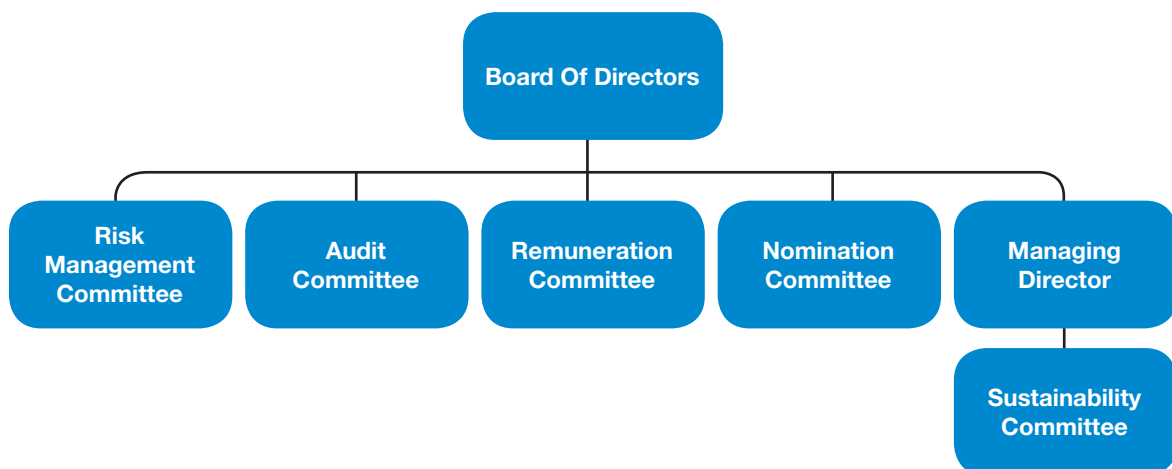
To be a world class industry hose manufacturer providing top quality products with excellent services through continuous improvement and innovation. - Wellcall Holdings Berhad



GOVERNANCE MATTERS

We are currently in the process of establishing a dedicated Sustainability function to implement a transparent system for tracking and reporting, ensuring long-term effectiveness. Sustainable development is embedded at all levels of the Group’s operations. The overall direction for sustainability initiatives is set by the Board of Directors, primarily through the Audit Committee. The Audit Committee is supported by the Group Managing Director and senior key management, who oversee and monitor sustainability-related activities. Each business unit’s sustainability team is responsible for setting goals and carrying out tasks aligned with their specific functions.

Sustainability Governance Structure



SUSTAINABILITY STATEMENT
(CONT'D)

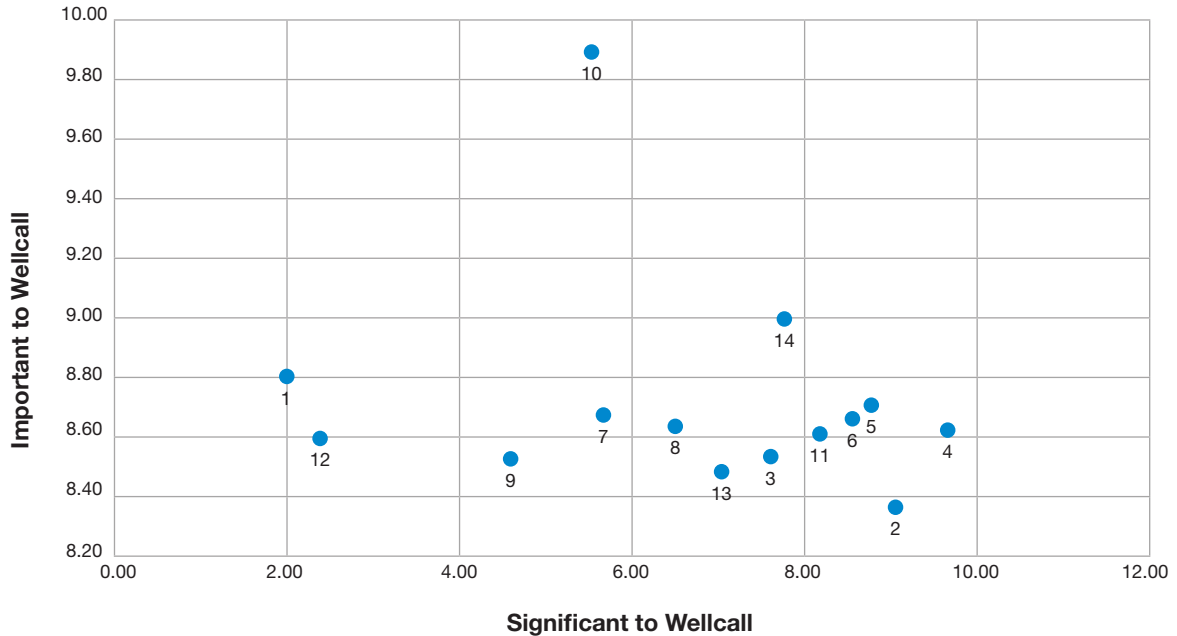
MATERIAL MATTERS

Materiality, in the context of this statement, refers to the significant economic, environmental, and social impacts that are crucial to the Group’s operations and hold the power to influence the decisions of its stakeholders. These impacts are essential for understanding how the Group aligns its strategies and operations with stakeholder priorities while addressing broader sustainability challenges. Identifying material issues ensures that the Group remains focused on areas where it can create the most value, not only for the business but also for its stakeholders and the communities it serves.

To ensure a comprehensive understanding of these key areas, the Group conducted a detailed materiality assessment, involving active engagement with both internal and external stakeholders. This process included consultations, surveys, and discussions to gather diverse perspectives on what stakeholders perceive as critical to the Group’s long-term success and sustainability efforts. The feedback received provided invaluable insights into the issues that matter most, ranging from operational efficiency and environmental stewardship to social responsibility and governance standards. These insights were carefully analyzed and ranked based on their relevance and impact on the Group’s objectives and stakeholder concerns.

The findings from the materiality assessment have been meticulously integrated into this report, forming the foundation for identifying and addressing the Group’s most pressing material issues. Each highlighted issue is accompanied by detailed data, analysis, and action plans, demonstrating the Group’s commitment to transparency and accountability. In the subsequent sections, the report provides a thorough exploration of these material issues, outlining the Group’s strategies and initiatives to address them effectively, while showcasing progress and areas for improvement. This structured approach ensures that the Group continues to align its operations with stakeholder expectations and advances its sustainability goals in a meaningful way.

Materiality Matrix



SUSTAINABILITY STATEMENT (CONT'D)

MATERIAL MATTERS (CONT'D)

| No. | WELLCALL MATERIALITY MATRIX |
|-----|--|
| 1. | Economic Performance |
| 2. | Energy Practices |
| 3. | Water Effluent system |
| 4. | Emissions Discharge |
| 5. | Effluents and Waste practices |
| 6. | Environmental compliance |
| 7. | Occupational Health and Safety |
| 8. | Training and Staff Development |
| 9. | Non-Discrimination policy |
| 10. | Child Labour and Forced Labor |
| 11. | Human Rights |
| 12. | Supporting Local communities |
| 13. | Employee Health and Safety Program |
| 14. | Customer Privacy regulations / data protection |

STAKEHOLDERS ENGAGEMENT

Effective stakeholder management is essential to the successful implementation of our corporate sustainability strategies and initiatives. Building strong relationships and fostering trust are crucial, and we actively seek input from individuals across all levels, both within and outside the organization, to gain a well-rounded understanding of diverse stakeholder viewpoints.

Maintaining open and consistent communication channels is fundamental to our engagement process, providing a vital means for gathering feedback from key stakeholders. In our pursuit of continuous improvement, we regularly assess the effectiveness of these engagements to ensure they remain relevant and valuable. We welcome suggestions that enhance the transparency and impact of our reporting practices, demonstrating our commitment to fostering meaningful, collaborative relationships with stakeholders.

For any comments and feedback, please contact us through:

Email: wellcall@wellcall.com.my (General Enquiry)
gary.yu@wellcall.com.my (Investors Relation)

SUSTAINABILITY STATEMENT (CONT'D)

STAKEHOLDERS ENGAGEMENT (CONT'D)

Our stakeholders engagement primarily are listed below:-

| STAKEHOLDERS AND FOCUS AREAS | ENGAGEMENT METHODS | FREQUENCY |
|---|---|---------------|
| Customers: <ul style="list-style-type: none"> • Customers assessments • Anti-corruption and whistleblowing • Privacy and data protection | Feedback survey | On going |
| | Customer audits | On going |
| | Live interactions | On going |
| | Regular meetings | On going |
| | Customer site visits | On going |
| Employees: <ul style="list-style-type: none"> • Employment practices • Training and development • Occupational Health and Safety | Health and safety | On going |
| | In-house trainings | On going |
| | Corporate/staff memos | On going |
| | Performance evaluations | Annually |
| | Regular meetings | On going |
| | Anti-bribery and corruption briefings | On going |
| Management: <ul style="list-style-type: none"> • Sustainability governance • Business ethics • Environmental management • Anti-corruption and whistleblowing | Monthly operation reviews | Monthly |
| | Semi-annual operation review | Semi-annually |
| | Preparation of budget | Annually |
| Suppliers: <ul style="list-style-type: none"> • Supplier assessments • Privacy and data protection | Evaluation of suppliers | On going |
| | Live interactions | On going |
| | Supplier audit | On going |
| | Anti-bribery and corruption briefings | On going |
| Investors: <ul style="list-style-type: none"> • Legal compliance • Anti-corruption and whistleblowing • Sustainability governance and strategy • Privacy and data protection | Annual general meeting | Annually |
| | Press releases | On going |
| | Corporate website | On going |
| | Regular updates via Bursa website | On going |
| Government and regulators: <ul style="list-style-type: none"> • Anti-corruption and whistleblowing • Legal compliance on environmental and social matters • Environmental management • Social management | Inspections and audits | On going |
| | Participation of government or regulator organised events | On going |
| | Regular updates via Bursa website | On going |

SUSTAINABILITY STATEMENT (CONT'D)

BUSINESS CONDUCT AND ETHICS

We are committed to upholding the highest standards of corporate governance in full compliance with Bursa Sustainability Guideline listing requirements. Our anti-bribery and corruption policy, along with our whistleblowing policy, serve as frameworks aligned with global best practices. These policies guide our organization in managing related impacts and meeting the reasonable expectations of our stakeholders. Our focus remains on maintaining the highest levels of ethical conduct and corporate integrity.

ANTI-BRIBERY AND CORRUPTION POLICY

At the Group, alongside its subsidiaries, the anti-bribery and corruption policy serves as a fundamental pillar of our governance, strictly upheld by all employees, as well as business partners, agents, contractors, and consultants. We firmly prohibit corruption, defined as the abuse of entrusted power for personal gain, and bribery, which involves offering or requesting undue advantages to influence decisions. To reinforce our stance against these unethical practices, we conducted a thorough risk assessment, highlighting key focus areas, as outlined in the table below:

| RISK MANAGEMENT AREAS | COMPLIANCE RATE | METHODOLOGY OF ASSESSMENT |
|-----------------------|-----------------|---|
| Suppliers | In Progress | Via Business Associate declaration form |
| Employees | 100% | Annual training for all employee |
| Customers | 100% | Clause included in invoices, proforma invoices, and other customer communications |

Our pursuit of transparency, the Group requires the maintenance of accurate financial records that reflect all transactions without exception. This extends to all individuals associated with the Group, ensuring the creation and preservation of precise records that truthfully represent the nature of each transaction, regardless of size or financial impact. Our policy strictly prohibits the misuse of company funds or assets for corrupt purposes, including but not limited to offering or accepting illegal payments, disproportionate commissions, or unauthorized political contributions and personal use of resources.

Our commitment to combating bribery and corruption is dynamic, evolving to meet new challenges and integrating the latest anti-corruption strategies. This dedication has proven effective, as evidenced by the absence of any bribery or corruption incidents in the financial year 2024. This achievement reflects our proactive approach, which includes ongoing education, rigorous policy enforcement, and a zero-tolerance policy toward violations, ensuring the continued protection of our company's integrity and ethical standards.

WHISTLEBLOWING POLICY

The Group and its affiliated entities are committed to upholding the highest standards of integrity, transparency, and accountability in all business practices and operational processes. Ensuring that all activities are conducted with the utmost ethical responsibility and honesty remains a top priority for the Group.

The Group's Whistleblowing Policy provides a formal mechanism for both employees and external parties to report any instances of misconduct or illegal activities within the organisation. The policy covers a wide range of reportable offenses, including but not limited to fraud, bribery, misuse of company assets, abuse of power, undisclosed conflicts of interest, fiduciary breaches, questionable accounting practices, legal violations, health and safety risks, and any actions harmful to the company's interests or contrary to legal, regulatory, or public policy standards. It also requires the reporting of any attempts to conceal such wrongdoing.

SUSTAINABILITY STATEMENT (CONT'D)

WHISTLEBLOWING POLICY (CONT'D)

To support this, the Group has established secure whistleblowing channels where reports are handled with strict confidentiality, ensuring that whistleblowers' anonymity is protected to the fullest extent possible. However, individuals making reports must provide their identification to allow for proper follow-up actions and to ensure the necessary protections are in place for the whistleblower. The Group strongly encourages the use of these channels to report any suspected misconduct or unethical behavior.

The channels provided below are communicated via the AC Chairman.

| Letter | Email | ABC Unit |
|---|---|---|
| Chairman, Audit Committee C/O Wellcall Holdings Berhad Plot 48, Jalan Johan 2/5, Kawasan Perindustrian Pengkalan II, Fasa II, 31550 Pusing, Perak Darul Ridzuan | Email: acchairman@wellcall.com.my | Compliance Unit (ABCCU): - Head of Finance/ Purchasing/ Marketing/ Human Resources Department <ul style="list-style-type: none"> Contact number: +605-3668805 Email: abccu@wellcall.com.my |

DATA PRIVACY AND SECURITY

Data privacy is a top priority for Wellcall Holdings Berhad, reflecting the company's commitment to protecting sensitive information and ensuring the confidentiality of employees and business data. The company adheres to stringent data protection policies and practices, designed to safeguard personal and organizational information from unauthorized data access, use, or disclosure.

Wellcall implements robust security measures, including encryption, secure access controls, and regular audits, to protect data integrity and privacy. These measures ensure that data is handled responsibly and in compliance with relevant data protection regulations and standards.

Employees are trained in data privacy best practices and are required to follow established protocols to prevent breaches and ensure proper handling of confidential information. Wellcall also regularly reviews and updates its data privacy policies to adapt to evolving regulatory requirements and technological advancements.

By prioritizing data privacy, Wellcall Holdings Berhad not only complies with legal obligations but also builds trust with its stakeholders, reinforcing its reputation as a responsible and secure organization.

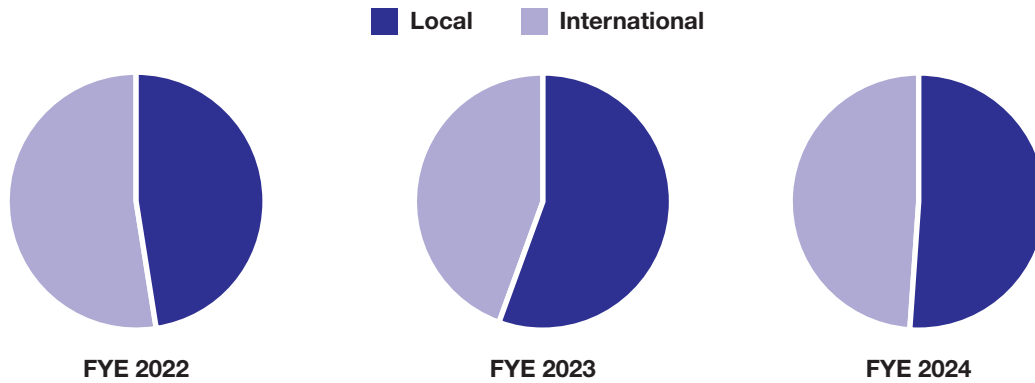


Wellcall Holdings Berhad had no substantiated complaints concerning breaches of customer privacy and losses of customer data in FYE2024.

SUSTAINABILITY STATEMENT
(CONT'D)

SUPPLY CHAIN MANAGEMENT

Wellcall has been encouraging local suppliers procurement of raw materials, which highlights our attention towards sustainable supply chain practices. A majority (or more than half) constitutes:






ENVIRONMENTAL MATTERS

Environmental strategy

As part of its commitment to environmental stewardship, Wellcall Holdings Berhad focuses on adopting sustainable strategies to minimize its environmental impact while supporting long-term business growth. These strategies reflect Wellcall's dedication to responsible resource management, compliance with environmental standards, and fostering a greener future.

| COMPARATIVE SUPPLY CHAIN MANAGEMENT FIGURES FOR 3 YEAR PERIOD | | | |
|---|---------------|---------------|---------------|
| Year | FYE 2022 | FYE 2023 | FYE 2024 |
| Local (Percentage) | 47.65% | 55.69% | 51.31% |
| International (Percentage) | 52.35% | 44.31% | 48.69% |
| Total value (RM): Local | 41,737,722.58 | 39,318,623.58 | 43,919,113.32 |
| Total value (RM): International | 45,855,890.27 | 31,282,059.55 | 41,679,081.13 |
| Total value (RM): Both | 87,593,612.85 | 70,600,683.13 | 85,598,194.45 |

-  Energy Efficiency Initiatives
-  Carbon Emissions Reduction
-  Water Management and Conservation

-  Waste Management and Circular Economy
-  Compliance with Environmental Regulations
-  Biodiversity Protection and Community Engagement

SUSTAINABILITY STATEMENT (CONT'D)

ENVIRONMENTAL MATTERS (CONT'D)

Environmental strategy (Cont'd)

1. Energy Efficiency Initiatives

Wellcall aims to reduce its energy consumption through:

- o Upgrading to energy-efficient machinery and LED lighting across operations.
- o Conducting energy audits to identify areas for improvement and set reduction targets.
- o Promoting energy conservation practices among employees to build a culture of sustainability.

2. Carbon Emissions Reduction

Wellcall is committed to reducing its carbon footprint through:

- o Optimizing production processes to minimize energy wastage.
- o Investing in renewable energy solutions, such as solar panels, to transition towards cleaner energy sources.
- o Implementing sustainable logistics practices to reduce Scope 3 emissions from transportation and distribution.

3. Water Management and Conservation

Recognizing the importance of water as a critical resource, Wellcall adopts initiatives such as:

- o Monitoring water usage to improve efficiency and reduce wastage.
- o Installing water recycling systems for production processes to enhance reuse and minimize freshwater consumption.
- o Educating employees on water-saving practices.

4. Waste Management and Circular Economy

Wellcall prioritizes waste reduction and sustainable resource usage through:

- o Implementing a comprehensive waste management program that promotes the “Reduce, Reuse, Recycle” principle.
- o Collaborating with certified recycling partners to ensure proper disposal of production waste.
- o Exploring opportunities to use recycled or eco-friendly materials in its operations.

5. Compliance with Environmental Regulations

Wellcall ensures full adherence to local and international environmental regulations, including:

- o Conducting regular environmental impact assessments.
- o Engaging third-party auditors to monitor and validate environmental performance.

6. Biodiversity Protection and Community Engagement

Wellcall works to protect local ecosystems and foster environmental awareness by:

- o Supporting reforestation and corporate gardening initiatives in surrounding communities.
- o Collaborating with stakeholders to reduce environmental degradation.
- o Organizing environmental awareness campaigns for employees and the public.

By implementing these strategies, Wellcall Holdings Berhad aims to achieve measurable environmental improvements, strengthen its position as a responsible corporate citizen, and contribute to global sustainability goals.

SUSTAINABILITY STATEMENT (CONT'D)

SCOPE 1 EMISSIONS: Fuels Used

For this Report, The Group's Scope 1 emissions is still being derived directly from company-owned vehicle operations and diesel consumption within its manufacturing processes, as detailed in the table below. The volume for various fuels over three consecutive years (2022-2024); reflect a meticulous approach towards fuel consumption savings, with the initial year recording diesel use in manufacturing and the subsequent reducing in the following years and the consistent consumption for manufacturing purposes underscore the Group's evolving energy profile. Gasoline usage remains a significant component within manufacturing, yet a declining trend in consumption is observed.

| Fuel Type | Measurement | FYE 2022 | FYE 2023 | FYE 2024 |
|--|-------------|----------|----------|----------|
| Petrol | Litres | 6,147.87 | 2,394.52 | 4,205.44 |
| Diesel (used in manufacturing forklift) | Litres | 60,060 | 65,520 | 65,520 |
| Gasoline (used in manufacturing) (light fuel gas) | Litres | 939,120 | 857,220 | 638,820 |
| Natural Gas | Litres | – | 132,153 | 311,863 |

As observed, total fuel usage in our manufacturing process has been recorded over the previous two years, which indicates a continuing trend. Overall Wellcall's petrol consumption had recorded 6,147.87 litres in FYE 2022, decreased to 2,394.52 litres in FYE 2023 and increased to 4,205.44 litres in FYE 2024.

While diesel fuel used in manufacturing (forklifts) had recorded a total of 60,060 litres in FYE 2022, while for FYE 2023, total diesel utilised was 65,520 litres. For FYE 2024, this trend of diesel fuel consumption is shown to be at 65,520 litres. Gasoline, exclusively used in manufacturing is showing a decreasing trend for the past 3 years, with FYE 2022 recording 939,120 litres; while further declining to 857,220 litres for 2023. It was observed that for FYE 2024, gasoline usage has continued to around 638,820 litres.

This Report also has included the figure for natural gas usage as reflected from last years (FYE 2023) data, with a consumption of 132,153 cubic meters. This continued trend shows an increase of usage in FYE 2024 to 311,863 cubic meters. This reflects a decline in the total volume of liquid fuels used, counterbalanced by the encouragement of the Group's shift to using more energy efficient fuels such as natural gas in since FYE 2023. This data showcases the efficiency of fuel usage within our critical manufacturing period, highlighting variations and shifts in fuel preferences as industries shift towards less CO2 emission global requirements.

| Fuel Type | Emission Factor (kg CO ₂) ¹ | FYE 2022 | FYE 2023 | FYE 2024 |
|--|--|--------------|--------------|--------------|
| Petrol | 2.35 | 14,447.49 | 5,627.12 | 9,882.78 |
| Diesel (used in manufacturing forklift) | 2.66 | 159,759.60 | 174,283.20 | 174,283.20 |
| Gasoline (used in manufacturing) (light fuel gas) | 3.17 | 2,977,010.40 | 2,717,387.40 | 2,025,059.40 |
| Natural Gas | 2.04 | – | 269,592.12 | 636,200.52 |

Source: <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024>

1

For the calculations related to Diesel CO₂ emissions, the following emission factor was used was approximately 2.66kg CO₂/ per litre
 For the calculations related to Gasoline (Fuel Oil) CO₂ emissions, the following emission factor was used was approximately 3.17kg CO₂/ per litre
 For the calculations related to Petrol CO₂ emissions, the following emission factor was used was approximately 2.35kg CO₂/ per litre
 For the calculations related to Natural Gas CO₂ emissions, the following emission factor was used was approximately 2.04kg CO₂/ per litre

SUSTAINABILITY STATEMENT (CONT'D)

SCOPE 2 EMISSIONS: Electricity usage

Scope 2 emissions, attributed to the consumption of purchased electricity, is calculated with an emission factor of 0.758 kg CO₂ per kWh, reflecting the average emissions intensity associated with the Group's electricity use. The data shown indicates an upward trend in Scope 2 emissions, mirroring the increased productivity and expansion of the Group's business.

This surge in electricity usage reiterates the need for continued focus on energy efficiency and sustainable energy sourcing. For the given data set, the Scope 2 CO₂ emissions were calculated based on the consumption of purchased electricity across three different years, with an emission factor of 0.758 kg of CO₂ per kilowatt-hour (kWh). This factor represents the average emissions per unit of electricity transmitted to the organisation, considering the mix of energy sources used in production and the efficiency of the generation process.

| Year | Emission Factor ² | Electricity Usage (kWh) | Emissions (kg CO ₂) |
|----------|------------------------------|-------------------------|---------------------------------|
| FYE 2022 | 0.758kg/ kWh | 8,014,556 | 6,075,033.44 |
| FYE 2023 | | 8,611,375 | 6,527,422.25 |
| FYE 2024 | | 5,869,508 | 4,449,087.06 |

Water Usage

The water usage data provided outlines a rising trend in consumption over a three-year period. From FYE 2022, water usage saw a significant increase, with consumption rising to 106,897 m³. This substantial usage may coincide with an expansion in our operational activities, increased production demands, and less water conservation efforts exercised. The upward trajectory continued into FYE 2023, where water usage further escalated to 112,658 m³. This consistent increase could indicate ongoing growth in the operations necessitating more water or could highlight an area for implementing more robust water-saving strategies to curb the rising trend. For FYE 2024, the table below showcases the water consumption data over the three-year period, providing a clear depiction of the usage pattern:

| Year | Emission Factor (kg CO ₂) | Water Usage (m ³) | Total Emissions (kg CO ₂) |
|----------|---------------------------------------|-------------------------------|---------------------------------------|
| FYE 2022 | 0.18574kg/ m ³ | 106,897 | 19,855.05 |
| FYE 2023 | | 112,658 | 20,925.09 |
| FYE 2024 | | 108,558 | 20,163.56 |

Source: <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024>

2

The emission factor is obtained from <https://meih.st.gov.my/>. The factor used for Malaysia is 0.758 kg/cO₂.

SUSTAINABILITY STATEMENT (CONT'D)

SCOPE 3 EMISSION: Employee Commuting

With employee commuting contributing significantly to overall CO₂ emissions, there's an opportunity for Wellcall to encourage sustainable practices, with the potential to plan for alternative employee commuting. These steps highlight the Group's planned shift towards more ESG practices, including increased use of a fleet of factory buses for transportation and as well as carpooling initiatives. These steps not only address environmental impact of frequent commuting but also align with broader corporate social responsibility objectives by promoting fuel-saving transportation methods.

For FYE2023, the total Scope 3 CO₂ emissions from employee commuting were calculated as follows: the total distance traveled by all employees amounted to 4,766 km, with an estimated fuel consumption of approximately 560.71 liters of gasoline, resulting in total CO₂ emissions of approximately 1,295.23 kg. However, for FYE2024, Wellcall Holdings Berhad has decided to provide a more comprehensive and detailed analysis of employee commuting. This year's report will elaborate further on commuting patterns, fuel types, modes of transportation, and initiatives aimed at reducing emissions, reflecting Wellcall's commitment to enhancing transparency and driving sustainability improvements across its operations. Below are the data for employee commuting for FYE 2024:

| Year | Mode of Transport | Total Distance Travelled | Emission Factor (kg CO ₂) | Total Emissions (kg CO ₂) |
|----------|-------------------|--------------------------|---------------------------------------|---------------------------------------|
| FYE 2024 | Car | 1,086.80km | 0.1645 | 178.78 |
| | Motorcycle | 990.20km | 0.11367 | 112.55 |
| | Factory Bus | 176.40km | 0.09 | 15.88 |
| | Walking | 75.30km | – | – |

Source: <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024>

Business Travel (by Flight)

For Scope 3 emissions related to business travel by flight, Wellcall Holdings Berhad has demonstrated a dynamic travel footprint over the past three financial years. In FYE2022, business travel was limited to regional flights to Thailand, reflecting the company's operational focus within the Southeast Asian region. In FYE2023, the scope of travel expanded significantly to include long-haul international destinations such as Italy, Shanghai, and Taiwan, as part of Wellcall's strategic efforts to strengthen global partnerships, explore new markets, and engage with international stakeholders.

| Year | Country | Total Distance Travelled | Total Emissions (kg CO ₂) ³ |
|----------|----------|--------------------------|--|
| FYE 2022 | Thailand | 2,368km | 260.48 |
| FYE 2023 | Shanghai | 7,586km | 834.46 |
| | Italy | 19,286km | 2,121.46 |
| | Taiwan | 6,494km | 714.34 |
| FYE 2024 | Taiwan | 19,482km | 2,143.02 |
| | Italy | 19,286km | 2,121.46 |

3

The emission factors are based on industry standards as provided by:

- UK Government GHG Conversion Factors for Company Reporting 2023
- International Civil Aviation Organization (ICAO) Carbon Emission Calculator.

Flight Type Distance Range Emission Factor (kg CO₂/passenger-km)

Short-Haul Flight Up to 1,500 km 0.15
Long-Haul Flight Above 1,500 km 0.11

SUSTAINABILITY STATEMENT (CONT'D)

SCOPE 3 EMISSION: Employee Commuting (CONT'D)

Business Travel (by Flight) (Cont'd)

In FYE2024, business travel remained essential for Wellcall's global business activities, with flights recorded to Taiwan and Rome, Italy. These trips were undertaken to reinforce existing collaborations, drive business growth, and participate in key industry engagements. Wellcall continues to monitor and report its business travel emissions, aligning with its sustainability goals to better manage and mitigate the environmental impact of its Scope 3 emissions. The company remains committed to exploring measures such as optimizing travel schedules, adopting virtual meeting solutions where feasible, and offsetting flight emissions to support its long-term sustainability ambitions.

Waste Management

Wellcall is consistently following a set of sustainable waste management practices, which shows the Group's proactive commitments to reduce the volume of waste generated during production and manufacturing. Equally critical is the commitment to minimizing the disposal of solid waste through landfill or incineration.

Here are the calculated the total emission (in kilograms) for each type of waste for the years FYE2022, FYE2023 and FYE2024:

| Type of Waste | FYE 2022 | FYE 2023 | FYE 2024 |
|-----------------------|-----------|-----------|-----------|
| Packaging Materials | 252,710kg | 260,557kg | 305,131kg |
| Containment Materials | 28,774kg | 264,343kg | 51,093kg |
| Other Materials | 147,040kg | 62,246kg | 53,737kg |

The trend for packaging material waste at Wellcall Holdings Berhad reflects a noteworthy shift over the three years. In FYE2022, the company generated 252,710 kg of carbon emission for packaging material waste, indicating a significant volume tied to its production processes. This figure increased marginally for FYE2023 to 260,557 kg and FYE 2024 to 305,131 kg, possibly due to higher production demands or expanded operations.

For containment materials, the data reveals a distinct fluctuation across the three years. In FYE2022, the waste generated from containment materials stood at 28,774 kg, reflecting a controlled amount likely tied to specific production and storage needs. However, FYE2023 saw an extraordinary spike to 264,343 kg, representing an almost tenfold increase. This surge could indicate a temporary shift in operations, such as increased use of containment materials for larger-scale projects or bulk storage requirements. By FYE2024, the waste generated decreased to 51,093 kg, reflecting the company's effort to limit the usage of containment materials and implement more sustainable practices.

The category of other materials shows a highly variable trend, underscoring diverse waste management challenges. In FYE2022, the total waste from other materials was recorded at 147,040 kg. This figure decreased significantly to 62,246 kg in FYE2023, marking a reduction of nearly 58%. However, FYE2024 saw also a decreased to 53,737 kg thus the data underscores the need for enhanced waste management strategies in this category was successful, including recycling initiatives, partnerships with waste recovery firms, and process optimization to address the underlying causes of waste generation.

SUSTAINABILITY STATEMENT
(CONT'D)

SCOPE 3 EMISSION: Employee Commuting (CONT'D)

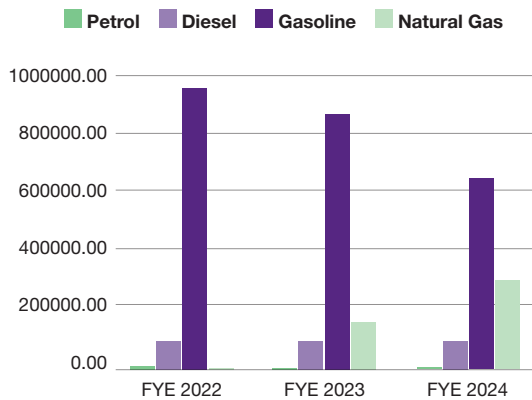
Key Initiatives to Reduce Waste

The most effective way to reduce waste is to prevent its generation. This can be achieved through process optimisation, such as improving manufacturing techniques to reduce off-cuts and scrap materials. Adopting lean manufacturing principles can significantly reduce waste generation. Moreover, redesigning products to use less material or substituting materials with more sustainable options can also contribute to waste reduction.

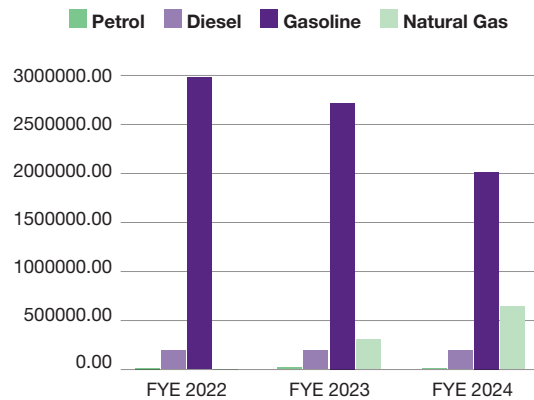
- Recycling and Reuse
- Supply Chain Management
- Employee Training and Awareness

- Compliance with Environmental Regulations
- Investment in Technology
- Collaboration for Waste Management Solutions

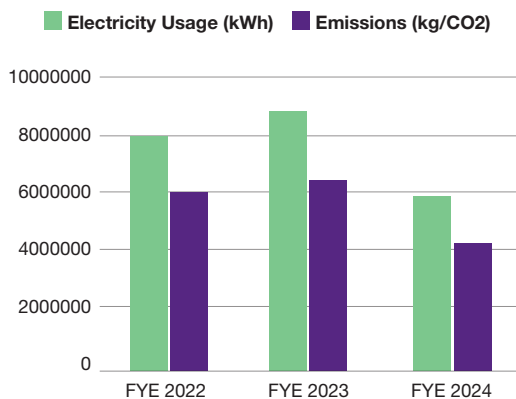
Total Fuel Usage (Litres)



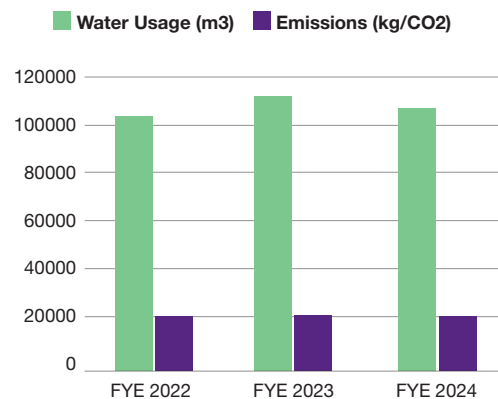
Total Fuel Emission (kg/CO2)



Electricity Usage



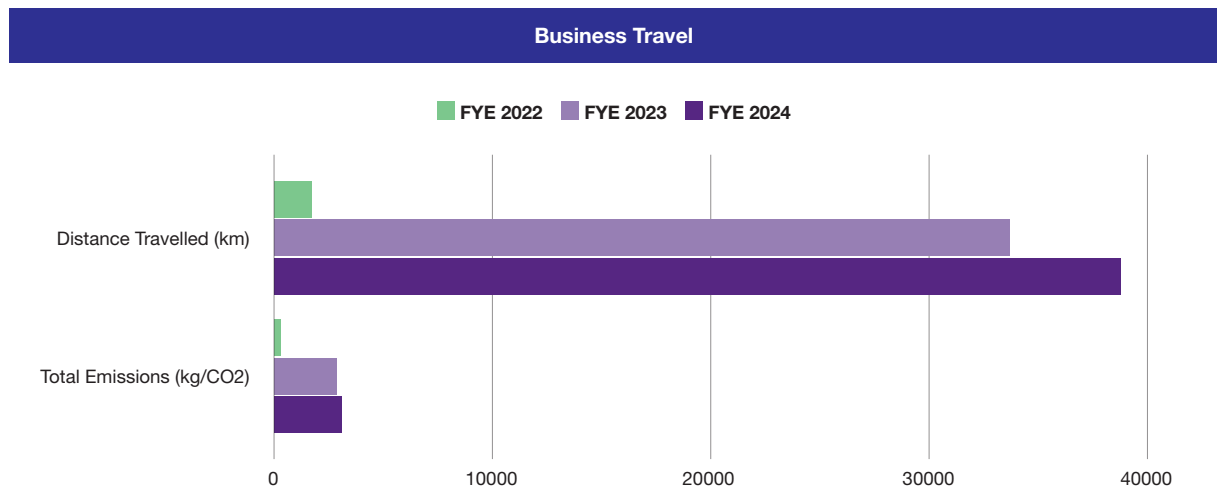
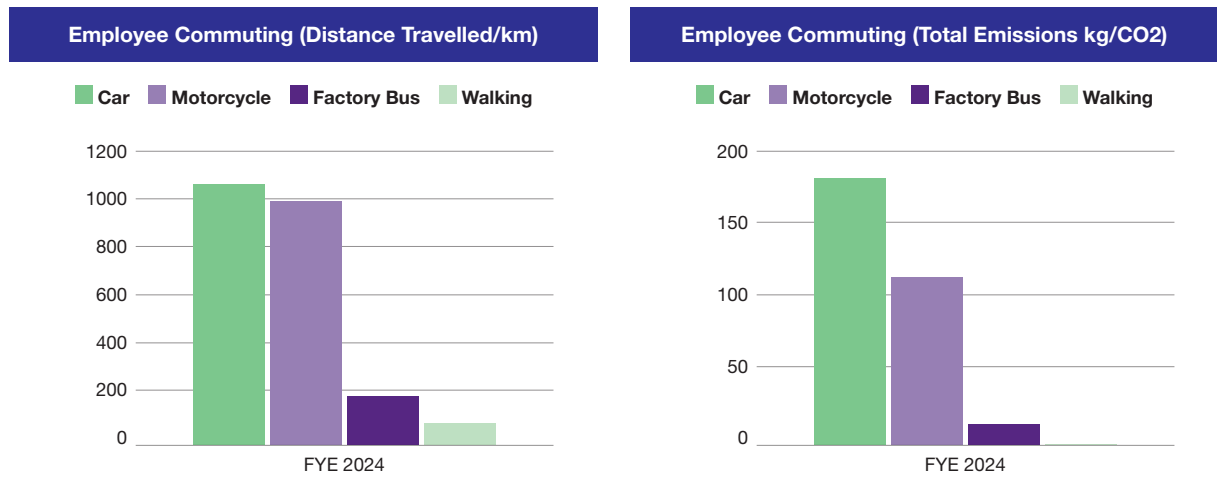
Water Usage



SUSTAINABILITY STATEMENT
(CONT'D)

SCOPE 3 EMISSION: Employee Commuting (CONT'D)

Key Initiatives to Reduce Waste (Cont'd)



SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL MATTERS

Wellcall Holdings Berhad is deeply committed to addressing social matters that impact on its employees, communities, and broader society. The company's approach is focused on key areas such as employee welfare, safety and health, diversity, equity, and inclusion (DEI), and corporate social responsibility (CSR).

- **Employee Welfare:** Wellcall prioritizes the well-being of its employees by fostering a supportive and inclusive work environment. This includes fair labor practices, promoting work-life balance, and offering opportunities for career growth and development. The company ensures that all employees are treated with respect and are provided with the necessary tools and training to excel in their roles.
- **Safety and Health:** A cornerstone of Wellcall's commitment to its workforce is its focus on safety and health. The company implements rigorous safety protocols and regularly conducts training sessions to ensure that all employees are aware of and adhere to the best practices in workplace safety. Health initiatives, such as wellness programs and access to healthcare services, support the physical and mental well-being of employees, ensuring a safe and healthy working environment.
- **Diversity, Equity, and Inclusion (DEI):** Wellcall is dedicated to fostering a diverse, equitable, and inclusive workplace. The company actively promotes gender diversity, especially in leadership roles, and ensures that all employees, regardless of their background, have equal opportunities to succeed. Wellcall's DEI initiatives are designed to create an environment where everyone feels valued and included, contributing to a culture of mutual respect and collaboration.
- **Corporate Social Responsibility (CSR):** CSR at Wellcall is deeply integrated into the company's operations, focusing on areas such as education, health, and environmental sustainability. By aligning its business practices with broader societal goals, Wellcall contributes to the well-being of society while also enhancing its corporate reputation. These initiatives demonstrate the company's commitment to making a positive impact on the world around it.

In summary, Wellcall Holdings Berhad's approach to social matters is comprehensive, addressing employee welfare, safety and health, DEI, and CSR. These efforts highlight the company's dedication to being a socially responsible organization that prioritizes the well-being of its employees and fosters an inclusive and equitable workplace.

Employee Welfare

Employee welfare is a central pillar of Wellcall Holdings Berhad's corporate philosophy, reflecting the company's belief that the well-being of its workforce is essential to its overall success. The company's approach to employee welfare is multifaceted, focusing on creating a supportive, safe, and inclusive environment that fosters personal and professional growth.

- **Fair Labor Practices**

Wellcall Holdings Berhad is committed to ensuring that all employees are treated fairly and with respect. The company adheres to strict labor standards, offering competitive wages, fair working hours, and benefits that meet or exceed industry norms. These practices are designed to ensure that employees feel valued and are motivated to contribute to the company's success.

- **Work-Life Balance**

Understanding the importance of a healthy work-life balance, Wellcall has implemented policies that allow employees to manage their professional and personal lives effectively. Flexible working hours, leave policies, and support for remote work are some of the measures in place to ensure that employees can balance their responsibilities at work and at home. These efforts help reduce stress and increase job satisfaction, leading to higher productivity and employee retention.

SUSTAINABILITY STATEMENT
(CONT'D)

SOCIAL MATTERS (CONT'D)

Social and Recreational Activities

To build a strong sense of community and camaraderie among its employees, Wellcall Holdings Berhad places a significant emphasis on social and recreational activities. Throughout the year, the company organizes a variety of events designed to bring employees together in a relaxed and enjoyable setting. Among these activities are volleyball and badminton friendly matches, where employees can engage in healthy competition, teamwork, and physical exercise. These sports events offer a fun way for colleagues to bond outside of their usual work environment, encouraging collaboration and mutual support.

In addition to sports, Wellcall hosts an annual lunch and dinner, a highly anticipated event that celebrates the achievements and milestones of the year. This gathering provides an opportunity for employees at all levels to come together, share experiences, and enjoy each other's company in a festive atmosphere. It's a time to reflect on the year's successes, recognize outstanding contributions, and strengthen the sense of belonging within the company.

These activities are more than just a break from the daily grind; they are integral to Wellcall's commitment to employee well-being and work-life balance. By creating opportunities for social interaction and team building, Wellcall fosters a positive and collaborative work environment. This approach not only enhances employee satisfaction and retention but also contributes to the company's overall success by ensuring a motivated and engaged workforce.

Volleyball Friendly Match



SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL MATTERS (CONT'D)

Social and Recreational Activities (Cont'd)

Badminton Friendly Match



Company Annual Dinner



SUSTAINABILITY STATEMENT
(CONT'D)

SOCIAL MATTERS (CONT'D)

Social and Recreational Activities (Cont'd)

Company Annual Lunch



Painting Works



SUSTAINABILITY STATEMENT
(CONT'D)

SOCIAL MATTERS (CONT'D)

Upholding Human Rights

Wellcall Holdings Berhad is committed to upholding human rights as a core principle, ensuring ethical practices and respect for all employees. The company enforces strict policies against discrimination, harassment, and exploitation, fostering an inclusive workplace that values diversity and equal opportunity. Wellcall also upholds labor rights, providing fair wages, safe working conditions, and respecting employees' rights to freedom of association and collective bargaining. These efforts reflect Wellcall's dedication to a positive, ethical work culture and compliance with international human rights standards.



Wellcall Holdings Berhad had no substantiated complaints related to human rights violations in FYE2024.

Training and Development

Wellcall prioritizes employee growth by offering various training programs, workshops, and learning opportunities tailored to different roles. These initiatives help employees enhance their skills and advance their careers. Below are four key training courses conducted by Wellcall.

Wellcall Holdings Berhad recorded a total of 1,262 training hours for FYE2022, 663.5 hours for FYE2023, and 1,646 hours for FYE2024. To provide a more comprehensive understanding of the company's commitment to employee development, it's also essential to consider the average training hours per employee during these financial years.

Training and development are integral components of Wellcall Holdings Berhad's strategy to cultivate a skilled, knowledgeable, and adaptable workforce. Recognizing that continuous learning is key to both individual and organizational growth, Wellcall invests significantly in the development of its employees across all levels.

• Total Training Hours based on Employee Category

| Year | Management | Executive | Non-Executive/ Technical Staff | General Worker |
|----------|------------|-----------|-----------------------------------|----------------|
| FYE 2022 | 366 | 224 | 427 | 245 |
| FYE 2023 | 397.5 | 224 | 42 | - |
| FYE 2024 | 856.5 | 569.5 | 199 | 21 |

SUSTAINABILITY STATEMENT (CONT'D)

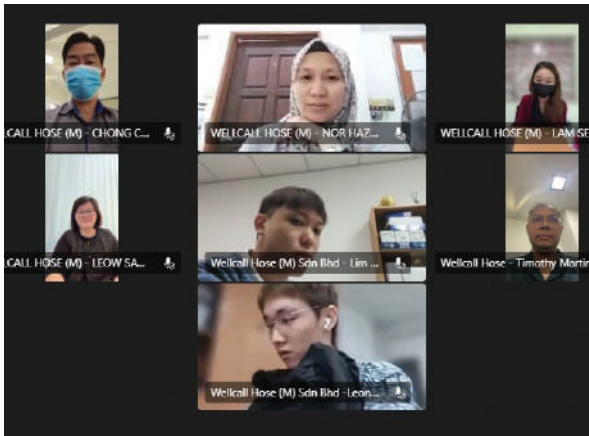
SOCIAL MATTERS (CONT'D)

Training and Development (Cont'd)

Finance ESG &TCFD Masterclass



Worksy HCM Training



Hearing Conservation Training



SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL MATTERS (CONT'D)

Training and Development (Cont'd)

E-Invoicing Training



Benefits of E-Invoice to tax payer

| | | | |
|---|--|---|---|
| | | | |
| Reduce manual efforts and human errors | Facilitate efficient tax filing | Streamline operational efficiency | Digitalise tax and reporting |
| Automated invoicing process through creation and transmission of transaction document & data electronically | Seamless system integration for efficient and accurate tax reporting <i>Seamless = smooth, uninterrupted</i> IRBM target that in the future all your income and qualifying deduction will be pre-populated in the tax return form. | Enhanced efficiency and significant time and cost savings Reduce the loss of document. | Aligns financial reporting processes to be consistent with industry standards |

HR Domestic Inquiry Training



SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL MATTERS (CONT'D)

Safety and Health

Safety and health are at the core of Wellcall Holdings Berhad's operations, highlighting our dedication to maintaining a secure and healthy work environment. We have developed thorough safety policies and procedures, supported by regular training sessions, emergency drills, and health screenings to safeguard our employees.

To ensure our safety practices remain effective, we continuously monitor performance through audits, inspections, and performance reviews. This proactive approach helps us pinpoint areas for improvement and promptly implement corrective actions, allowing our safety measures to evolve in response to changing conditions and emerging risks.

- Lost Time Incident Rate (LTIR) and Number of work-related fatalities

| Year | Lost Time Incident Rate | Number of work-related fatalities |
|----------|-------------------------|-----------------------------------|
| FYE 2022 | – | – |
| FYE 2023 | 0.2 | – |
| FYE 2024 | 0.21 | – |

- Safety Training Hours

| Year | Total Number of Safety Training Hours | Number of Employees Trained |
|----------|---------------------------------------|-----------------------------|
| FYE 2022 | 488 | 61 |
| FYE 2023 | 179.50 | 3 |
| FYE 2024 | 296 | 77 |

In FYE2022, Wellcall provided 488 hours of safety training, covering key areas like hazard identification, emergency response, and PPE use. This dropped to 179.50 hours in FYE2023 and rose to 296 hours in FYE2024, reflecting a focus on reinforcing existing knowledge and improving safety protocols. Wellcall's training programs include PPE and safe chemical handling, ergonomics and manual handling, Malaysian safety legislation, firefighting equipment, and basic first aid, CPR, and AED. These initiatives aim to maintain a safe work environment and equip employees with essential safety skills.



Wellcall Holdings Berhad had ZERO of work-related fatalities in FYE2024.

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL MATTERS (CONT'D)

Safety and Health (Cont'd)

Fire Drill



Safety Gap Analysis



Managing Chemicals Training



SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL MATTERS (CONT'D)

Safety and Health (Cont'd)

PERKESO Health Screening Day



Diversity, Equity and Inclusion

From FYE2022 to FYE2024, Wellcall Holdings Berhad has made significant strides in promoting Diversity, Equity, and Inclusion (DEI) as essential elements of its success and innovation. The company has notably increased female representation in management roles, reflecting its commitment to gender diversity, though the workforce remains predominantly male, particularly in operational areas.

Equity is a cornerstone of Wellcall's approach, with clear and transparent hiring and promotion practices that ensure everyone has a fair chance to advance. The company provides tailored career development programs to support diverse groups, helping to create a merit-based environment where all employees can succeed based on their abilities.

Inclusion is deeply embedded in Wellcall's culture, fostering an environment of open communication, mutual respect, and a strong sense of belonging. By valuing diverse perspectives and ensuring that every voice is heard, Wellcall creates a supportive atmosphere where employees at all levels can thrive. This ongoing dedication to DEI not only enhances the work environment but also positions Wellcall as a forward-thinking and responsible leader in the industry.

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL MATTERS (CONT'D)

Workforce in Wellcall Holdings Berhad

Wellcall Holdings Berhad's workforce grew steadily from FYE2022 to FYE2024, reflecting the company's expanding operations and commitment to building a skilled team that supports its strategic goals. This increase demonstrates Wellcall's proactive approach to talent acquisition, ensuring the company is equipped to meet industry demands and capitalize on new opportunities. Throughout this period, Wellcall maintained a balanced representation of male and female employees, with notable growth in management, non-executive, and general worker roles. The rise in female representation, particularly in leadership and non-executive positions, highlights Wellcall's dedication to diversity and inclusion.

| Year | Total Number of Workforce |
|----------|---------------------------|
| FYE 2022 | 349 |
| FYE 2023 | 438 |
| FYE 2024 | 420 |

Board of Directors

Wellcall Holdings Berhad's Board of Directors is composed of a diverse group of experienced professionals who bring a range of expertise and insights to the company. The board includes both executive and non-executive directors, with a focus on maintaining a balanced and independent governance structure. Wellcall values diversity and inclusion within its leadership, reflected in the board's composition, which includes members with varied industry backgrounds, skills, and perspectives.

The board members are responsible for providing strategic direction, oversight, and governance to ensure that Wellcall Holdings Berhad aligns with best practices and achieves its business goals sustainably. The composition is designed to support the company's commitment to transparency, accountability, and long-term value creation for its stakeholders, while also adhering to corporate governance standards set by Bursa Malaysia.

Below are the gender and age distribution for the Board of Directors for Wellcall Holdings Berhad.

- Gender

| Year | Male | Female |
|----------|------|--------|
| FYE 2022 | 6 | 2 |
| FYE 2023 | 6 | 2 |
| FYE 2024 | 7 | 3 |

- Age

| Year | Below 30 | 30 - 50 | Above 50 |
|----------|----------|---------|----------|
| FYE 2022 | – | 2 | 6 |
| FYE 2023 | – | 2 | 6 |
| FYE 2024 | – | 3 | 7 |

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL MATTERS (CONT'D)

Gender Distribution

Across the three financial years, the data indicates a predominant male workforce, with male employees consistently outnumbering female employees in various categories. However, the trends suggest a gradual increase in the number of female employees in certain categories, indicating efforts towards gender diversity and inclusivity.

- **Male Workforce**

The male workforce has consistently remained robust across all three financial years. Notably, the number of male employees showed an overall increase, particularly in non-executive and technical staff roles, which saw a significant rise in FYE2024. This increase may be indicative of the company's expansion or increased demand for technical skills and operational roles, which have traditionally been male dominated. Additionally, the male presence in management and executive roles remained strong and stable, reflecting a continued reliance on experienced male professionals to guide the company's strategic direction.

- **Female Workforce**

The female workforce at Wellcall Holdings Berhad has shown gradual growth, especially in management and non-executive/technical staff roles. The number of female employees in management has steadily increased, which is a positive sign of the company's commitment to promoting gender diversity at leadership levels. While the number of female executives remained relatively stable, the slight decrease in the general workers' category in FYE2024 could suggest either a shift in workforce composition or the company's focus on promoting female employees into more skilled or managerial positions.

| Year | Male | Female |
|----------|------|--------|
| FYE 2022 | 265 | 89 |
| FYE 2023 | 352 | 86 |
| FYE 2024 | 332 | 88 |

Wellcall Holdings Berhad has demonstrated a consistent male-dominated workforce across FYE2022 to FYE2024, particularly in non-executive, technical, and general worker roles. This trend highlights the company's ongoing efforts to create a more inclusive environment, where both male and female employees can grow and contribute to the company's success. Continued focus on gender diversity, particularly in higher-level positions, could further enhance the company's reputation as an inclusive and equitable employer.

Workforce Distribution by Age Group and Employee Category

The workforce at Wellcall Holdings Berhad over the financial years ending in 2022, 2023, and 2024 reflects evolving demographic trends across different employee categories. The analysis is based on three primary age groups: Under 30, 30-50, and Above 50, which are further categorized into Management, Executive, Non-Executive/Technical Staff, and General Workers.

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL MATTERS (CONT'D)

Workforce Distribution by Age Group and Employee Category (Cont'd)

- **Management**

In the Management category, there is a noticeable trend of no employees under 30 across FYE2022 to FYE2024, highlighting a preference for more seasoned professionals in leadership positions at Wellcall Holdings Berhad. The age group between 30 and 50 has seen a consistent presence, with a slight increase in numbers in FYE2023 then decrease to 14 employees, demonstrating the company's focus on maintaining a balance between experience and the ability to adapt to new challenges. Additionally, there is a gradual increase in the number of employees above 50, underscoring the importance of seasoned leadership in steering the company's strategic initiatives.

| Year | Below 30 | 30 - 50 | Above 50 |
|----------|----------|---------|----------|
| FYE 2022 | – | 13 | 6 |
| FYE 2023 | – | 15 | 6 |
| FYE 2024 | – | 14 | 7 |

- **Executive**

The Executive category at Wellcall Holdings Berhad shows a balanced age distribution. The under-30 age group has maintained a steady, albeit small, presence over the years, indicating the company's openness to integrating fresh perspectives at the executive level. However, most executives are in the 30-50 age group, with numbers rising steadily from FYE2022 to FYE2023 then decrease in FYE2024. This trend reflects a strategic emphasis on leveraging the experience and energy of this age group to drive the company forward. The above-50 category has also seen a slight increase, signifying the value the company places on experienced executives who can provide mentorship and contribute to long-term strategic planning.

| Year | Below 30 | 30 - 50 | Above 50 |
|----------|----------|---------|----------|
| FYE 2022 | 7 | 36 | 11 |
| FYE 2023 | 7 | 39 | 12 |
| FYE 2024 | 7 | 36 | 16 |

- **Non-Executive/Technical Staff**

The Non-Executive and Technical Staff category presents an interesting demographic trend. The under-30 age group initially saw an increase but then rebounded, suggesting fluctuations in hiring or retention policies. The 30-50 age group has shown a decrease then rebounded also across the years, marking it as the backbone of the company's operations. This age group's stability indicates that Wellcall Holdings Berhad relies heavily on the expertise and stability provided by its non-executive and technical staff. The number of employees above 50 in this category remains minimal, possibly indicating a transition of older employees into other roles or retirement, emphasizing the company's focus on maintaining a technically adept workforce.

| Year | Below 30 | 30 - 50 | Above 50 |
|----------|----------|---------|----------|
| FYE 2022 | 3 | 43 | 2 |
| FYE 2023 | 12 | 40 | 4 |
| FYE 2024 | 8 | 41 | 6 |

SUSTAINABILITY STATEMENT (CONT'D)

SOCIAL MATTERS (CONT'D)

Workforce Distribution by Age Group and Employee Category (Cont'd)

- **General Workers**

Wellcall Holdings Berhad's General Workers category is mostly composed of employees under 30, with this group increased to 131 employees from 106 employees then decreased to 121 employees, reflecting a strategy of hiring younger individuals for labor-intensive roles. The 30-50 age group also saw growth, though it slightly declined in FYE2024, possibly due to shifts in workforce dynamics. Employees over 50 remain a small segment, likely as older workers transition out of demanding roles. Overall, Wellcall balances experienced professionals in management with younger employees in general positions, creating a dynamic workforce that supports growth and adaptability.

| Year | Below 30 | 30 - 50 | Above 50 |
|----------|----------|---------|----------|
| FYE 2022 | 106 | 115 | 7 |
| FYE 2023 | 131 | 170 | 2 |
| FYE 2024 | 121 | 157 | 7 |

Employee Turnover

Employee turnover at Wellcall Holdings Berhad is an important aspect of the company's workforce management and reflects various factors influencing employee retention and satisfaction.

The company focuses on enhancing employee engagement through competitive compensation packages, career development opportunities, and a positive work environment. By investing in training and professional growth, Wellcall aims to ensure that employees feel valued and motivated to stay with the company long-term.

Wellcall also places a strong emphasis on creating a supportive and inclusive workplace culture. This includes fostering open communication, recognizing and rewarding employee achievements, and addressing any concerns or issues promptly. These efforts are designed to improve job satisfaction and reduce the likelihood of turnover.

| Year | Management | Executive | Non-Executive/Technical Staff | General Worker |
|----------|------------|-----------|-------------------------------|----------------|
| FYE 2022 | 1 | 4 | 2 | 41 |
| FYE 2023 | – | 5 | 4 | 30 |
| FYE 2024 | 1 | 3 | 5 | 40 |

These figures show that turnover among general workers and non-executive staff has varied, while turnover among management roles has remained steady. Wellcall's efforts to strengthen employee engagement and create a positive work environment play a crucial role in addressing turnover and supporting a stable workforce. By monitoring turnover trends and conducting exit interviews, Wellcall gains valuable insights into the reasons for employee departures. This data enables the company to make targeted improvements that enhance retention and foster a more supportive work environment. Wellcall's proactive approach to managing turnover reflects its commitment to a dedicated, high-performing workforce, essential for its long-term success.

SUSTAINABILITY STATEMENT
(CONT'D)

SOCIAL MATTERS (CONT'D)

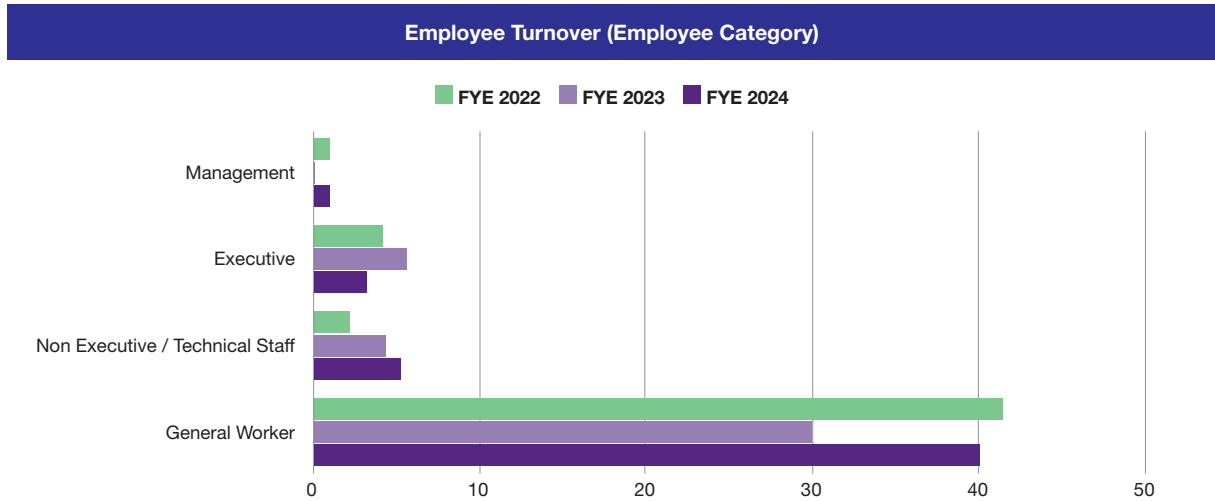
Employee Turnover (Cont'd)



SUSTAINABILITY STATEMENT
(CONT'D)

SOCIAL MATTERS (CONT'D)

Employee Turnover (Cont'd)



Donations

In FYE2024, Wellcall Holdings Berhad reinforced its ongoing commitment to corporate social responsibility (CSR) by contributing a total of RM 32,520.45 to eight different organizations and a temple. This initiative highlights Wellcall’s proactive approach in giving back to the community and supporting a diverse range of causes that align with its core values of compassion and social welfare. The donations were thoughtfully directed to organizations that focus on various areas such as education, healthcare, environmental preservation, and social services, ensuring that the contributions reached different segments of society in need.



Wellcall Holdings Berhad made a significant contribution to community welfare by donating a total of RM32,520.45 in FYE2024.

Wellcall’s charitable efforts reflect its broader CSR strategy, which prioritizes not only financial support but also fosters long-term partnerships with these organizations. By extending aid to multiple segments, the company demonstrates its dedication to creating lasting, positive changes within the communities where it operates. This initiative is part of Wellcall’s ongoing effort to build a more inclusive and resilient society, showcasing its commitment to being a responsible corporate citizen that actively supports social progress and community development.

CONCLUSION

In conclusion, Wellcall Holdings Berhad’s 2024 Sustainability Statement reaffirms the company’s unwavering commitment to responsible business practices that prioritize environmental stewardship, social impact, and transparent governance. Throughout the year, Wellcall has implemented key initiatives aimed at reducing its environmental footprint, enhancing workplace safety, and contributing to the well-being of the communities it serves. This year’s achievements underscore the company’s proactive approach to sustainable growth and its dedication to long-term value creation for all stakeholders. Looking forward, Wellcall remains steadfast in its sustainability journey, continuously seeking innovative solutions and partnerships to drive positive change. By embedding sustainability at the core of its operations, Wellcall Holdings Berhad not only strengthens its resilience in an evolving market but also reaffirms its role as a responsible corporate citizen dedicated to building a more sustainable and inclusive future for all.

SUSTAINABILITY STATEMENT (CONT'D)

| Indicator | Measurement Unit | 2024 |
|---|------------------|-----------|
| Bursa (Anti-corruption) | | |
| Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category | | |
| Management | Percentage | 100.00 |
| Executive | Percentage | 100.00 |
| Non-executive/Technical Staff | Percentage | 100.00 |
| General Workers | Percentage | 100.00 |
| Bursa C1(b) Percentage of operations assessed for corruption-related risks | Percentage | 100.00 |
| Bursa C1(c) Confirmed incidents of corruption and action taken | Number | 0 |
| Bursa (Community/Society) | | |
| Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer | MYR | 32,520.45 |
| Bursa C2(b) Total number of beneficiaries of the investment in communities | Number | 9 |
| Bursa (Diversity) | | |
| Bursa C3(a) Percentage of employees by gender and age group, for each employee category | | |
| Age Group by Employee Category | | |
| Management Under 30 | Percentage | 0.00 |
| Management Between 30-50 | Percentage | 67.00 |
| Management Above 50 | Percentage | 33.00 |
| Executive Under 30 | Percentage | 12.00 |
| Executive Between 30-50 | Percentage | 61.00 |
| Executive Above 50 | Percentage | 27.00 |
| Non-executive/Technical Staff Under 30 | Percentage | 15.00 |
| Non-executive/Technical Staff Between 30-50 | Percentage | 74.00 |
| Non-executive/Technical Staff Above 50 | Percentage | 11.00 |
| General Workers Under 30 | Percentage | 42.00 |
| General Workers Between 30-50 | Percentage | 55.00 |
| General Workers Above 50 | Percentage | 3.00 |
| Gender Group by Employee Category | | |
| Management Male | Percentage | 66.00 |
| Management Female | Percentage | 34.00 |
| Executive Male | Percentage | 67.00 |
| Executive Female | Percentage | 33.00 |
| Non-executive/Technical Staff Male | Percentage | 67.00 |
| Non-executive/Technical Staff Female | Percentage | 33.00 |
| General Workers Male | Percentage | 85.00 |
| General Workers Female | Percentage | 15.00 |
| Bursa C3(b) Percentage of directors by gender and age group | | |
| Male | Percentage | 70.00 |
| Female | Percentage | 30.00 |
| Under 30 | Percentage | 0.00 |
| Between 30-50 | Percentage | 30.00 |
| Above 50 | Percentage | 70.00 |
| Bursa (Energy management) | | |
| Bursa C4(a) Total energy consumption | Megawatt | 5,869.51 |
| Bursa (Health and safety) | | |
| Bursa C5(a) Number of work-related fatalities | Number | 0 |
| Bursa C5(b) Lost time incident rate ("LTIR") | Rate | 0.21 |
| Bursa C5(c) Number of employees trained on health and safety standards | Number | 77 |

Internal assurance

External assurance

No assurance

(*)Restated

SUSTAINABILITY STATEMENT (CONT'D)

| Indicator | Measurement Unit | 2024 |
|--|------------------|------------|
| Bursa (Labour practices and standards) | | |
| Bursa C6(a) Total hours of training by employee category | | |
| Management | Hours | 857 |
| Executive | Hours | 570 |
| Non-executive/Technical Staff | Hours | 199 |
| General Workers | Hours | 12 |
| Bursa C6(b) Percentage of employees that are contractors or temporary staff | Percentage | 0.00 |
| Bursa C6(c) Total number of employee turnover by employee category | | |
| Management | Number | 1 |
| Executive | Number | 3 |
| Non-executive/Technical Staff | Number | 5 |
| General Workers | Number | 40 |
| Bursa C6(d) Number of substantiated complaints concerning human rights violations | Number | 0 |
| Bursa (Supply chain management) | | |
| Bursa C7(a) Proportion of spending on local suppliers | Percentage | 51.31 |
| Bursa (Data privacy and security) | | |
| Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data | Number | 0 |
| Bursa (Water) | | |
| Bursa C9(a) Total volume of water used | Megalitres | 108.558000 |

ADDITIONAL COMPLIANCE INFORMATION

1. STATUTORY AND NON-STATUTORY AUDIT FEES

The statutory audit and non-statutory fees paid or payable for services rendered by external auditors and their affiliated company or firm to the Group and the Company for the financial year ended 30 September, 2024 are as follows:

| | Group RM'000 | Company RM'000 |
|---|-----------------|-------------------|
| Statutory Audit | 125.0 | 50.0 |
| Non-Statutory Audit (including review fee and tax compliance fee) | 15.2 | 8.3 |

2. MATERIAL CONTRACTS

There were no material contracts (not being contracts entered into the ordinary course of business) entered into by Wellcall Holdings Berhad (“**the Company**”) and its subsidiary company (“**the Group**”) involving Directors’ and/or shareholders’ interests during the financial year ended 30 September 2024.

3. REVALUATION POLICY

The Group does not have any revaluation policy on its landed properties during the financial year ended 30 September 2024.

4. UTILISATION OF PROCEEDS

There were no corporate proposals relating to fund raising exercise implemented during the financial year ended 30 September 2024.

5. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

The Company had obtained a general mandate from its shareholders (“Shareholders’ Mandate”) for recurrent related party transaction of revenue and trading nature (“RRPT”) at the Eighteenth Annual General Meeting of the Company which held on 23 February 2024.

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

5. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (CONT'D)

In accordance with Practice Note No.12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the aggregate value of the RRPT conducted from 23 February 2024 (the date of the last AGM) to latest practicable date ("LPD") 31 December 2024, pursuant to the Shareholders' Mandate are as follows:

| Transacting Parties | | Interested Director(s) and/or interested Major Shareholder(s) and/or person(s) connected with them | Nature of the Recurrent Related Party Transaction | Aggregate Value of Transaction (RM'000) |
|--------------------------------------|--|---|--|---|
| Wellcall Group | Related Party | | | |
| Wellcall Hose (M) Sdn. Bhd. ("WHSB") | Global Rubber Industry (M) Sdn. Bhd. ("GRI") | Huang Yu Fen ^{(1) (2)} Tan Joo Chin ⁽²⁾ Leong Ruen Ying ⁽³⁾ Huang Sha ^{(1) (2)} Huang Kai Lin ^{(1) (2)} Leong Hon Chong ⁽³⁾ Tan Kang Seng ⁽⁴⁾ Datuk Ng Peng Hong @ Ng Peng Hay ⁽⁵⁾ Chua Yi Rong, Edmund (Cai YiRong, Edmund) ⁽⁶⁾ | Sub-contract services for topping of nylon cord and relevant add-on or further manufacturing process on semi-finished goods and/or hoses | 4,596 |

Notes: -

- (1) Huang Yu Fen is a Director and shareholder of the Company, as well as a Director of WHSB and shareholder of GRI. Huang Sha, who is also a Director and shareholder of the Company, as well as a Director of WHSB and GRI. Huang Kai Lin is a Director of the Company and WHSB.
- (2) Tan Joo Chin is a Shareholder of the Company and GRI, as well as a person connected with Huang Sha, Huang Kai Lin and Huang Yu Fen.
- (3) Leong Ruen Ying is a shareholder of GRI and a person connected with Leong Hon Chong, who is shareholder of the Company, as well as a Director of WHSB.
- (4) Tan Kang Seng is a Director and shareholder of the Company, as well as a Director of WHSB.
- (5) Datuk Ng Peng Hong @ Ng Peng Hay is Chairman of the Company and a Director of WHSB as well as a Director of GRI.
- (6) Chua Yi Rong, Edmund (Cai YiRong, Edmund) is an Alternate Director to Tan Kang Seng of the Company and Director of WHSB as well as a Director of GRI.

The direct and indirect interests of the interested Directors and/or interested Major Shareholders and/or interested persons connected to the interested Directors and/or interested Major Shareholders in Wellcall as at 31 December 2024 are as follows: -

| Name | Direct Interest | | Indirect Interest | |
|-----------------|--------------------------|------|---------------------------|-------|
| | No. of Shares | % | No. of Shares | % |
| Huang Sha | 16,945,317 | 3.40 | ⁽¹⁾ 168,750 | 0.03 |
| Huang Kai Lin | - | - | ⁽²⁾ 2,186,850 | 0.44 |
| Huang Yu Fen | 562,500 | 0.11 | - | - |
| Leong Hon Chong | 4,447,650 | 0.89 | - | - |
| Tan Kang Seng | ⁽³⁾ 1,687,500 | 0.34 | ⁽⁴⁾ 55,989,478 | 11.24 |
| Tan Joo Chin | 2,186,850 | 0.44 | - | - |
| Leong Ruen Ying | - | - | - | - |

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

5. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (CONT'D)

The direct and indirect interests of the interested Directors and/or interested Major Shareholders and/or interested persons connected to the interested Directors and/or interested Major Shareholders in Wellcall as at 31 December 2024 are as follows: - (Cont'd)

| Name | Direct Interest | | Indirect Interest | |
|---|-----------------|---|---|------|
| | No. of Shares | % | No. of Shares | % |
| Datuk Ng Peng Hong @ Ng Peng Hay | – | – | ⁽¹⁾ ⁽²⁾ 9,507,250 | 1.91 |
| Chua Yi Rong, Edmund (Cai YiRong, Edmund) | – | – | – | – |

Notes: -

- ⁽¹⁾ Deemed interested by virtue of Section 59(11)(c) of the Act, through the shareholding of his children in the Company.
- ⁽²⁾ Deemed interested by virtue of Section 59(11)(c) of the Act, through the shareholding of his spouse in the Company.
- ⁽³⁾ 1,687,500 shares are held through HLIB Nominees (Tempatan) Sdn Bhd pledged securities account for Tan Kang Seng.
- ⁽⁴⁾ Deemed interested by virtue of Section 8(4)(c) of the Act, through his shareholding in Maximum Perspective Sdn Bhd via HLIB Nominees (Tempatan) Sdn Bhd pledged securities account for Maximum Perspective Sdn Bhd.

6. EMPLOYEE SHARE SCHEME

The Group did not grant any employee share scheme to any person during the financial year ended 30 September 2024.

7. MATERIAL CONTRACTS RELATING TO LOANS

There were no material contracts relating to loans entered into by the Group involving Directors' and/or shareholders' interests during the financial year ended 30 September 2024.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible for ensuring that the annual audited financial statements for the financial year ended 30 September 2024 of the Company and of the Group so as to give a true and fair view in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of the Companies Act 2016 and Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

In preparing the annual audited financial statements for the financial year ended 30 September 2024, the Directors have adopted and applied the appropriate and relevant accounting policies on a consistent basis; made judgements and estimates that are reasonable and prudent; ensure applied to all applicable accounting standards, and prepared the audited financial statements on a going concern basis; general responsibility to take reasonable steps to safeguard the assets operation of the Company and of the Group to prevent and detect fraud and other irregularities; and to ensure there are adequate resources to continue its operation.

The Directors are responsible to ensure that the Company and the Group keep accounting records which disclose the financial position of the Company and the Group that give a reasonable accuracy, enabling them to ensure that the financial statements complied with the Companies Act 2016.

FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 September 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged as an investment holding company and carry on the business of trading, importing, exporting, marketing, supplying and dealing in direct marketing multi level marketing, networking of all kinds of hoses and articles in connection therewith.

The principal activities of the subsidiary and associate company are disclosed in Note 6 and 7 to the financial statements.

There have been no significant changes in these principal activities during the financial year.

RESULTS

| | Group RM | Company RM |
|------------------------|--------------|---------------|
| Profit before taxation | 64,223,150 | 41,380,897 |
| Tax expense | (17,309,227) | (57,590) |
| Profit for the year | 46,913,923 | 41,323,307 |

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

DIVIDENDS

Since the end of the previous financial year, the Company has declared:

- i) a fourth single tier dividend of 1.80 sen per ordinary share totaling RM8,963,056 and special interim dividend of 1.00 sen per ordinary share totaling RM4,979,476 in respect of the financial year ended 30 September 2023 and paid on 21 December 2023.
- ii) a first single tier dividend of 2.00 sen per ordinary share totaling RM9,958,951 in respect of the financial year ended 30 September 2024 and paid on 21 March 2024.
- iii) a second single tier dividend of 2.00 sen per ordinary share totaling RM9,958,951 in respect of the financial year ended 30 September 2024 and paid on 20 June 2024.
- iv) a third single tier dividend of 2.00 sen per ordinary share totaling RM9,958,951 in respect of the financial year ended 30 September 2024 and paid on 25 September 2024.
- v) a fourth single tier dividend of 1.20 sen per ordinary share totaling RM5,975,371 and special interim dividend of 1.00 sen per ordinary share totaling RM4,979,476 in respect of the financial year ended 30 September 2024 and paid on 20 December 2024.

DIRECTORS' REPORT (CONT'D)

DIRECTORS

The Directors of the Company who served during the financial year up to the date of this report are:

Datuk Ng Peng Hong @ Ng Peng Hay, DMSM, DSM, PJK*
 Datuk Yong Peng Tak
 Huang Sha, PMP*
 Huang Yu Fen*
 Huang Kai Lin* (Alternate director of Huang Sha)
 Tan Kang Seng*
 Tan Choon Soon
 Chin Yoke Wah
 Azian Binti Mohd Yusof
 Chua Yi Rong, Edmund* (Alternate director of Tan Kang Seng)
 George Tan Kan Chin (Appointed on 28 August 2024)
 Ong Suan Suan (Appointed on 28 August 2024)

* These Directors are also Directors of the Company's subsidiary.

The Director of the Company's subsidiary who served during the financial year up to the date of the report is:

Leong Hon Chong

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors, or the fixed salary of a full-time employee of the Company as disclosed in Note 21 to the financial statements) 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 in companies which traded with the Company in the ordinary course of business as disclosed in Note 27(a) to the financial statements.

Neither at the end of the financial year, nor at any time during the financial year, was the Company a party to any arrangements with the object of enabling the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Group and of the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016 ("the Act"), none of the Directors in office at the end of the financial year had any interest in shares financial year, except as follows:

| Interest in the Company | At 01.10.2023 | Number of ordinary shares | | At 30.09.2024 |
|-------------------------|------------------|---------------------------|---------|------------------|
| | | Bought | Sold | |
| Direct interest | | | | |
| Huang Sha, PMP | 16,945,317 | – | – | 16,945,317 |
| Leong Hon Chong | 5,189,350 | – | 620,000 | 4,569,350 |
| Huang Yu Fen | 562,500 | – | – | 562,500 |
| Tan Kang Seng | 1,687,500 | – | – | 1,687,500 |

DIRECTORS' REPORT (CONT'D)

DIRECTORS' INTERESTS IN SHARES (CONT'D)

| Interest in the Company | At | Number of ordinary shares | | At |
|--|------------|---------------------------|------|------------|
| | 01.10.2023 | Bought | Sold | 30.09.2024 |
| <u>Deemed interest</u> | | | | |
| Huang Sha, PMP* | 168,750 | – | – | 168,750 |
| Huang Kai Lin* | 2,186,850 | – | – | 2,186,850 |
| Datuk Ng Peng Hong @ Ng Peng Hay, DMSM, DSM, PJK* | 9,475,550 | 31,700 | – | 9,507,250 |
| <u>Indirect interest</u> | | | | |
| Tan Kang Seng ^ | 55,989,478 | – | – | 55,989,478 |

* Deemed interested in held through spouse or children of the Director by virtue of Section 59(11)(c) of the Companies Act 2016.

^ Indirect interest is held through Maximum Perspective Sdn. Bhd.

By virtue of their interests in the shares of the Company, the above Directors are also deemed interest in the shares of its subsidiary to the extent that the Company has interest.

Save as disclosed above, none of the other Directors holding office at 30 September 2024 had any interest in the ordinary shares of the Company and its subsidiary company during the financial year.

DIRECTORS' REMUNERATION

Directors' remuneration paid to or receivable by Directors of the Group and of the Company in respect of the financial year are as follows:

| | Group | | Company | |
|--------------|------------------|------------------|----------------|----------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Fees | 1,178,000 | 1,173,417 | 668,000 | 663,417 |
| Remuneration | 3,180,000 | 3,180,000 | – | – |
| Allowance | 207,000 | 190,500 | 85,000 | 69,000 |
| Bonus | 4,708,722 | 4,846,225 | – | – |
| E.P.F. | 204,902 | 183,684 | – | – |
| E.I.S. | 238 | 238 | – | – |
| Socso | 3,565 | 3,565 | – | – |
| | 9,482,427 | 9,577,629 | 753,000 | 732,417 |

ISSUE OF SHARES AND DEBENTURES

During the financial year, there were no new issue of shares or debentures by the Company.

OPTION GRANTED OVER UNISSUED SHARES

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

DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

- i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of impairments and had satisfied themselves that there are no known bad debts and that impairments need not been made; and
- ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of which were 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) which would render writing off of bad debts or making impairments in the financial statements of the Group and of the Company necessary; or
- ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading;
- iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements of the Group and of the Company misleading; and
- iv) 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.

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

- i) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person other than those disclosed in the financial statements; or
- ii) any contingent liability in respect of the Group and of the Company that has arisen since the end of the financial year other than those disclosed in Note 30 to the financial statements.

In the opinion of the Directors:

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

SUBSIDIARY

The details of the Company's subsidiary is disclosed in Note 6 to the financial statements.

DIRECTORS' REPORT (CONT'D)

INDEMNITY AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

No indemnity has been given to or insurance effected for the Directors or officers of the Company, other than liability insurance up to an aggregate limit of RM2,000,000 provided to the Directors of the Company in accordance with Section 289 of the Act. The amount of insurance premium paid for the financial year is RM9,921.

To the extent permitted by the Act, the Company has agreed to indemnify its auditors as part of the terms of their engagement against claims by third parties arising from the audit. No payment has been made to indemnify the auditors during or since the financial year end.

EVENTS SUBSEQUENT TO THE REPORTING PERIOD

The details of events subsequent to the reporting period are disclosed in Note 32 to the financial statements.

AUDITORS' REMUNERATION

The details of auditors' remuneration of the Group and of the Company for the financial year ended 30 September 2024 are as follow:

| | Group RM | Company RM |
|--------------------------------|-------------|---------------|
| Auditors' remuneration: | | |
| - Statutory audit services | 125,000 | 50,000 |
| - Other services | 6,000 | 6,000 |
| | 131,000 | 56,000 |

AUDITORS

The auditors, ECOVIS MALAYSIA PLT, have expressed their willingness to continue in office.

Approved and signed on behalf of the Board of Directors in accordance with a resolution of the Directors,

HUANG SHA, PMP
Director

HUANG YU FEN
Director

Dated: 16 January 2025

STATEMENT BY DIRECTORS

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

We, HUANG SHA, PMP and HUANG YU FEN, two of the Directors of WELLCALL HOLDINGS BERHAD, state that, in the opinion of the Directors, the financial statements set out on pages 113 to 165 are drawn up in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act 2016 in Malaysia so as to give a true and fair view of the states of affairs of the Group and of the Company as at 30 September 2024 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

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

HUANG SHA, PMP
Director

HUANG YU FEN
Director

Dated: 16 January 2025

STATUTORY DECLARATION

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

I, YU TAT KEONG, being the Officer primarily responsible for the financial management of WELLCALL HOLDINGS BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 113 to 165 are drawn up, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared)
by the abovenamed at Ipoh)
in Perak on 16 January 2025)

YU TAT KEONG

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WELLCALL HOLDINGS BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **Wellcall Holdings Berhad** ("the Company") and its subsidiary ("the Group"), which comprise the statements of financial position as at 30 September 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 113 to 165.

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 30 September 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

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.

| Key audit matter | How the matter was addressed in our audit |
|---|--|
| <p>Valuation of inventories</p> <p>Refer to Note 10 to the financial statements.</p> <p>As at 30 September 2024, the Group has inventories amounted to RM25,746,166 (2023: RM25,454,666), which represents 15% (2023: 15%) of total assets of the Group.</p> <p>Inventories are stated at the lower of cost and net realisable value.</p> <p>The valuation of work-in-progress and finished goods requires management's judgement and estimates in determining an appropriate costing basis and assessing the net realisable value of these inventories.</p> | <p>Our audit procedures (amongst others) included the following:</p> <p>(a) Obtained an understanding of the inventories valuation policy and relevant controls surrounding inventories valuation implemented by the management;</p> <p>(b) Performed testing on sampling basis the costs of raw materials, direct labour, other direct costs and manufacturing overheads incurred in production;</p> <p>(c) Assessed the management's basis of allocation of the raw materials, direct labour, other direct costs and manufacturing overheads for the valuation of inventories based on normal production capacity;</p> <p>(d) Evaluated management's assessment of net realisable value of finished goods and compared the carrying amount against the selling price subsequent to the period end.</p> <p>(e) Reviewed the adequacy of the disclosure based on the requirements of MFRS 102.</p> |

We have determined that there are no key audit matters in audit of the separate financial statements of the Company to be communicated in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and the information included in Group's 2024 annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

INDEPENDENT AUDITORS' REPORT (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or has 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 of auditing in Malaysia and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards of auditing in Malaysia and ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- (a) 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.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT (CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)

Responsibilities of the Directors for the Financial Statements (Cont'd)

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

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

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

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.

ECOVIS MALAYSIA PLT
AF 001825
Chartered Accountants

Kuala Lumpur
16 January 2025

PAT YIN LAI
03073/12/2025 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

| | Note | Group 2024 RM | Group 2023 RM | Company 2024 RM | Company 2023 RM |
|---|------|---------------------|---------------------|-----------------------|-----------------------|
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 4 | 55,744,732 | 46,631,407 | - | - |
| Investment properties | 5 | 4,834,592 | 4,997,208 | - | - |
| Investment in subsidiary company | 6 | - | - | 57,540,803 | 57,540,803 |
| Investment in associate company | 7 | - | - | - | - |
| Intangible assets | 8 | 305,027 | 342,820 | - | - |
| Other investment | 9 | 10,000 | 10,000 | - | - |
| | | 60,894,351 | 51,981,435 | 57,540,803 | 57,540,803 |
| Current assets | | | | | |
| Inventories | 10 | 25,746,166 | 25,454,666 | - | - |
| Trade and other receivables | 11 | 19,041,079 | 23,470,244 | 11,400,000 | 14,400,000 |
| Tax recoverable | | 20,959 | 21,549 | 20,959 | 21,549 |
| Cash and cash equivalents | 12 | 69,229,252 | 74,404,617 | 9,475,791 | 8,977,549 |
| | | 114,037,456 | 123,351,076 | 20,896,750 | 23,399,098 |
| TOTAL ASSETS | | 174,931,807 | 175,332,511 | 78,437,553 | 80,939,901 |
| EQUITY AND LIABILITIES | | | | | |
| Equity attributable to equity holders of the Company | | | | | |
| Share capital | 13 | 68,836,509 | 68,836,509 | 68,836,509 | 68,836,509 |
| Reserves | 14 | 74,268,478 | 71,173,940 | 9,442,798 | 11,938,876 |
| Total equity | | 143,104,987 | 140,010,449 | 78,279,307 | 80,775,385 |
| Non-current liability | | | | | |
| Deferred tax liability | 15 | 3,945,879 | 4,265,667 | - | - |
| Current liabilities | | | | | |
| Trade and other payables | 16 | 24,830,559 | 24,532,789 | 158,246 | 164,516 |
| Tax payable | | 3,050,382 | 6,523,606 | - | - |
| | | 27,880,941 | 31,056,395 | 158,246 | 164,516 |
| Total liabilities | | 31,826,820 | 35,322,062 | 158,246 | 164,516 |
| TOTAL EQUITY AND LIABILITIES | | 174,931,807 | 175,332,511 | 78,437,553 | 80,939,901 |

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

| | Note | Group | | Company | |
|---|------|----------------------|---------------|--------------------|-------------|
| | | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Revenue | 17 | 209,401,173 | 217,158,571 | 42,600,000 | 42,450,000 |
| Cost of sales | | (126,783,366) | (131,054,074) | - | - |
| Gross profit | | 82,617,807 | 86,104,497 | 42,600,000 | 42,450,000 |
| Other operating income | 18 | 4,988,006 | 5,540,261 | 245,745 | 205,995 |
| Administrative expenses | | 87,605,813 | 91,644,758 | 42,845,745 | 42,655,995 |
| Selling and distribution costs | | (22,228,078) | (15,786,394) | (1,464,848) | (1,403,915) |
| | | (980,782) | (1,224,676) | - | - |
| Profit from operations | | 64,396,953 | 74,633,688 | 41,380,897 | 41,252,080 |
| Finance costs | | (173,803) | (215,415) | - | - |
| Profit before taxation | 19 | 64,223,150 | 74,418,273 | 41,380,897 | 41,252,080 |
| Tax expense | 22 | (17,309,227) | (19,144,753) | (57,590) | (48,499) |
| Profit for the year | | 46,913,923 | 55,273,520 | 41,323,307 | 41,203,581 |
| Other comprehensive income | | - | - | - | - |
| Total comprehensive income for the year | | 46,913,923 | 55,273,520 | 41,323,307 | 41,203,581 |
| Earnings per share (sen) | | | | | |
| - Basic and diluted | 23 | 9.42 | 11.10 | | |
| Dividend per share (sen) | 24 | 8.80 | 8.00 | | |

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

| | Note | Non-distributable Share capital RM | Distributable Retained profits RM | Total equity RM |
|---|------|---|--|-----------------------|
| Group | | | | |
| At 1 October 2022 | | 68,836,509 | 55,736,224 | 124,572,733 |
| Total comprehensive income for the year | | – | 55,273,520 | 55,273,520 |
| Dividends | 24 | – | (39,835,804) | (39,835,804) |
| At 30 September 2023/1 October 2023 | | 68,836,509 | 71,173,940 | 140,010,449 |
| Total comprehensive income for the year | | – | 46,913,923 | 46,913,923 |
| Dividends | 24 | – | (43,819,385) | (43,819,385) |
| At 30 September 2024 | | 68,836,509 | 74,268,478 | 143,104,987 |
| Company | | | | |
| At 1 October 2022 | | 68,836,509 | 10,571,099 | 79,407,608 |
| Total comprehensive income for the year | | – | 41,203,581 | 41,203,581 |
| Dividends | 24 | – | (39,835,804) | (39,835,804) |
| At 30 September 2023/1 October 2023 | | 68,836,509 | 11,938,876 | 80,775,385 |
| Total comprehensive income for the year | | – | 41,323,307 | 41,323,307 |
| Dividends | 24 | – | (43,819,385) | (43,819,385) |
| At 30 September 2024 | | 68,836,509 | 9,442,798 | 78,279,307 |

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2024

| | Note | Group | | Company | |
|--|------|---------------------|--------------|-------------------|-------------|
| | | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| CASH FLOWS FROM/(USED IN) | | | | | |
| OPERATING ACTIVITIES | | | | | |
| Profit before taxation | | 64,223,150 | 74,418,273 | 41,380,897 | 41,252,080 |
| Adjustments for: | | | | | |
| Amortisation of intangible assets | 8 | 37,793 | 8,880 | - | - |
| Depreciation of investment properties | 5 | 162,616 | 153,216 | - | - |
| Depreciation of property, plant and equipment | 4 | 4,924,470 | 4,770,728 | - | - |
| Distribution income from money market instruments | 18 | (318,984) | (150,936) | - | - |
| Fair value gain on money market instruments | 18 | (174,346) | (298,280) | - | - |
| Unrealised loss/(gain) on foreign exchange | | 5,149,921 | (375,713) | - | - |
| Gain on disposal of property, plant and equipment | 18 | (7,500) | (49,500) | - | - |
| Dividend income | 18 | (8,214) | (31,293) | - | - |
| Interest income | 18 | (1,856,674) | (1,421,248) | (245,745) | (205,995) |
| Finance costs | | 173,803 | 215,415 | - | - |
| Operating profit before working capital changes | | 72,306,035 | 77,239,542 | 41,135,152 | 41,046,085 |
| (Increase)/decrease in inventories | | (291,500) | 3,603,689 | - | - |
| Decrease/(increase) in trade and other receivables | | 39,992 | (7,048,523) | 3,000,000 | (1,036,000) |
| Increase/(decrease) in trade and other payables | | 789,713 | (3,212,312) | (6,270) | 22,893 |
| Cash generated from operations | | 72,844,240 | 70,582,396 | 44,128,882 | 40,032,978 |
| Tax paid | | (21,101,650) | (15,399,694) | (57,000) | (57,000) |
| Interest paid | | (173,803) | (215,415) | - | - |
| Net cash generated from operating activities | | 51,568,787 | 54,967,287 | 44,071,882 | 39,975,978 |
| CASH FLOWS FROM/(USED IN) | | | | | |
| INVESTING ACTIVITIES | | | | | |
| Proceeds from disposal of property, plant and equipment | | 7,500 | 49,500 | - | - |
| Dividend received | | 8,214 | 31,293 | - | - |
| Interest received | | 1,856,674 | 1,421,247 | 245,745 | 205,995 |
| Distribution income received from money market instruments | | 318,984 | 150,936 | - | - |
| Uplift of fixed deposits pledged with a licensed bank | | - | 1,000,000 | - | - |
| Addition of investment property | | - | (824,460) | - | - |
| Purchase of intangible assets | | - | (351,700) | - | - |
| Purchase of property, plant and equipment | A | (10,569,813) | (4,075,466) | - | - |
| Net cash used in investing activities | | (8,378,441) | (2,598,650) | 245,745 | 205,995 |

STATEMENTS OF CASH FLOWS
(CONT'D)

| | Note | Group | | Company | |
|---|------|---------------------|--------------|---------------------|--------------|
| | | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| CASH FLOWS FROM/(USED IN) FINANCING ACTIVITY | | | | | |
| Dividends paid | | (43,819,385) | (39,835,804) | (43,819,385) | (39,835,804) |
| Net cash used in financing activity | | (43,819,385) | (39,835,804) | (43,819,385) | (39,835,804) |
| Net(decrease)/increase in cash and cash equivalents | | (629,039) | 12,532,833 | 498,242 | 346,169 |
| Fair value gain on money market instruments | | 174,346 | 298,280 | - | - |
| Effect of exchange rate changes | | (4,720,672) | (198,500) | - | - |
| Cash and cash equivalents at beginning of the year | | 74,404,617 | 61,772,004 | 8,977,549 | 8,631,380 |
| Cash and cash equivalents at end of the year | 12 | 69,229,252 | 74,404,617 | 9,475,791 | 8,977,549 |

NOTE**A. PURCHASE OF PROPERTY, PLANT AND EQUIPMENT**

| | 2024 RM | 2023 RM |
|---------------------------------------|--------------------|------------|
| Acquisition during the financial year | 14,037,795 | 4,075,466 |
| Less: Deposits and prepayments paid | (3,467,982) | - |
| Cash payment | 10,569,813 | 4,075,466 |

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 SEPTEMBER 2024

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”).

The Company is principally engaged as an investment holding company and carry on business of trading, importing, exporting, marketing, supplying and dealing in direct marketing multi level marketing, networking of all kinds of hoses and articles in connection therewith.

There have been no significant changes in the nature of these principal activities during the financial year.

The principal activities of the subsidiary and associate company are disclosed in Note 6 and 7 to the financial statements.

The registered office of the Company has changed from No. 7-1, Jalan 109F, Plaza Danau 2, Taman Danau Desa, 58100 Kuala Lumpur to E-10-4, Megan Evenue 1, 189, Jalan Tun Razak, 50400 Kuala Lumpur, Wilayah Persekutuan, Malaysia.

The principal place at which business is carried on is located at Plot No. 48, Jalan Johan 2/5, Kawasan Perindustrian Pengkalan II, Fasa II, 31550 Pusing, Perak Darul Ridzuan.

2. BASIS OF PREPARATION

The financial statements for the financial year ended 30 September 2024 have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act 2016 in Malaysia.

The financial statements have been prepared on the historical cost basis unless otherwise indicated in Note 3 to the financial statements.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia (“RM”), which is also the functional currency of the Group and of the Company.

The preparation of the financial statements in conformity with MFRSs requires the Director to make judgements, estimates and assumptions and that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and expenses and disclosure of contingent assets and contingent liabilities. The areas involving such judgements, estimates and assumptions are disclosed in Note 3(w) to the financial statements. Although these estimates and assumptions are based on the Director’s best knowledge of events and actions, actual results may differ from these estimates.

(a) MFRS and amendments to MFRSs that are effective and have been adopted in the current financial year

The following are MFRS and amendments to MFRSs that are effective and have been adopted by Group and the Company:

- MFRS 17, ‘Insurance Contracts’ and Amendments to MFRS 17, ‘Insurance Contracts’
- Amendments to MFRS 17, ‘Insurance Contracts’ – Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101, ‘Presentation of Financial Statements’- Disclosure of Accounting Policies
- Amendments to MFRS 108, ‘Accounting Policies, Changes in Accounting Estimates and Errors’ – Definition of Accounting Estimates
- Amendments to MFRS 112, ‘Income Taxes’ – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
- Amendments to MFRS 112, ‘Income Taxes’ – International Tax Reform – Pillar Two Model Rules

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

2. BASIS OF PREPARATION (CONT'D)

(a) MFRS and amendments to MFRSs that are effective and have been adopted in the current financial year (Cont'd)

The adoption of the above amendments to MFRSs did not have any significant effect on the financial statements of the Group and the Company and did not result in significant changes to the Group and the Company's existing accounting policies.

(b) MFRS and amendments to MFRSs that have been issued, but yet to be adopted

The following are MFRS and amendments to MFRSs that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective and have not been adopted by the Group and the Company:

(i) Effective for annual periods beginning on or after 1 January 2024

- Amendments to MFRS 16, 'Leases'- Lease liability in a Sale and Leaseback
- Amendments to MFRS 101, 'Presentation of Financial Statements'- Clarification of Liabilities as Current or Non-current
- Amendments to MFRS 101, 'Presentation of Financial Statements'- Non-current Liabilities with Covenants
- Amendments to MFRS 107, 'Statement of Cash Flows' and MFRS 7, 'Financial Instruments: Disclosures' - Supplier Finance Arrangements

(ii) Effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, 'The Effects of Changes in Foreign Exchange Rates' – Lack of Exchangeability

(iii) Effective for annual periods beginning on or after 1 January 2026

- Amendments to MFRS 9, 'Financial Instruments' and MFRS 7, 'Financial Instruments: Disclosures' – Amendments to the Classification and Measurement of Financial Instruments
- Annual improvements to MFRS Accounting Standards – Volume 11

(iv) 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'

(v) Deferred to a date to be determined by the MASB

- 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 to abovementioned MFRS and amendments to MFRSs, where applicable to the Group and the Company, from the beginning of the financial year where they become effective.

The initial application of above MFRS and amendments to MFRSs are not expected to have any material financial impacts to the current and prior period financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2024 (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Basis of Consolidation

i) Investment in subsidiaries

Subsidiary is consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

- (a) Power over the investee;
- (b) Exposure, or rights, to variable returns from its involvement with the investee; and
- (c) The ability to use its power over the investee to affect its returns.

If the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) The contractual arrangement with the other vote holders of the investee;
- (b) Rights arising from other contractual agreements; and
- (c) The voting rights and potential voting rights of the Company.

In the Company's separate financial statements, investment in subsidiary company is accounted for at cost less impairment losses, unless the investment is held for sale (accounted for in accordance with MFRS 5, 'Non-current Assets Held for Sale and Discontinued Operations'). The cost of investment includes transactions cost.

The policy for the recognition and measurement of impairment loss is in accordance with Note 3(i)(ii) to the financial statements. On disposal, the difference between the net disposal proceeds and its carrying amount is recognised as gain or loss on disposal in profit or loss.

ii) Business Combinations

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at the reporting date. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

Acquisition of subsidiary is accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with MFRS 9 Financial Instrument: Recognition and Measurement, either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it is not to be remeasured until it is finally settled within equity.

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(a) Basis of Consolidation (Cont'd)

ii) Business Combinations (Cont'd)

In business combinations achieved in stages (if any), previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

iii) Loss of control

Upon the loss of control of combining entity, the Group derecognised the assets and liabilities of the former combining entity, any non-controlling interests and the other components of equity related to the former combining entity from the combined statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former combining entity, then such interest is measured at fair value at the date the control ceases. Subsequently it is accounted for as an equity-accounted investee or as an equity instrument at fair value through other comprehensive income ("FVTOCI") depending on the level of influence retained.

iv) Transactions eliminated on combination

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full. Unrealised gains arising from transactions with associates and jointly controlled entity are eliminated against the investment to the extent of the interest of the Group in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no impairment. The consolidated financial statements reflect external transactions only.

(b) Investment in an Associate

An associate is an entity, in which the Company has a long-term equity interest and where it exercises significant influence over the financial and operation policies. Significant influence exists when the Group has the power to participate in the financial and operating policy decisions of the investee but has no control or joint control of those policies. This is normally (though not necessarily) accomplished when the Group, directly or indirectly through subsidiaries, holds 20 per cent or more of the voting rights of the investee.

When the Group's voting rights in an investee are less than 20 per cent, the Group assesses whether it has significant influence by examining all relevant facts and circumstances, including the existence of potential voting rights that are substantive, representation on the board of directors, participation in policy-making processes, material transactions between the Group and the investee, interchange of managerial personnel and provision of essential technical information.

NOTES TO THE FINANCIAL STATEMENTS
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3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(b) Investment in an Associate (Cont'd)

The Group may sometimes hold an insignificant equity interest in an investee to cement a trading relationship and is represented on the board of directors of the investee. If the Group's representation on the board of directors is solely for the purpose of protecting the value of the investment rather than participation in the policy decisions, the investee is not classified as an associate.

Investment in associate is accounted for in the consolidated financial statements using the equity method of accounting. Under the equity method, the investment in associate is carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the Group's share of net assets of the associate. The Group's share of the net profit or loss of the associate is recognised in profit or loss. Where there has been a change recognised directly in the equity of the associate company, the Group recognises its share of such changes. The Group's investment in associate includes goodwill identified on acquisition.

In applying the equity method, unrealised gains and losses on transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate. After application of the equity method, the Group determines whether it is necessary to recognise any additional impairment loss with respect to the Group's net investment in the associate. The associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate company.

When the Group's share of losses in an associate company equals or exceeds its interest in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate company, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate company.

In the Company's separate financial statements, investment in associate company is stated at cost less accumulated impairment losses.

On disposal of such investments, the differences between net disposal proceeds and their carrying amounts is included in profit or loss.

(c) Foreign Currencies

i) Functional and Presentation Currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

ii) Foreign Currency Transactions

Transactions in foreign currencies are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS
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(CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(c) Foreign Currencies (Cont'd)

ii) Foreign Currency Transactions (Cont'd)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(d) Property, Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation of property, plant and equipment begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Capital work-in-progress are not depreciated as the assets are not available for use. All other property, plant and equipment are depreciated by allocating the depreciable amount of a significant component or of an item over the remaining useful life.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

| | |
|----------------------------|---------------|
| Leasehold lands | 38 - 99 years |
| Factory buildings | 37 - 60 years |
| Electrical installation | 10% - 15% |
| Fire fighting installation | 10% - 15% |
| Furniture and fittings | 15% |
| Motor vehicles | 15% |
| Office equipment | 15% |
| Plant and machinery | 7% - 15% |
| Renovation | 2% |

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

Gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying amount of an asset, and is recognised in the statement of profit or loss and other comprehensive income.

Repairs and maintenance are charged to the profit or loss during the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
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(CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(e) Investment Properties

Investment properties are properties (land or a building, or part of a building, or both of land and building) which is held to earn rentals, or for capital appreciation or for both and is not used in the production or supply of goods or services or for administrative purposes, or sale in the ordinary course of business.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses.

Investment properties are depreciated on a straight-line basis over the estimated useful lives as follow:

| | |
|-----------------------------|---------------|
| Leasehold land and building | 35 - 72 years |
| Electrical installation | 10% |

Investment properties are derecognised when either they have been disposed or when the investment property is permanently withdrawn from use and no future economic benefit are expected from its disposal. Any gain or loss on the retirement or disposal of an investment properties are recognised in profit or loss in the year of retirement or disposal.

(f) Intangible assets

Intangible assets comprise trade marks for industrial hoses acquired that are considered to have finite useful life based on expiry date set by relevant local authority.

Intangible assets are initially stated at costs less accumulated amortisation and less accumulated impairment losses.

Trade marks with finite useful lives are amortised over the estimated useful lives of 9 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expenses on intangible assets with finite lives is recognised in profit or loss.

(g) Other investment

Other investment is carried at cost less impairment losses (if any). Where an indication of impairment exists, the carrying amount of other investment is assessed and written down immediately to its recoverable amount, in line with the accounting policies as set out in Note 3(i)(ii) to the financial statements.

On disposal of an investment, the difference between net disposal proceeds and its carrying amount is charged or credited into profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(h) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change their business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

a. Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. Gain and losses are recognised in profit or loss through the amortisation process and when the financial assets are impaired or derecognised.

b. Fair value through other comprehensive income

i. Debt investments

Fair value through other comprehensive income category comprises debt investment where it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the debt investment, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(h) Financial Instruments (Cont'd)

- (ii) Financial instrument categories and subsequent measurement (Cont'd)

Financial assets (Cont'd)

- b. Fair value through other comprehensive income (Cont'd)

- ii. Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income on initial recognition. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses arising from the changes in fair value are recognised in other comprehensive income and are not subsequently transferred to profit or loss. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

- c. Fair value through profit or loss ("FVTPL")

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes derivative financial assets (except for a derivative that is a designated and effective hedging instrument). On initial recognition, the Group and the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and meet the definition of a financial liability. The categories of financial liabilities at initial recognition are as follows:

- a. Fair value through profit or loss

Fair value through profit or loss category comprises financial liabilities that are derivatives (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument), contingent consideration in a business combination and financial liabilities that are specifically designated into this category upon initial recognition.

On initial recognition, the Group and the Company may irrevocably designate a financial liability as measure at fair value through profit or loss when permitted under the scope of MFRS 9 for embedded derivatives, or when doing so results in more relevant information, because either:

- i. if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise; or
- ii. a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the Group's key management personnel.

NOTES TO THE FINANCIAL STATEMENTS
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(CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(h) Financial Instruments (Cont'd)

(ii) Financial instrument categories and subsequent measurement (Cont'd)

Financial liabilities (Cont'd)

a. Fair value through profit or loss (Cont'd)

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

b. Amortised cost

Other financial liabilities not categorised as fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

(iii) Regular way purchase or sale of financial assets

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the settlement date, i.e. the date that the asset is delivered to or by the Group and the Company.

(iv) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees contracts issued are initially measured at their fair value and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the loss allowance determined in accordance with MFRS 9; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, Revenue from Contracts with Customers.

Liabilities arising from financial guarantees (if any) are presented together with other provisions.

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(h) Financial Instruments (Cont'd)

(v) Hedge accounting

At inception of a designated hedging relationship, the Group and the Company document the risk management objective and strategy for undertaking the hedge (if any). The Group and the Company will also document the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

The Group has stand-by foreign exchange forward contract to mitigate foreign currency risk, but remain unutilised throughout the financial year and previous financial years.

(vi) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred, or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(vii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group and the Company currently have a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

(i) Impairment

(i) Financial assets

The Group and the Company recognise impairment loss allowances for expected credit losses ("ECL") on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income, contract assets and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables, contract assets and lease receivables are always measured at an amount equal to lifetime expected credit loss.

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(i) Impairment (Cont'd)

(i) Financial assets (cont'd)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

An impairment loss in respect of financial assets is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine 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. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

(ii) Non-financial assets

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2024 (CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(i) Impairment (Cont'd)

(ii) Non-financial assets (cont'd)

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

(j) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a first-in first-out basis.
- Finished goods and work-in-progress: costs of raw materials, conversion cost of labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

(k) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits (if any).

(l) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

Distributions to holders of an equity instruments is recognised directly in equity.

(m) Provisions

Provisions are recognised when the Group and the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(n) Contract Liabilities

A contract liability is recognised if a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group satisfies performance obligation under the contract (i.e., transfers control of the related goods or services to the customer).

(o) Lease

All leases are accounted for by recognising a right-of-use asset and a lease liability except for leases of low value assets and short-term leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the incremental borrowing rate determined by reference to the rate inherent in the lease.

On initial recognition, the carrying value of the lease liability also includes amounts expected to be payable under any residual value guarantee, the exercise price of any purchase option granted in favour of The Group if it is reasonably certain to assess that option, and any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for lease payments made at or before commencement of the lease, initial direct costs incurred and the amount of any provision recognised where The Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset.

When the Group revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

For leases of low value assets and short-term leases, the Group applies the recognition exemption in accordance with applicable criteria of MFRS 16. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(p) Revenue and Other Income Recognition

Revenue is recognised when the Group and the Company satisfy a performance obligation by transferring a promised goods or service to customer, which is when the customer obtains control of the goods or service. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of tax, returns, rebates and discounts. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(p) Revenue and Other Income Recognition (Cont'd)

i) Manufacture of rubber hose and related product

Revenue from manufacture of rubber hose and related product with associated services (if any) is measured at the fair value of the receivable consideration and is recognised at point in time upon transfer of control of the goods to the customers. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods or cancellation of services.

ii) Dividend Income

Dividend income is recognised when the right to receive payment is established.

iii) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

iv) Rental Income

Rental income is accounted for on a straight-line basis over the leased terms.

(q) Employee Benefits

i) Short-term Benefits

Wages, salaries, paid annual leave, bonuses and social security contributions ("Socso") are recognised as expenses in the year in which the associated services are rendered by employees of the Group and the Company. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonus are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

ii) Defined Contribution Plans

The Group and the Company participate in the national pension schemes as defined by the laws of the countries in which it has operations. The Group and the Company make contributions to the Employee Provident Fund ("E.P.F.") in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(r) Taxes

i) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

ii) Deferred Tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(r) Taxes (Cont'd)

ii) Deferred Tax (Cont'd)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(s) Earnings per ordinary share ("EPS")

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, and the effects of all dilutive potential ordinary shares.

(t) Fair Value Measurement

Fair value of an asset or liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible.

Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(u) Segment Reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 31, including the factors used to identify the reportable segments and the measurement basis of segment information.

(v) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

(w) Significant Accounting Judgements and Estimates

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

i) Judgements Made in Applying Accounting Policies

In the process of preparing the financial statements, there were no significant judgements made in applying the accounting policies of the Group which may have significant effects on the amounts recognised in the financial statements, except as follow:

a) Classification between investment property and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 in making judgement whether a property qualifies as an investment property. Investment property is property held to earn rentals or for capital appreciation or both.

ii) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) Inventories costing

In determining the costing of inventories, management's judgement is required in determining the basis of valuation for finished goods and work-in-progress which comprise cost of raw materials, direct labour, other direct costs, and the appropriate allocation of overheads based on normal operating capacity.

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

(w) Significant Accounting Judgements and Estimates (Cont'd)

ii) Key Sources of Estimation Uncertainty (Cont'd)

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. (cont'd)

b) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's and the Company's financial assets at the reporting date is disclosed in Note 29(a) to the financial statements.

c) Estimated useful lives of assets

The cost of property, plant and equipment, investment properties and intangible assets are depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these assets based on expected usage level and current conditions of the assets with proper maintenance schedule, therefore future depreciation charges could be revised.

d) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the year in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT

| | As at 01.10.2023 RM | Additions RM | Disposal/ Written off RM | As at 30.09.2024 RM |
|---------------------------------|---------------------------|-------------------|--------------------------------|------------------------------------|
| Group | | | | |
| COST | | | | |
| Leasehold lands | 10,907,715 | - | - | 10,907,715 |
| Factory buildings | 26,583,601 | 264,849 | - | 26,848,450 |
| Electrical installation | 6,385,765 | 162,000 | - | 6,547,765 |
| Fire fighting installation | 2,652,297 | 400,000 | - | 3,052,297 |
| Furniture and fittings | 675,255 | 14,871 | - | 690,126 |
| Motor vehicles | 2,780,861 | 632,671 | (454,255) | 2,959,277 |
| Office equipment | 805,702 | 86,149 | - | 891,851 |
| Plant and machinery | 77,131,691 | 4,338,046 | - | 81,469,737 |
| Renovation | 63,884 | 2,665,069 | - | 2,728,953 |
| Capital work-in-progress | 2,465,576 | 5,474,140 | - | 7,939,716 |
| | 130,452,347 | 14,037,795 | (454,255) | 144,035,887 |
| ACCUMULATED DEPRECIATION | | | | |
| Leasehold lands | 1,892,711 | 182,456 | - | 2,075,167 |
| Factory buildings | 6,772,973 | 540,400 | - | 7,313,373 |
| Electrical installation | 5,728,645 | 360,764 | - | 6,089,409 |
| Fire fighting installation | 2,281,621 | 191,724 | - | 2,473,345 |
| Furniture and fittings | 576,846 | 38,704 | - | 615,550 |
| Motor vehicles | 2,250,186 | 258,338 | (454,255) | 2,054,269 |
| Office equipment | 718,942 | 32,413 | - | 751,355 |
| Plant and machinery | 63,593,847 | 3,318,396 | - | 66,912,243 |
| Renovation | 5,169 | 1,275 | - | 6,444 |
| | 83,820,940 | 4,924,470 | (454,255) | 88,291,155 |
| | | | | As at 30.09.2024 RM |
| NET CARRYING AMOUNT | | | | |
| Leasehold lands | | | | 8,832,548 |
| Factory buildings | | | | 19,535,077 |
| Electrical installation | | | | 458,356 |
| Fire fighting installation | | | | 578,952 |
| Furniture and fittings | | | | 74,576 |
| Motor vehicles | | | | 905,008 |
| Office equipment | | | | 140,496 |
| Plant and machinery | | | | 14,557,494 |
| Renovation | | | | 2,722,509 |
| Capital work-in-progress | | | | 7,939,716 |
| | | | | 55,744,732 |

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

| | As at 01.10.2022 RM | Additions RM | Disposal/ Written off RM | As at 30.09.2023 RM |
|---------------------------------|---------------------------|-----------------|--------------------------------|------------------------------------|
| Group | | | | |
| COST | | | | |
| Leasehold lands | 10,907,715 | - | - | 10,907,715 |
| Factory buildings | 26,583,601 | - | - | 26,583,601 |
| Electrical installation | 6,385,765 | - | - | 6,385,765 |
| Fire fighting installation | 2,652,297 | - | - | 2,652,297 |
| Furniture and fittings | 652,955 | 22,300 | - | 675,255 |
| Motor vehicles | 2,695,861 | 85,000 | - | 2,780,861 |
| Office equipment | 791,403 | 14,299 | - | 805,702 |
| Plant and machinery | 75,902,850 | 1,488,291 | (259,450) | 77,131,691 |
| Renovation | 63,884 | - | - | 63,884 |
| Capital work-in-progress | - | 2,465,576 | - | 2,465,576 |
| | 126,636,331 | 4,075,466 | (259,450) | 130,452,347 |
| ACCUMULATED DEPRECIATION | | | | |
| Leasehold lands | 1,710,255 | 182,456 | - | 1,892,711 |
| Factory buildings | 6,234,350 | 538,623 | - | 6,772,973 |
| Electrical installation | 5,375,967 | 352,678 | - | 5,728,645 |
| Fire fighting installation | 2,106,052 | 175,569 | - | 2,281,621 |
| Furniture and fittings | 539,533 | 37,313 | - | 576,846 |
| Motor vehicles | 2,019,149 | 231,037 | - | 2,250,186 |
| Office equipment | 687,214 | 31,728 | - | 718,942 |
| Plant and machinery | 60,633,251 | 3,220,046 | (259,450) | 63,593,847 |
| Renovation | 3,891 | 1,278 | - | 5,169 |
| | 79,309,662 | 4,770,728 | (259,450) | 83,820,940 |
| | | | | As at 30.09.2023 RM |
| NET CARRYING AMOUNT | | | | |
| Leasehold lands | | | | 9,015,004 |
| Factory buildings | | | | 19,810,628 |
| Electrical installation | | | | 657,120 |
| Fire fighting installation | | | | 370,676 |
| Furniture and fittings | | | | 98,409 |
| Motor vehicles | | | | 530,675 |
| Office equipment | | | | 86,760 |
| Plant and machinery | | | | 13,537,844 |
| Renovation | | | | 58,715 |
| Capital work-in-progress | | | | 2,465,576 |
| | | | | 46,631,407 |

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(i) The carrying amount of leasehold land and building of the Group pledged to secure bank borrowings facilities amounted to RM15,088,549 (2023: RM15,237,180).

(ii) The depreciation was charged to profit or loss as follow:

| | Group | |
|-------------------------|------------------|------------------|
| | 2024 RM | 2023 RM |
| Factory overheads | 4,595,020 | 4,470,650 |
| Administrative expenses | 329,450 | 300,078 |
| | 4,924,470 | 4,770,728 |

(iii) Included in property, plant and equipment of the Group are fully depreciated property, plant and equipment, which are still in use, at cost as follows:

| | Group | |
|----------------------------|-------------------|-------------------|
| | 2024 RM | 2023 RM |
| Electrical installation | 2,913,145 | 2,858,985 |
| Fire fighting installation | 1,008,222 | 1,001,382 |
| Furniture and fittings | 432,974 | 419,236 |
| Motor vehicles | 1,263,185 | 1,348,777 |
| Office equipment | 662,670 | 601,362 |
| Plant and machinery | 43,163,448 | 41,182,512 |
| | 49,443,644 | 47,412,254 |

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(iv) Information on right-of-use assets are as follow:

| | Leasehold lands RM | Factory buildings RM | Total RM |
|--|--------------------------|----------------------------|-------------------|
| Group COST | | | |
| At 1 October 2022/30 September 2023/ 1 October 2023 | 10,907,715 | 26,583,601 | 37,491,316 |
| Addition during the year | - | 264,849 | 264,849 |
| At 30 September 2024 | 10,907,715 | 26,848,450 | 37,756,165 |
| ACCUMULATED DEPRECIATION | | | |
| At 1 October 2022 | 1,710,255 | 6,234,350 | 7,944,605 |
| Charge for the year | 182,456 | 538,623 | 721,079 |
| At 30 September 2023/1 October 2023 | 1,892,711 | 6,772,973 | 8,665,684 |
| Charge for the year | 182,456 | 540,400 | 722,856 |
| At 30 September 2024 | 2,075,167 | 7,313,373 | 9,388,540 |
| NET CARRYING AMOUNT | | | |
| At 30 September 2024 | 8,832,548 | 19,535,077 | 28,367,625 |
| At 30 September 2023 | 9,015,004 | 19,810,628 | 28,825,632 |

The following are the amounts recognised in profit or loss:

| | Group | |
|-------------------------------------|----------------|------------|
| | 2024 RM | 2023 RM |
| Depreciation of right-of-use assets | 722,856 | 721,079 |
| Lease expenses: | | |
| - Short term leases | 482 | 1,416 |
| - Low value assets | 3,879 | 12,256 |
| | 727,217 | 734,751 |

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

5. INVESTMENT PROPERTIES

| | As at 1.10.2023 RM | Additions RM | As at 30.09.2024 RM |
|---------------------------------|--------------------------|------------------------------|---------------------------|
| Group COST | | | |
| Leasehold lands | 3,330,094 | - | 3,330,094 |
| Factory buildings | 2,150,786 | - | 2,150,786 |
| | 5,480,880 | - | 5,480,880 |
| | | | |
| | As at 1.10.2023 RM | Charge for the year RM | As at 30.09.2024 RM |
| ACCUMULATED DEPRECIATION | | | |
| Leasehold lands | 304,335 | 87,816 | 392,151 |
| Factory buildings | 179,337 | 74,800 | 254,137 |
| | 483,672 | 162,616 | 646,288 |
| | | | |
| | | | As at 30.09.2024 RM |
| NET CARRYING AMOUNT | | | |
| Leasehold lands | | | 2,937,943 |
| Factory buildings | | | 1,896,649 |
| | | | 4,834,592 |

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

5. INVESTMENT PROPERTIES (CONT'D)

| | As at 1.10.2022 RM | Additions RM | As at 30.09.2023 RM |
|---------------------------------|--------------------------|------------------------------|---------------------------|
| Group COST | | | |
| Leasehold land | 2,829,733 | 500,361 | 3,330,094 |
| Factory building | 1,826,687 | 324,099 | 2,150,786 |
| | 4,656,420 | 824,460 | 5,480,880 |
| | | | |
| | As at 1.10.2022 RM | Charge for the year RM | As at 30.09.2023 RM |
| ACCUMULATED DEPRECIATION | | | |
| Leasehold land | 222,335 | 82,000 | 304,335 |
| Factory building | 108,121 | 71,216 | 179,337 |
| | 330,456 | 153,216 | 483,672 |
| | | | |
| | | | As at 30.09.2023 RM |
| NET CARRYING AMOUNT | | | |
| Leasehold land | | | 3,025,759 |
| Factory building | | | 1,971,449 |
| | | | 4,997,208 |

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

5. INVESTMENT PROPERTIES (CONT'D)

Investment properties of the Group comprise of a leasehold land and building which is being leased to associate company. The lease is for a non-cancellable period with future minimum lease payments and amount recognised in profit or loss as follow:

| | 2024 RM | 2023 RM |
|--|----------------|------------|
| Not later than one year | 188,123 | 143,748 |
| More than one year and less than five years | 15,000 | - |
| | 203,123 | 143,748 |
| Recognised in profit or loss: Rental income | 316,871 | 274,428 |

Fair value of investment properties are as follows:

| | Group | |
|-------------------------------|------------|------------|
| | 2024 RM | 2023 RM |
| Leasehold lands and buildings | 5,600,000 | 5,600,000 |

The fair value disclosure of investment properties was estimated by the management and categorised in Level 3 of the fair value hierarchy. Level 3 fair values of land and buildings have been generally derived using the estimated selling price of comparable properties in close proximity that are adjusted for differences in key attributes such as property size.

6. INVESTMENT IN SUBSIDIARY COMPANY

| | Company | |
|--------------------------|------------|------------|
| | 2024 RM | 2023 RM |
| Unquoted shares, at cost | 57,540,803 | 57,540,803 |

The details of subsidiary company is as follow:

| Company name | Country of incorporation | Principal activity | Effective equity interest | |
|-----------------------------|--------------------------|--|---------------------------|------|
| | | | 2024 | 2023 |
| Wellcall Hose (M) Sdn. Bhd. | Malaysia | Manufacturing of rubber hose and related products, property investment and other related activities. | 100% | 100% |

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

7. INVESTMENT IN ASSOCIATE COMPANY

| | Group | | Company | |
|---|--------------------|-------------|--------------------|-------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Unquoted shares, at cost | 4,419,648 | 4,419,648 | 4,419,648 | 4,419,648 |
| Share of post-acquisition losses [^] | (1,523,934) | (1,523,934) | - | - |
| Less: Accumulated impairment losses | (2,895,714) | (2,895,714) | (4,419,648) | (4,419,648) |
| | - | - | - | - |

[^] The Group has ceased to recognise the share of losses from associate during the financial year as the investment in associate has fully impaired with Nil carrying amount in previous financial year.

The movement in accumulated impairment losses on investment in associates are as follows:

| | Group | | Company | |
|----------------------------|------------------|------------|------------------|------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| At 1 October/ 30 September | 2,895,714 | 2,895,714 | 4,419,648 | 4,419,648 |

The details of associate company is as follow:

| Company name | Country of incorporation | Principal activity | Effective equity interest | |
|---|--------------------------|--|---------------------------|------|
| | | | 2024 | 2023 |
| *Trelleborg Wellcall Sdn. Bhd. ("TWSB") | Malaysia | Manufacturing, marketing and sale of composite hose and fittings | 49% | 49% |

* Audited by other firm of auditors.

The financial year end of TWSB is non-coterminous with the Group. For the purpose of applying the equity method of accounting, the unaudited financial information for period from 1 October 2023 to 30 September 2024 has been used.

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

7. INVESTMENT IN ASSOCIATE COMPANY (CONT'D)

The summarised financial information of the associate company, not adjusted for the proportion of equity interest held by the Company, is as follows:

| | TWSB | |
|---|------------|-------------|
| | 2024 RM | 2023 RM |
| Assets and liabilities | | |
| Non-current assets | 337,140 | 4,027,755 |
| Current assets | 4,952,906 | 2,417,413 |
| <hr/> | | |
| Total assets | 5,290,046 | 6,445,168 |
| Non-current liabilities | (801,000) | (1,111,477) |
| Current liabilities | (375,535) | (546,608) |
| <hr/> | | |
| Net assets attributable to owners of TWSB | 4,113,511 | 4,787,083 |
| <hr/> | | |
| Financial results | | |
| Revenue | 1,161 | 496,736 |
| <hr/> | | |
| Profit/(Loss) before tax | (895,572) | (1,122,367) |
| Taxation | 222,000 | - |
| <hr/> | | |
| Net losses for the year [^] | (673,572) | (1,122,367) |

[^] The Group has ceased to recognise the share of losses from associate during the financial year as the investment in associate has fully impaired with Nil carrying amount in previous financial year.

8. INTANGIBLE ASSETS

| | As at 1.10.2023 RM | Additions RM | As at 30.09.2024 RM |
|---------------------------------|---------------------------|------------------------------|---------------------------|
| Group COST | | | |
| Trade marks | 351,700 | - | 351,700 |
| <hr/> | | | |
| | As at 1.10.2023 RM | Charge for the year RM | As at 30.09.2024 RM |
| ACCUMULATED DEPRECIATION | | | |
| Trade marks | 8,880 | 37,793 | 46,673 |
| <hr/> | | | |
| | As at 30.09.2024 RM | | |
| NET CARRYING AMOUNT | | | |
| Trade marks | 305,027 | | |

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

8. INTANGIBLE ASSETS (CONT'D)

| | As at 1.10.2022 RM | Additions RM | As at 30.09.2023 RM |
|---------------------------------|--------------------------|-----------------|---------------------------|
| Group COST | | | |
| Trade marks | - | 351,700 | 351,700 |
| ACCUMULATED DEPRECIATION | | | |
| Trade marks | - | 8,880 | 8,880 |
| NET CARRYING AMOUNT | | | |
| Trade marks | | | 342,820 |

9. OTHER INVESTMENT

| | Group | |
|--------------------------------------|------------|------------|
| | 2024 RM | 2023 RM |
| Unquoted shares in Malaysia, at cost | 10,000 | 10,000 |

10. INVENTORIES

| | Group | |
|---|-------------------|-------------------|
| | 2024 RM | 2023 RM |
| At cost: | | |
| Raw materials | 15,201,513 | 12,502,165 |
| Work-in-progress | 5,153,697 | 5,053,770 |
| Finished goods | 5,390,956 | 7,898,731 |
| | 25,746,166 | 25,454,666 |
| Recognised in profit or loss: | | |
| Inventories recognised as cost of sales | 81,740,979 | 87,263,253 |

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

11. TRADE AND OTHER RECEIVABLES

| | Group | | Company | |
|--|-------------------|------------|-------------------|------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Trade receivables (Note (a)) | 13,758,547 | 17,965,941 | - | - |
| Amount due from subsidiary company (Note(b)) | - | - | 11,400,000 | 14,400,000 |
| Amount due from associate company (Note (c)) | 26,354 | 464,855 | - | - |
| Other receivables | 44,215 | 77,107 | - | - |
| Deposits | 3,231,422 | 31,140 | - | - |
| Prepayments (Note (d)) | 1,980,541 | 4,931,201 | - | - |
| | 19,041,079 | 23,470,244 | 11,400,000 | 14,400,000 |

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2023: 30 to 90 days) term. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

| | Group | |
|-------------------------------|-------------------|------------|
| | 2024 RM | 2023 RM |
| Neither past due nor impaired | 9,010,563 | 14,053,485 |
| Due but not impaired | | |
| 1 - 30 days | 3,224,880 | 1,798,435 |
| 31 - 60 days | 1,464,576 | 1,799,821 |
| 61 - 90 days | 52,429 | 314,200 |
| 91 days and above | 6,099 | - |
| | 4,747,984 | 3,912,456 |
| | 13,758,547 | 17,965,941 |

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM4,747,984 (2023: RM3,912,456) that are past due at the reporting date but not impaired. Based on historical payment received, the Group believes that no impairment allowance is necessary. These receivables are unsecured.

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Amount Due from a Subsidiary Company

This amount represents dividend receivable and payment made on behalf to the subsidiary company, which is unsecured, non-interest bearing and is receivable on demand in cash and cash equivalents.

(c) Amount Due from an Associate Company

This amount represents rental income receivable and payment made on behalf of associate company, which is unsecured, non-interest bearing and is receivable on demand in cash and cash equivalents.

(d) Deposits of the Group mainly consist of the following:

(i) Acquisition of three pieces of leasehold lands

On 3 September 2024, the Group entered in to a sales and purchase agreement ("SPA") to acquire three pieces of leasehold industrial land at district of Kinta, Perak at the purchase price of RM32,000,000 and paid a 10% deposit of RM3,200,000.

The completion of acquisition is subject to terms and conditions ("T&C") as stipulated in the SPA including extension of lease terms attached to the lands from relevant authority.

As to the date of this report, the acquisition has yet to be completed as the T&C has yet to be fulfilled.

12. CASH AND CASH EQUIVALENTS

| | Group | | Company | |
|--|-------------------|-------------------|------------------|------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| <u>At amortised cost:</u> | | | | |
| Cash in hand and at banks | 38,208,035 | 42,726,730 | 175,791 | 727,549 |
| Deposits with licensed banks | 16,100,000 | 17,250,000 | 9,300,000 | 8,250,000 |
| | 54,308,035 | 59,976,730 | 9,475,791 | 8,977,549 |
| <u>At fair value through profit or loss:</u> | | | | |
| Cash management funds | 14,921,217 | 14,427,887 | - | - |
| | 69,229,252 | 74,404,617 | 9,475,791 | 8,977,549 |

(a) Deposits with licensed banks

Deposits with licensed banks comprise of fixed deposits and short-term deposits.

At the end of the financial year, the remaining fixed deposits and short-term deposits earned interest rates ranging from 2.40% to 3.00% (2023: 2.70% to 3.60%) per annum and have average maturities of 14 to 90 days (2023: 30 to 90 days).

(b) Cash management funds

Cash management funds represent investment in unit trust funds that invest only in low risk, high liquid short term money market instruments. Distribution income from these funds is recognised as other income.

Cash management funds are valued with reference to the quoted net asset value of the underlying funds as at the reporting date. The fair value of the funds is classified under Level 1 of the fair value hierarchy.

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13. SHARE CAPITAL

| | Group and Company | | | |
|---------------------------|---------------------------|-------------|-------------------|------------|
| | Number of ordinary shares | | Amount | |
| | 2024 | 2023 | 2024 RM | 2023 RM |
| Issued and fully paid up: | | | | |
| Ordinary shares | 497,947,555 | 497,947,555 | 68,836,509 | 68,836,509 |

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

14. RESERVES

| | Group | | Company | |
|------------------|-------------------|------------|------------------|------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Retained profits | 74,268,478 | 71,173,940 | 9,442,798 | 11,938,876 |

15. DEFERRED TAXATION

| | Group | |
|---|------------------|------------|
| | 2024 RM | 2023 RM |
| At beginning of year | 4,265,667 | 4,612,698 |
| Transfer to statement of profit or loss (Note 22) | (319,788) | (347,031) |
| At end of year | 3,945,879 | 4,265,667 |
| The deferred tax liabilities recognised is in respect of the following: | | |
| - Temporary difference between depreciation and capital allowance | 3,945,879 | 4,265,667 |

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16. TRADE AND OTHER PAYABLES

| | Group | | Company | |
|----------------------------------|-------------------|------------|----------------|------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Trade payables | 7,587,570 | 6,821,311 | - | - |
| Other payables | 1,949,006 | 2,912,201 | 15,329 | 21,599 |
| Advances received from customers | 5,571,482 | 6,299,570 | - | - |
| Deposit received | 42,000 | 36,000 | - | - |
| Accruals | 9,680,501 | 8,463,707 | 142,917 | 142,917 |
| | 24,830,559 | 24,532,789 | 158,246 | 164,516 |

(a) Trade payables

Trade payables are non-interest bearing and are normally settled on 30 to 60 days (2023: 30 to 60 days) term. Other credit terms are assessed and approved on a case- by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade payables is an amount of RM1,032,107 (2023: RM765,839) due to a corporation in which certain directors have interest. These balances arose from normal trade transactions.

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of 90 days (2023: 90 days) term.

(c) Advances received from customers

Advances received from customers represent contract liabilities recognised for prepayment made by oversea customers at the end of each reporting year. These amounts are recognised as revenue upon delivery of the related goods or services to the customers subsequent to the year end.

The Group applies the practical expedient in MFRS 15 'Revenue from Contract with Customers' on not disclosing the aggregate amount of the revenue expected to be recognised in the future as the performance obligation is part of a Contract that has original expected duration of less than one year.

17. REVENUE

| | Group | | Company | |
|---|--------------------|-------------|-------------------|------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Dividend income from subsidiary | - | - | 42,600,000 | 42,450,000 |
| Manufacture of rubber hose and related products: | | | | |
| - Sales of goods | 205,511,399 | 214,429,339 | - | - |
| - Associated services | 3,889,774 | 2,729,232 | - | - |
| | 209,401,173 | 217,158,571 | 42,600,000 | 42,450,000 |
| Timing of recognition: | | | | |
| At a point in time | 209,401,173 | 217,158,571 | 42,600,000 | 42,450,000 |

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18. OTHER OPERATING INCOME

| | Group | | Company | |
|--|------------------|------------|----------------|------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Distribution income from money market instruments at FVTPL | 318,984 | 150,936 | - | - |
| Dividend income from other investment | 8,214 | 31,293 | - | - |
| Fair value gain on money market instruments at FVTPL | 174,346 | 298,280 | - | - |
| Gain on disposal of property, plant and equipment | 7,500 | 49,500 | - | - |
| Interest income from deposits with licensed banks | 1,856,674 | 1,421,248 | 245,745 | 205,995 |
| Rental income | 378,506 | 327,296 | - | - |
| Gain on foreign exchange | - | | | |
| - Realised | 2,018,473 | 2,499,081 | - | - |
| - Unrealised | - | 375,713 | - | - |
| Other income | 225,309 | 386,914 | - | - |
| | 4,988,006 | 5,540,261 | 245,745 | 205,995 |

19. PROFIT BEFORE TAXATION

The following items have been included in arriving at profit before taxation:

| | Group | | Company | |
|--|-------------------|------------|----------------|------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Profit before taxation is arrived at after charging: | | | | |
| Auditors' remuneration | | | | |
| - Statutory audit services | 125,000 | 125,000 | 50,000 | 50,000 |
| - Other services | 6,000 | 6,000 | 6,000 | 6,000 |
| - Underprovision in prior year | - | - | - | - |
| Amortisation of intangible assets | 37,793 | 8,880 | - | - |
| Depreciation of investment property | 162,616 | 153,216 | - | - |
| Depreciation of property, plant and equipment | 4,924,470 | 4,770,728 | - | - |
| Directors' remuneration (Note 21) | 9,482,427 | 9,577,629 | 753,000 | 732,417 |
| Employee benefits expenses (Note 20) | 18,022,931 | 17,330,749 | - | - |
| Lease expenses (Note 4(iv)) | 4,361 | 13,672 | - | - |
| Unrealised loss on foreign exchange | 5,149,921 | - | - | - |

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20. EMPLOYEE BENEFITS EXPENSES

| | Group | |
|--|-------------------|-------------------|
| | 2024 RM | 2023 RM |
| Salaries, wages, bonus and others | 16,845,240 | 16,213,890 |
| E.P.F. | 947,655 | 907,747 |
| E.I.S. | 12,294 | 11,944 |
| Socso | 217,742 | 197,168 |
| | 18,022,931 | 17,330,749 |
| Employee benefits expenses recognised in line item of profit or loss: | | |
| - Cost of sales | 14,573,484 | 14,210,107 |
| - Administrative expenses | 3,449,447 | 3,120,642 |
| | 18,022,931 | 17,330,749 |

21. DIRECTORS' REMUNERATION

| | Group | | Company | |
|---------------------------------|------------------|------------------|----------------|----------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Executive Directors: | | | | |
| Remuneration | 3,180,000 | 3,180,000 | - | - |
| Allowance | 112,000 | 112,000 | - | - |
| Bonus | 4,708,722 | 4,846,225 | - | - |
| E.P.F. | 204,902 | 183,684 | - | - |
| E.I.S. | 238 | 238 | - | - |
| Socso | 3,565 | 3,565 | - | - |
| | 8,209,427 | 8,325,712 | - | - |
| Non-executive Directors: | | | | |
| Fees | 1,178,000 | 1,173,417 | 668,000 | 663,417 |
| Allowance | 95,000 | 78,500 | 85,000 | 69,000 |
| | 1,273,000 | 1,251,917 | 753,000 | 732,417 |
| | 9,482,427 | 9,577,629 | 753,000 | 732,417 |

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22. TAX EXPENSE

| | Group | | Company | |
|---------------------------------|------------|------------|------------|------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| - Current year | 17,407,954 | 19,221,919 | 57,573 | 48,313 |
| - Underprovision in prior years | 221,061 | 269,865 | 17 | 186 |
| | 17,629,015 | 19,491,784 | 57,590 | 48,499 |
| Deferred taxation (Note 15) | (319,788) | (347,031) | - | - |
| | 17,309,227 | 19,144,753 | 57,590 | 48,499 |

The reconciliation between tax expense applicable to profit before tax at the statutory tax rates to tax expense at effective tax rate of the Group and of the Company are as follows:

| | Group | | Company | |
|--|------------|------------|--------------|--------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Profit before tax | 64,223,150 | 74,418,273 | 41,380,897 | 41,252,080 |
| Taxation at Malaysian statutory tax rate of 24% | 15,413,556 | 17,860,386 | 9,931,415 | 9,900,499 |
| Income not subject to tax | (118,046) | (237,084) | (10,224,000) | (10,188,000) |
| Non-deductible expenses | 1,792,656 | 1,251,586 | 350,158 | 335,814 |
| Underprovision of income tax in prior years | 221,061 | 269,865 | 17 | 186 |
| | 17,309,227 | 19,144,753 | 57,590 | 48,499 |

23. EARNINGS PER SHARE

(a) Basic Earnings Per Share

Basic earnings per share is calculated by dividing profit attributable to equity holders by the weighted average amount of ordinary shares issued during the financial year.

| | Group | |
|---|-------------|-------------|
| | 2024 | 2023 |
| Profit for the year attributable to equity holders of the Company (RM) | 46,913,923 | 55,273,520 |
| Weighted average number of shares in issue | 497,947,555 | 497,947,555 |
| Basic earnings per share (sen) | 9.42 | 11.10 |

(b) Dilutive Earnings Per Share

There were no dilutive potential equity instruments in issue as at each financial year end that have dilutive effect to the earnings per share of the Group.

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24. DIVIDENDS

During the financial year, the Company declared and paid dividends as follows:

| | 2024 | | 2023 | |
|---|----------------------------------|-------------------|----------------------------------|-------------------|
| | Net dividend per share Sen | Amount RM | Net dividend per share Sen | Amount RM |
| Fourth/special interim single tier dividend paid | 2.80 | 13,942,532 | 2.60 | 12,946,636 |
| First single tier dividend paid | 2.00 | 9,958,951 | 1.40 | 6,971,266 |
| Second single tier dividend paid | 2.00 | 9,958,951 | 1.80 | 8,963,056 |
| Third single tier dividend paid | 2.00 | 9,958,951 | 2.20 | 10,954,846 |
| Total | 8.80 | 43,819,385 | 8.00 | 39,835,804 |

Subsequent to the financial year, a fourth single tier dividend of 1.20 sen per share on 497,947,555 ordinary shares amounted to RM5,975,371 and a special interim dividend of 1.00 sen per share on 497,947,555 ordinary shares amounted to RM4,979,476 in respect of the financial year ended 30 September 2024 was declared on 28 November 2024 and paid on 20 December 2024. This dividend has not been accounted for in the financial statements.

25. CAPITAL COMMITMENTS

| | Group | |
|---|------------|------------|
| | 2024 RM | 2023 RM |
| Approved and contracted for: | | |
| - Construction of additional warehouse building | 384,972 | 969,593 |
| - Purchase of new plant and machineries | 261,800 | 4,029,564 |

26. FAIR VALUE INFORMATION

a) Financial Instruments not Carried at Fair Value

The fair values of the financial instruments of the Group and of the Company which are maturing within the next twelve months approximately their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

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26. FAIR VALUE INFORMATION (CONT'D)

b) Financial Instruments Carried at Fair Value

Fair value of financial instruments that are measured at fair value in the statements of financial position at the end of the reporting period are as follows:

| | Fair value | | | Carrying amount RM |
|---------------------------------------|---------------|---------------|---------------|--------------------------|
| | Level 1 RM | Level 2 RM | Level 3 RM | |
| Group | | | | |
| At fair value through profit or loss: | | | | |
| 2024 | | | | |
| Cash and cash equivalents | | | | |
| - Cash management funds | 14,921,217 | - | - | 14,921,217 |
| 2023 | | | | |
| Cash and cash equivalents | | | | |
| - Cash management funds | 14,427,887 | - | - | 14,427,887 |

27. SIGNIFICANT RELATED PARTY TRANSACTION

a) Compensation of key management personnel

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

The remuneration of key management personnel of the Group and of the Company during the financial year and the comparative prior year are as follows:

| | Group | | Company | |
|--------------------------------------|------------|------------|------------|------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Directors (Note 21) | 9,482,427 | 9,577,629 | 753,000 | 732,417 |
| Other key management personnel: | | | | |
| Remuneration, Allowance And Bonus | 1,358,325 | 1,281,140 | - | - |
| Statutory payment | 154,524 | 146,920 | - | - |
| | 1,512,849 | 1,428,060 | - | - |
| | 10,995,276 | 11,005,689 | 753,000 | 732,417 |

b) Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transaction between the Group and related party took place at terms agreed between the parties during the financial year:

| | Group | |
|--|------------|------------|
| | 2024 RM | 2023 RM |
| Rental of factory | 301,871 | 274,428 |
| Sub-contract services for topping of nylon cord on hoses | 5,244,503 | 4,046,123 |

The significant related parties are Trelleborg Wellcall Sdn. Bhd., the associate company and Global Rubber Industry (M) Sdn. Bhd. in which certain executive directors of the Company have either common directorship or/and substantial equity interest.

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28. FINANCIAL INSTRUMENTS

a) Classification of financial instruments

The Group and the Company financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The material accounting policy information in Note 3 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised.

The table below provides an analysis of financial instruments categorised under MFRS 9 as follows:

- (i) Amortised cost (“AC”); and
(ii) Fair value through profit or loss (“FVTPL”)

| | Carrying amount RM | AC RM | FVTPL RM |
|---|--------------------------|------------|-------------|
| Group | | | |
| 2024 | | | |
| Financial assets | | | |
| Other investments | 10,000 | 10,000 | - |
| Trade and other receivables (excluding prepayment) | 17,060,538 | 17,060,538 | - |
| Cash and cash equivalents | 69,229,252 | 54,308,035 | 14,921,217 |
| Financial liabilities | | | |
| Trade and other payables (excluding advances received from customer) | 19,259,077 | 19,259,077 | - |
| 2023 | | | |
| Financial assets | | | |
| Other investments | 10,000 | 10,000 | - |
| Trade and other receivables (excluding prepayment) | 18,539,043 | 18,539,043 | - |
| Cash and cash equivalents | 74,404,617 | 59,976,730 | 14,427,887 |
| Financial liabilities | | | |
| Trade and other payables (excluding advances received from customer) | 18,233,219 | 18,233,219 | - |

NOTES TO THE FINANCIAL STATEMENTS
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28. FINANCIAL INSTRUMENTS (CONT'D)

a) Classification of financial instruments (Cont'd)

The table below provides an analysis of financial instruments categorised under MFRS 9 as follows:

- (i) Amortised cost ("AC"); and
- (ii) Fair value through profit or loss ("FVTPL")

Company

2024

Financial assets

| | | | |
|-----------------------------|------------|------------|---|
| Trade and other receivables | 11,400,000 | 11,400,000 | - |
| Cash and cash equivalents | 9,475,791 | 9,475,791 | - |

Financial liabilities

| | | | |
|--------------------------|---------|---------|---|
| Trade and other payables | 158,246 | 158,246 | - |
|--------------------------|---------|---------|---|

2023

Financial assets

| | | | |
|-----------------------------|------------|------------|---|
| Trade and other receivables | 14,400,000 | 14,400,000 | - |
| Cash and cash equivalents | 8,977,549 | 8,977,549 | - |

Financial liabilities

| | | | |
|--------------------------|---------|---------|---|
| Trade and other payables | 164,516 | 164,516 | - |
|--------------------------|---------|---------|---|

b) Net gain/(loss) arising from financial instruments

| | 2024 RM | 2023 RM |
|--------------------------------------|--------------------|------------------|
| Group | | |
| Net gain/(loss) arising from: | | |
| Financial assets measured at FVTPL | 174,346 | 298,280 |
| Financial assets measured at AC | (3,785,190) | 1,746,100 |
| Financial liabilities measured at AC | 318,140 | (164,554) |
| | (3,292,704) | 1,879,826 |
| Company | | |
| Net gain arising from: | | |
| Financial assets measured at AC | 245,745 | 205,995 |

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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk, credit risk and liquidity risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's and the Company's policy that no derivatives shall be undertaken.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

(i) Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the business segment of its trade receivables on an ongoing basis.

At the reporting date, there was no significant concentration of credit risk for the Group.

(ii) Assessment of impairment losses

At each reporting date, the Group and the Company assesses whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt).

Trade receivables

The Group applies the simplified approach to measuring expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

For certain large customers or customers with a high risk of default, the Group assesses the risk of loss of each customer individually based on their financial information, past trends of payments and external credit rating, where applicable.

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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit Risk (Cont'd)

(ii) Assessment of impairment losses (Cont'd)

Trade receivables (Cont'd)

Also, the Group considers any trade receivables having financial difficulty or in default with significant balances outstanding for more than 90 days are deemed credit impaired and assess for their risk of loss individually, unless it is fully recovered subsequently.

For collective impairment losses on trade receivables, the Group uses a provision matrix to calculate expected credit losses. The provision rates are depending on the number of days that a trade receivable is past due. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information (if any). At every reporting date, the historical observed default rates are updated and changes in the forward- looking estimates are analysed.

The information about the exposure to credit risk and trade receivables aging are disclosed in Note 11(a) to the financial statements.

Other receivables and intercompany balances

Other receivables and intercompany balances are also subject to the impairment requirements of MFRS 9, the identified impairment loss is assessed to be immaterial and hence it is not provided for.

Cash and cash equivalents

The Group and the Company consider these banks and financial institutions have low credit risk. Therefore, the Group and the Company are in the view that the loss allowance is immaterial.

(b) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk, foreign currency risk and equity price risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in the market interest rates. The Group and the Company do 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 financial year would not affect profit or loss.

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

| | Group | | Company | |
|-------------------------------|------------|------------|------------|------------|
| | 2024 RM | 2023 RM | 2024 RM | 2023 RM |
| Fixed rate instruments | | | | |
| <u>Financial asset</u> | | | | |
| Deposits with licensed banks | 16,100,000 | 17,250,000 | 9,300,000 | 8,250,000 |

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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Market Risk (Cont'd)

Sensitivity analysis for interest rate risk (Cont'd)

Sensitivity analysis for fixed rate instruments is not presented as fixed rate instruments are not affected by changes in interest rates.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currencies other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollar and Euro Dollar ("USD" and "EUR"). As such, the Group is exposed to foreign currency risk. These exposures are managed, to the extent possible, by natural hedge that arise when payments for foreign currency payables are matched against receivables denominated in the same foreign currency. The Group also has stand-by foreign exchange forward contract to mitigate foreign currency risk, but remain unutilised throughout the financial year and previous financial years.

The transactional currency exposure arising from financial assets and liability that are denominated in a currency other than functional currency, are as follow:

| | United States Dollar ("USD") RM | Euro ("EUR") RM | Total RM |
|-----------------------------|--|-----------------------|-------------------|
| Group | | | |
| 2024 | | | |
| Financial assets | | | |
| Trade and other receivables | 10,640,701 | 1,116,643 | 11,757,344 |
| Cash and bank balances | 31,931,637 | 600,968 | 32,532,605 |
| | 42,572,338 | 1,717,611 | 44,289,949 |
| Financial liability | | | |
| Trade and other payables | (6,767,075) | 122,157 | (6,644,918) |
| | 35,805,263 | 1,839,768 | 37,645,031 |
| 2023 | | | |
| Financial assets | | | |
| Trade and other receivables | 12,862,329 | 1,595,019 | 14,457,348 |
| Cash and bank balances | 33,006,882 | 1,022,985 | 34,029,867 |
| | 45,869,211 | 2,618,004 | 48,487,215 |
| Financial liability | | | |
| Trade and other payables | (6,573,093) | (307,006) | (6,880,099) |
| | 39,296,118 | 2,310,998 | 41,607,116 |

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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Market Risk (Cont'd)

(ii) Foreign currency risk (Cont'd)

Sensitivity Analysis for Foreign Currency Risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD and EUR exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

| | | Group | |
|--------|--------------------|--------------------|-------------|
| | | 2024 | 2023 |
| | | RM | RM |
| USD/RM | - strengthened 10% | 3,580,526 | 3,929,612 |
| | - weakened 10% | (3,580,526) | (3,929,612) |
| EUR/RM | - strengthened 10% | 183,977 | 231,100 |
| | - weakened 10% | (183,977) | (231,100) |

(iii) Equity price risk

Equity price risk is the risk that the fair value of the financial instruments of the Group would fluctuate because of changes in market price.

The Group's principal exposure to market price risk mainly arising from money market instruments, which are classified as FVTPL.

Equity price risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the market prices of the money market instruments at the end of the reporting period, with all other variables held constant:

| | | Group | |
|---|-----------------|--------------------|-------------|
| | | 2024 | 2023 |
| | | RM | RM |
| Effect on profit/(loss) before tax | | | |
| | Increase of 10% | 1,492,122 | 1,442,789 |
| | Decrease of 10% | (1,492,122) | (1,442,789) |

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Analysis of Financial Instruments by Remaining Contractual Maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

| | <-----2024-----> | | |
|---|--|---|-------------|
| | On demand or within one year RM | One to five years RM | Total RM |
| Group | | | |
| Financial Liability | | | |
| Trade and other payables (exclude advances received from customers) | 19,259,077 | - | 19,259,077 |
| Company | | | |
| Financial Liability | | | |
| Trade and other payables (exclude advances received from customers) | 158,246 | - | 158,246 |
| | <-----2023-----> | | |
| | or within one year RM | On demand One to five years RM | Total RM |
| Group | | | |
| Financial Liability | | | |
| Trade and other payables (exclude advances received from customers) | 18,233,219 | - | 18,233,219 |
| Company | | | |
| Financial Liability | | | |
| Trade and other payables (exclude advances received from customers) | 164,516 | - | 164,516 |

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

30. CONTINGENCIES

30.1 Corporate Guarantees

| | Company | |
|---|------------|------------|
| | 2024 RM | 2023 RM |
| Secured: | | |
| Corporate guarantees granted by financial institution for credit facilities granted to subsidiary company | 2,000,000 | 2,000,000 |

The fair value on initial recognition of corporate guarantee was not material as the possibility of default by the said companies is negligible.

30.2 Bank Guarantees

| | Group | |
|--|------------|------------|
| | 2024 RM | 2023 RM |
| Bank guarantees issued to utility supplier | 980,720 | 1,208,179 |

Bank guarantees issued to utility supplier is in respect of payment guarantee for utility facility.

The Group has assessed the bank guarantee contract and determined that the guarantee is not likely to be called upon by the bank.

31. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business and geographical segments based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

Business Segments

The Group's business segments mainly comprise the manufacture and sale of rubber hose and related products with associated services (if any).

Business segmental information has therefore not been prepared as all the Group's revenue, operating profit, assets employed, liabilities, depreciation, amortisation and non-cash expenses are mainly confined to one business segment.

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

31. SEGMENT INFORMATION (CONT'D)

Geographical Segments

The manufacturing and investment holding segments are operated solely in Malaysia. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers while segment assets are based on the geographical location of assets.

| | Revenue from external customers RM'000 | Carrying amount of segment assets RM'000 | Capital expenditure RM'000 |
|------------------------|--|--|----------------------------------|
| 2024 | | | |
| Geographical location: | | | |
| Malaysia | 19,140 | 174,932 | 14,038 |
| Middle East | 13,735 | - | - |
| Europe | 21,390 | - | - |
| USA/Canada | 70,015 | - | - |
| Australia/New Zealand | 26,378 | - | - |
| Asia | 34,384 | - | - |
| South America | 18,663 | - | - |
| Africa | 5,696 | - | - |
| Total | 209,401 | 174,932 | 14,038 |
| 2023 | | | |
| Geographical location: | | | |
| Malaysia | 16,931 | 175,333 | 4,900 |
| Middle East | 15,394 | - | - |
| Europe | 23,302 | - | - |
| USA/Canada | 67,250 | - | - |
| Australia/New Zealand | 29,416 | - | - |
| Asia | 40,776 | - | - |
| South America | 19,612 | - | - |
| Africa | 4,478 | - | - |
| Total | 217,159 | 175,333 | 4,900 |

Major customers

There is no single customer that contributed 10% or more to the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2024
(CONT'D)

32. EVENTS SUBSEQUENT TO THE REPORTING PERIOD

On 31 December 2024, the Company had entered into a termination agreement (“TA”) with Trelleborg Holding AB to mutually agree to terminate the Joint Venture Business arrangement and winding up of the associate, Trelleborg Wellcall Sdn. Bhd., subject to the terms and conditions stated in the TA.

33. AUTHORISATION FOR ISSUE

The financial statements of the Company for the financial year ended 30 September 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 16 January 2025.

LIST OF PROPERTIES OWNED BY THE GROUP AS AT 16 JANUARY 2025

| Location / Title No. | Existing Usage | Age of Building (Years) | Land Area (sq. ft.) | Built-Up Area (sq. ft.) | Tenure | Carrying Amount As at 30 Sep 2024 (RM) | Year of Acquisition |
|---|---|-------------------------|---------------------|-------------------------|----------------------------------|--|---------------------|
| Plot 48, P.T. 8290, Jalan Johan 2/5, Kawasan Perindustrian Pengkalan II, Fasa II, 31550 Pusing, Perak Darul Ridzuan. Held Under: HSD 48717 P.T. 8290 in the Mukim Sungai Terap, District of Kinta, State of Perak Darul Ridzuan. | Industrial land erected with a block of factory / office building and canteen, which is currently used by Wellcall Hose (M) Sdn. Bhd. for the purpose of carrying out manufacturing activities. | 28 | 217,600 | 150,000 | Leasehold expiring on 6 May 2056 | 4,714,095 | 1997 |
| P.T. 8300, Jalan Johan 2/5, Kawasan Perindustrian Pengkalan II, Fasa II, 31550 Pusing, Perak Darul Ridzuan. Held Under: HS(D) 48727 P.T. 8300 in the Mukim Sungai Terap, District of Kinta, State of Perak Darul Ridzuan. | Industrial land erected with a block of factory, a canteen and workers' hostel for the purpose of carrying out manufacturing activities. | 18 | 286,973 | 190,000 | Leasehold expiring on 6 May 2056 | 5,870,832 | 2007 |

LIST OF PROPERTIES OWNED BY THE GROUP
(CONT'D)

| Location / Title No. | Existing Usage | Age of Building (Years) | Land Area (sq. ft.) | Built-Up Area (sq. ft.) | Tenure | Carrying Amount As at 30 Sep 2024 (RM) | Year of Acquisition |
|---|--|-------------------------------|---------------------------|-------------------------------|------------------------------------|---|------------------------|
| P.T. 22551, Jalan Johan 2/6, Kawasan Perindustrian Pengkalan II, Fasa II, 31550 Pusing, Perak Darul Ridzuan. Held Under: Geran HS(D) 5053/82 for Lot P.T. 744 situated in Mukim Sungai Terap, District of Kinta, State of Perak Darul Ridzuan. | Industrial land erected with a block of factory, a canteen and workers' hostel for the purpose of carrying out manufacturing activities. | 10 | 370,260 | 186,000 | Leasehold expiring on 31 July 2111 | 15,088,549 | 2014 |
| Plot No. 60, Jalan Johan 2/6, Kawasan Perindustrian Pengkalan II, Fasa II, 31550 Pusing, Perak Darul Ridzuan Held Under: Geran HS (D) 48725 in Mukim Sungai Terap, District of Kinta, State of Perak Darul Ridzuan. | Vacant land. | - | 52,711 | - | Leasehold expiring on 6 May 2056 | 2,694,150 | 2019 |

LIST OF PROPERTIES OWNED BY THE GROUP
(CONT'D)

| Location / Title No. | Existing Usage | Age of Building (Years) | Land Area (sq. ft.) | Built-Up Area (sq. ft.) | Tenure | Carrying Amount As at 30 Sep 2024 (RM) | Year of Acquisition |
|--|---|-------------------------|---------------------|-------------------------|--|--|---------------------|
| Lot 300827, Kawasan Perindustrian Perabot Negeri Perak, 31550, Pusing, Perak Darul Ridzuan Held Under: Geran HS (D) 45666 in Mukim Belanja, District of Kinta, State of Perak Darul Ridzuan | Industrial land erected with single storey detached factory/office for purpose of renting out. | 5 | 59,557 | 27,285 | Leasehold expiring on 24 November 2055 | 3,861,535 | 2020 |
| 16, Laluan Kangsar 8, Off Jalan Kuala Kangsar, Taman Perindustrian Saujana, 30010 Ipoh, Perak Held under: Geran PN No.268575 Lot 9927N, Bandar Ipoh (U), Daerah Kinta, Negeri Perak | Industrial land erected with mid-one and a half storey semi-detached factory/office for purpose of renting out. | 2 | 5,414 | 3,500 | Leasehold expiring on 5 March 2096 | 800,826 | 2023 |

ANALYSIS OF SHAREHOLDINGS AS AT 31 DECEMBER 2024

| | | |
|-------------------------------|---|--------------------|
| Total Number of Issued Shares | : | 497,947,555 |
| Class of Shares | : | Ordinary Shares |
| Voting Rights | : | One vote per share |

DISTRIBUTION OF SHAREHOLDERS

| Size of Shareholdings | No. of Shareholders | | No. of Shares | |
|---------------------------------|---------------------|---------------|--------------------|---------------|
| | | % | | % |
| Less than 99 | 167 | 2.35 | 7,525 | 0.01 |
| 100 to 1,000 | 1,040 | 14.65 | 661,633 | 0.13 |
| 1,001 to 10,000 | 3,625 | 51.08 | 17,890,273 | 3.59 |
| 10,001 to 100,000 | 1,950 | 27.48 | 61,154,378 | 12.28 |
| 100,001 to <5% of issued shares | 313 | 4.41 | 322,676,918 | 64.80 |
| 5% and above | 2 | 0.03 | 95,556,828 | 19.19 |
| TOTAL | 7,097 | 100.00 | 497,947,555 | 100.00 |

LIST OF DIRECTORS' SHAREHOLDINGS

| No. | Name | No. of Ordinary Shares | | | |
|-----|---|------------------------|------|-------------------------|-------|
| | | Direct Interest | % | Indirect Interest | % |
| 1. | Datuk Ng Peng Hong @ Ng Peng Hay | – | – | 9,507,250 ^o | 1.91 |
| 2. | Huang Sha | 16,945,317 | 3.40 | 168,750* | 0.03 |
| 3. | Tan Kang Seng | 1,687,500 [#] | 0.34 | 55,989,478 [^] | 11.24 |
| 4. | Huang Yu Fen | 562,500 | 0.11 | – | – |
| 5. | Datuk Yong Peng Tak | – | – | – | – |
| 6. | Chin Yoke Wah | – | – | – | – |
| 7. | Azian Binti Mohd Yusof | – | – | – | – |
| 8. | Tan Choon Soon | – | – | – | – |
| 9. | George Tan Kan Chin | – | – | – | – |
| 10. | Ong Suan Suan | – | – | – | – |
| 11. | Huang Kai Lin (Alternate Director to Huang Sha) | – | – | 2,186,850 [@] | 0.44 |
| 12. | Chua Yi Rong, Edmund (Cai Yirong, Edmund) (Alternate Director to Tan Kang Seng) | – | – | – | – |

Note:

- ^o Deemed interested by virtue of Section 59(11)(c) of the Companies Act 2016, through the shareholding of his spouse and his stepchild.
- * Deemed interested by virtue of Section 59(11)(c) of the Companies Act 2016, through the shareholding of his children in the Company.
- [#] 1,687,500 shares are held through HLIB Nominees (Tempatan) Sdn. Bhd. pledged securities account for Tan Kang Seng.
- [^] Deemed interested by virtue of Section 8(4)(c) of the Companies Act 2016, through his shareholding in Maximum Perspective Sdn. Bhd. via HLIB Nominees (Tempatan) Sdn. Bhd. pledged securities account for Maximum Perspective Sdn. Bhd..
- [@] Deemed interested by virtue of Section 59(11)(c) of the Companies Act 2016, through the shareholding of his spouse in the Company.

ANALYSIS OF SHAREHOLDINGS (CONT'D)

LIST OF SUBSTANTIAL SHAREHOLDERS

| No. | Name | Direct Interest | No. of Ordinary Shares | | % |
|-----|-------------------------------|-------------------------|------------------------|-------------------------|-------|
| | | | % | Indirect Interest | |
| 1. | Maximum Perspective Sdn. Bhd. | 55,989,478 [#] | 11.24 | – | – |
| 2. | Tan Kang Seng | 1,687,500 [^] | 0.34 | 55,989,478 [*] | 11.24 |

Note:

[^] 1,687,500 shares are held through HLIB Nominees (Tempatan) Sdn. Bhd. pledged securities account for Tan Kang Seng.

[#] 55,989,478 shares are held through HLIB Nominees (Tempatan) Sdn. Bhd. pledged securities account for Maximum Perspective Sdn. Bhd..

^{*} Deemed interested by virtue of Section 8(4)(c) of the Companies Act 2016, through his shareholding in Maximum Perspective Sdn. Bhd. via HLIB Nominees (Tempatan) Sdn. Bhd. pledged securities account for Maximum Perspective Sdn. Bhd..

THIRTY (30) LARGEST SHAREHOLDERS AS AT 31 DECEMBER 2024

| No. | Name | No. of Shares | % |
|-----|---|---------------|-------|
| 1. | HLIB NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MAXIMUM PERSPECTIVE SDN BHD (CCTS) | 55,989,478 | 11.24 |
| 2. | UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN (HONG KONG) LIMITED (A/C CLIENTS) | 39,567,350 | 7.95 |
| 3. | CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR) | 24,232,775 | 4.87 |
| 4. | DB (MALAYSIA) NOMINEE (ASING) SDN BHD EXEMPT AN FOR DEUTSCHE BANK AG SINGAPORE (ASING WM CLT) | 24,169,105 | 4.85 |
| 5. | HUANG SHA | 16,945,317 | 3.40 |
| 6. | CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-R ES) | 16,721,300 | 3.36 |
| 7. | AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND | 15,173,800 | 3.04 |
| 8. | CARTABAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UNION BANCAIRE PRIVEE, UBP SA, SINGAPORE BRANCH | 15,026,250 | 3.02 |
| 9. | KUMPULAN WANG PERSARAAN (DIPERBADANKAN) | 13,329,800 | 2.68 |
| 10. | CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR FORTRESS VALUE TACTICAL FUND | 8,396,100 | 1.69 |
| 11. | AMANAHRAYA TRUSTEES BERHAD PUBLIC ISLAMIC OPPORTUNITIES FUND | 8,276,400 | 1.66 |

ANALYSIS OF SHAREHOLDINGS (CONT'D)

THIRTY (30) LARGEST SHAREHOLDERS AS AT 31 DECEMBER 2024 (CONT'D)

| No. | Name | No. of Shares | % |
|-----|---|---------------|------|
| 12. | CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD | 8,078,839 | 1.62 |
| 13. | CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK OF SINGAPORE LIMITED (FOREIGN) | 7,761,755 | 1.56 |
| 14. | CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (RHBISLAMIC) | 5,508,700 | 1.11 |
| 15. | CHENG SHU NU | 5,073,675 | 1.02 |
| 16. | RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN GEOK LAN | 4,657,700 | 0.94 |
| 17. | LEONG HON CHONG | 4,447,650 | 0.89 |
| 18. | CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (ISLAMIC) | 4,202,700 | 0.84 |
| 19. | PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG KHONG SHOONG (E-IMO/JSI) | 4,100,000 | 0.82 |
| 20. | CHU AH KIM @ CHOW SIN THIAM | 3,100,000 | 0.62 |
| 21. | TAN GEOK LAN | 2,951,700 | 0.59 |
| 22. | CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC | 2,773,278 | 0.56 |
| 23. | HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO LIA ENG (CCTS) | 2,681,000 | 0.54 |
| 24. | MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG KHONG SHOONG | 2,550,000 | 0.51 |
| 25. | CITIGROUP NOMINEES (TEMPATAN) SDN BHD UBS AG SINGAPORE FOR YEO SEAH SUAN | 2,507,400 | 0.50 |
| 26. | CHIU YU CHIEN | 2,343,500 | 0.47 |
| 27. | MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GAN TEE JIN | 2,250,000 | 0.45 |
| 28. | TAN JOO CHIN | 2,186,850 | 0.44 |
| 29. | LIN CHING LING | 2,006,237 | 0.40 |
| 30. | KANG, YAO-CHUNG | 1,890,200 | 0.38 |

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Nineteenth Annual General Meeting (“**19th AGM**”) of Wellcall Holdings Berhad (“**Company**”) will be conducted virtually through live streaming and online remote voting using Remote Participation and Voting facilities at <https://www.symphonycorporateservices.com.my/> from the broadcast venue at Meeting Room, Millennium VIII, Level 3, Hotel Grand Millennium Kuala Lumpur, 160 Bukit Bintang, 55100 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia on Friday, 21 February 2025 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this Notice.

AGENDA

AS ORDINARY BUSINESS

- | | | |
|----|---|---|
| 1. | To lay the audited financial statements for the financial year ended 30 September 2024 together with the Reports of the Directors and Auditors thereon. | Please refer to Explanatory Note 1 |
| 2. | To approve the payment of additional Directors’ fees and benefits payable to the Non-Executive Directors of the Company and its subsidiaries amounting to RM100,000.00 for the period from 24 February 2024 up to 21 February 2025. | Ordinary Resolution 1 |
| 3. | To approve the payment of Directors’ fees and benefits payable to the Non-Executive Directors of the Company and its subsidiaries up to an aggregate amount of RM2,000,000.00 per annum from 22 February 2025 until the next Annual General Meeting of the Company. | Ordinary Resolution 2 |
| 4. | To re-elect the following Directors retiring pursuant to Clause 84.1 of the Constitution of the Company: | |
| | 4.1 Huang Yu Fen | Ordinary Resolution 3 |
| | 4.2 Datuk Yong Peng Tak | Ordinary Resolution 4 |
| | 4.3 Tan Kang Seng | Ordinary Resolution 5 |
| 5. | To re-elect the following Directors retiring pursuant to Clause 91 of the Constitution of the Company: | |
| | 5.1 George Tan Kan Chin | Ordinary Resolution 6 |
| | 5.2 Ong Suan Suan | Ordinary Resolution 7 |
| 6. | To re-appoint Messrs. Ecovis Malaysia PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. | Ordinary Resolution 8 |

AS SPECIAL BUSINESS

To consider and if thought fit, pass the following resolutions:

- | | | |
|----|--|------------------------------|
| 7. | PROPOSED CONTINUATION IN OFFICE OF DATUK YONG PENG TAK AS INDEPENDENT NON-EXECUTIVE DIRECTOR | Ordinary Resolution 9 |
| | “THAT approval be and is hereby given to Datuk Yong Peng Tak who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years, to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next AGM (“ 20th AGM ”) in accordance with the Malaysian Code on Corporate Governance (“ MCCG ”).” | |

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING (CONT'D)

8. AUTHORITY UNDER SECTION 75 AND 76 OF THE COMPANIES ACT 2016 FOR THE DIRECTORS TO ALLOT SHARES OR GRANT RIGHTS **Ordinary Resolution 10**

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016, the Directors be and are hereby empowered to allot and issue shares in the Company, at any time, at such price, upon such terms and conditions, for such purpose and to such person or persons whomsoever as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total issued shares/total number of voting shares of the Company (excluding treasury shares) at the time of issue.

THAT pursuant to Section 85 of the Companies Act 2016 approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued Company’s shares arising from any issuance of new Company’s shares pursuant to Sections 75 and 76 of the Companies Act 2016.

THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on the Bursa Malaysia Securities Berhad (“**Bursa Securities**”) and THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company.”

9. PROPOSED RENEWAL OF SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (“PROPOSED RENEWAL OF SHAREHOLDERS MANDATE”) **Ordinary Resolution 11**

“THAT subject to the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries (“**Wellcall Group**”) to enter into all arrangements and/or transactions involving the interest of Directors, major shareholders or persons connected with the Directors and/or major shareholders of Wellcall Group as specified in the Circular to Shareholders dated 23 January 2025 provided that such transactions are:

- (a) undertaken in the ordinary course of business at arm’s length basis and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public;
- (b) necessary for the day-to-day operations; and
- (c) not to the detriment of the minority shareholders of the Company.

THAT such approval shall continue to be in force until:

- (a) the conclusion of the next Annual General Meeting of the Company at which it will lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed; or
- (b) the expiration of the period within which the next Annual General Meeting after the date it is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the shareholders in a general meeting.

whichever is earlier;

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

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING (CONT'D)

10. To transact any other business that may be transacted at an annual general meeting of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

BY ORDER OF THE BOARD

CHIN WAI YI (MAICSA 7069783) (SSM PC No. 202008004409)
YOONG WAI YEE (MAICSA 7066077) (SSM PC NO. 202008001635)
LIM ZHI XUAN (MAICSA 7076624) (SSM PC NO. 202408000432)
 Company Secretaries

Kuala Lumpur
 Date: 23 January 2025

Explanatory Notes on Ordinary and Special Businesses:

1. Item 1 of the Agenda

Agenda item no. 1 is meant for discussion only as the provisions of Section 340 of the Companies Act 2016, it does not require a formal approval of shareholders for the Audited Financial Statements. Hence, this item on the Agenda is **not put forward for voting**.

2. Item 2 of the Agenda

The proposed resolution is to facilitate the shortfall payment of Directors' fees and benefits payable to the Non-Executive Directors of the Company and its subsidiaries for the period from 24 February 2024 up to 21 February 2025, due to the additional Directors appointed during the period.

3. Item 3 of the Agenda

The Company had, during its Eighteenth Annual General Meeting ("18th AGM") held on 23 February 2024, obtained shareholders' approval in relation to the Directors' fees and benefits payable to the Non-Executive Directors of the Company and its subsidiaries for the period from 24 February 2024 until the 19th AGM of the Company. The proposed Ordinary Resolution 1, if passed, will give authority to the Company and its subsidiaries to pay Directors' fees and benefits to our Directors, on a monthly basis and after each month of completed service of our Directors. The benefits payable to the Directors comprises allowances and other emolument payable to the Chairman and members of the Board, Board of subsidiaries, Board Committees and such other committees as may be established by the Board. The payment of Directors' fees and benefits to the Directors of the Company and its subsidiaries are based on among others, the following rates:

| No | Type of Director | Directors' Fees | | |
|----|---|-----------------|------------|-----------|
| | | The Company | Subsidiary | Total |
| 1 | Chairman of the Board | RM200,000 | RM350,000 | RM550,000 |
| 2 | Non-Independent Non-Executive Directors | RM170,000 | RM400,000 | RM570,000 |
| 3 | Independent Non-Executive Directors | RM680,000 | – | RM680,000 |

| No | Type of Director | Benefits Payable | | |
|----|---|------------------|------------|----------|
| | | The Company | Subsidiary | Total |
| 1 | Chairman of the Board | RM50,000 | – | RM50,000 |
| 2 | Non-Independent Non-Executive Directors | RM40,000 | RM30,000 | RM70,000 |
| 3 | Independent Non-Executive Directors | RM80,000 | – | RM80,000 |

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING (CONT'D)

The rapid growth of the Company has resulted in greater responsibilities, risk and time taken by the Directors to contribute their expertise to the Company. The Board is of the view that the proposed payment of Directors' fees and benefits to the Directors commensurate with the level of responsibility and accountability of the Directors and the amount of time that they are expected to devote in discharging their roles.

In determining the estimated total amount of Directors' fees and benefits for the Directors, the Board has considered various factors including the number of scheduled and special meetings for the Board, Board Committees and Boards of the Company's subsidiaries and the number of Non-Executive Directors involved in these meetings based on the current number of Directors as well as inclusion of provisional sum as a contingency for future appointment of Directors on the Boards of the Company's subsidiaries and increase in the number of Board and Board Committees meetings.

The Board is of the view that it is just and equitable for the Directors to be paid the Directors' fees and benefits on a monthly basis and/or as and when they are incurred, particularly after the Directors have discharged their responsibilities and rendered their services to the Company and its subsidiaries throughout their tenure as Directors.

4. Items 4 and 5 of the Agenda

The Nomination Committee ("NC") have considered the performance and contribution of each of the retiring Directors and have also assessed the independence of the Independent Non-Executive Directors seeking for re-election. Based on the results of the Board Evaluation conducted for the financial year ended 30 September 2024, the performance of each of the retiring Directors was found to be satisfactory. In addition, each of the retiring Directors had provided their annual declaration/confirmation on their fitness and propriety as well as independence, where applicable.

Based on the recommendation of the NC, the Board supports the re-election of the Directors based on the following justifications:

- | | |
|---------------------|--|
| Huang Yu Fen | : Huang Yu Fen has been the Executive Director of the Company since 23 May 2018 and is familiar with the Company's business operations. Thus, the Board believes that with her vast experience, she is able to provide valuable input to steer the Company forward. |
| | Huang Yu Fen has exercised her due care and carried out her professional duties proficiently during her tenure as Executive Director of the Company. |
| Datuk Yong Peng Tak | : Datuk Yong Peng Tak fulfils the requirements of independence set out in MMLR of Bursa Securities. With over 20 years of expertise in the financial and investment management industries, the Board believes his extensive experience are all hugely beneficial to the Company. |
| | Datuk Yong Peng Tak has exercised his due care and carried out his professional duties proficiently during his tenure as Independent Non-Executive Director of the Company. |
| Tan Kang Seng | : Tan Kang Seng is familiar with the Company's business operations. Thus, the Board believes that with his vast experience, he is able to provide valuable input to steer the Company forward. |
| | Tan Kang Seng has exercised his due care and carried out his professional duties proficiently during his tenure as a Non-Independent Non-Executive Director of the Company. |

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING (CONT'D)

George Tan Kan Chin : George Tan Kan Chin is familiar with the Company's business operations. Thus, the Board believes that with his vast experience, he is able to provide valuable input to steer the Company forward.

George Tan Kan Chin has exercised his due care and carried out his professional duties proficiently during his tenure as a Non-Independent Non-Executive Director of the Company.

Ong Suan Suan : Ong Suan Suan fulfils the requirements of independence set out in MMLR of Bursa Securities. With over 37 years of expertise across audit, tax, company secretarial-related activities, accounting, management reporting, working capital management, fraud management, credit management as well as business analytics, the Board believes her extensive experience are all hugely beneficial to the Company.

Ong Suan Suan has exercised her due care and carried out her professional duties proficiently during her tenure as Independent Non-Executive Director of the Company.

5. Item 7 of the Agenda

Practice 5.3 of the MCGG provides that shareholders' approval be sought in the event that the Company intends for an Independent Director who has served in the capacity for more than nine (9) years, to continue to act as Independent Director of the Company.

The Board through the Nomination Committee had assessed and endorsed that Datuk Yong Peng Tak be retained as Independent Non-Executive Director of the Company as he has continued to display high level of integrity and are objective in their judgement and decision-making in the best interest of the Company, shareholders and stakeholders and are able to express unbiased views without any influence.

The Board is recommending to the shareholders for Datuk Yong Peng Tak who was appointed on 1 April 2015 have served as Independent Non-Executive Directors of the Company for a cumulative term of nine (9) years and nine (9) months as at the date of the notice of the 19th AGM to continue to act as Independent Non-Executive Directors of the Company through a two-tier voting process pursuant to Practice 5.3 of the MCGG.

6. Item 8 of the Agenda

The Ordinary Resolution 10 proposed under item 8 of the agenda is to seek the shareholders' approval of a new general mandate for issuance of shares by the Company under Sections 75 and 76 of the Companies Act 2016. The mandate, if passed, will provide flexibility for the Company and empower the Directors to allot and issue new shares speedily in the Company up to an amount not exceeding in total ten per centum (10%) of the issued share capital of the Company for purpose of funding the working capital or strategic development of the Group. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the next Annual General Meeting of the Company.

The waiver of pre-emptive rights pursuant to Section 85 of the Companies Act 2016 will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer new shares to all the existing shareholders of the Company prior to issuance of new shares in the Company under the general mandate.

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING (CONT'D)

7. Item 9 of the Agenda

The proposed Ordinary Resolution 11, if passed, will enable Company and its subsidiaries to enter into recurrent transactions involving interests of Related Parties, which are necessary for its day-to-day operations and undertaken at arm's length, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

The detailed text on Ordinary Resolution 11 is included in the Circular to Shareholders dated 23 January 2025.

Notes:

- The 19th AGM of the Company will be conducted virtually from the broadcast venue at Meeting Room, Millennium VIII, Level 3, Hotel Grand Millennium Kuala Lumpur, 160 Bukit Bintang, 55100 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia on Friday, 21 February 2025 at 10.00 a.m. or at any adjournment thereof. Shareholders of the Company are required to register for the 19th AGM not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof. **(Please follow the procedures as stipulated in the Administrative Guide).***
- A member of the Company who is entitled to attend, speak and vote at this 19th AGM may appoint a proxy to attend, speak and vote on his(her) behalf. A proxy may but need not be a member of the Company, and a member may appoint any person to be his(her) proxy without limitation.*
- Where a member appoints more than one (1) proxy to attend and vote at the same 19th AGM, the appointment shall be invalid unless he(she) specifies the proportion of his(her) holdings to be represented by each proxy.*
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("**SICDA**"), he(she) may appoint one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said security account.*
- Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- The instrument appointing a proxy shall be in writing by the appointer or an attorney duly authorised in writing or, if the appointer is a corporation, whether under its seal or by an officer or attorney duly authorised.*
- The instrument appointing either a proxy, a power of attorney or other authorities, where it is signed or certified by a notary as a true copy shall be deposited with the Share Registrar of the Company, Symphony Corporate Services Sdn. Bhd. at The Gamuda Biz Suites, S-4-04, No. 12, Jalan Anggerik Vanilla 31/99, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia or email to symphonycorporateservices@gmail.com not less than forty eight (48) hours before the time appointed for holding the 19th AGM (no later than Wednesday, 19 February 2025 at 10.00 a.m.) or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.*
- The right of foreigners to vote in respect of deposited securities is subject to Sections 41(1)(e) and 41(2) of the Securities Industry (Central Depositories) Act, 1991; the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and the Constitution of the Company.*
- In respect of deposited securities, only members whose names appear in the Record of Depositors on 13 February 2025 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at this 19th AGM.*

NOTICE OF NINETEENTH ANNUAL GENERAL MEETING (CONT'D)

10. *Any alteration in the Proxy Form must be initialed.*
11. *Pursuant to Rule 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolution set out in the Notice of 19th AGM will be put to the vote by poll.*

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 19th AGM and/ or any adjournment thereof, a member of the Company:

- (i) consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 19th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 19th AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");
- (ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies), and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. Directors standing for election

As at date of this notice, there are no individuals who are standing for election or appointment as Directors at the 19th Annual General Meeting (“AGM”).

2. General mandate for issue of shares

The proposed Ordinary Resolution 10 under item 8 of the agenda is a renewal of the previous year’s general mandate. The general mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders’ approval so as to avoid incurring additional costs and time. The purpose of this general mandate is for possible fund-raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions and/or for issuance of shares as settlement of purchase consideration or such other application as the Directors may deem fit in the best interest of the Company.

As the date of the Notice of the 19th AGM, no new ordinary shares of the Company were issued, pursuant to the general mandate obtained from the shareholders at the 18th AGM held on 23 February 2024 and will lapse at the conclusion of the 19th AGM.

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WELLCALL HOLDINGS BERHAD
Registration No. 200501025213 (707346-W)

FORM OF PROXY

| | |
|--------------------|--|
| No. of Shares Held | |
| CDS Account No. | |
| Telephone No. | |

*I/We, _____
(Full name as per NRIC/Certificate of Incorporation in CAPITAL letters)

*Registration/Passport/NRIC no. _____ of _____
(FULL ADDRESS)

(FULL ADDRESS)

being a member / members of **Wellcall Holdings Berhad** ("**Wellcall**" or the "**Company**") hereby appoint the person(s) below as my/our proxy(ies) to vote for me/us and on my/our behalf at the Nineteenth Annual General Meeting ("**19th AGM**") of the Company will be conducted virtually through live streaming and online remote voting using Remote Participation and Voting facilities at <https://www.symphonycorporateservices.com.my/> from the broadcast venue at Meeting Room, Millennium VIII, Level 3, Hotel Grand Millennium Kuala Lumpur, 160 Bukit Bintang, 55100 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia on Friday, 21 February 2025 at 10.00 a.m., or any adjournment thereof.

IMPORTANT NOTE:

Please (i) tick [✓] either **ONE** of the option (a) or (b) for the number of proxy which you wish to appoint, (ii) complete the details of your proxy/proxies and the proportion of your shareholding to be represented (if applicable), (iii) please tick [✓] option (c) if you would like to appoint the Chairman of the 19th AGM as the proxy or failing the proxy to vote on your behalf and (iv) sign or execute this form.

| Option | Name of proxy(ies) | NRIC/ Registration No. | Email Address & Phone No. | Proportion of shareholding to be represented |
|------------|---|------------------------|---------------------------|--|
| (a) | Appoint ONE proxy only (Please complete details of proxy below) | | | |
| | | | | 100% |
| (b) | Appoint MORE THAN ONE proxy (Please complete details of proxies below) | | | |
| Proxy 1 | | | | % |
| Proxy 2 | | | | % |
| | | | | 100% |
| (c) | The Chairman of the 19th AGM as my/our proxy and/or failing the above proxy to vote for me/us on my/our behalf | | | |

*My/our *proxy/proxies shall vote as follows:

Please indicate with an "X" in the appropriate box provided to indicate how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on the Resolutions, the proxy shall vote at his/her discretion, or abstain from voting as the proxy thinks fit.

| NO. | RESOLUTIONS | FOR | | AGAINST | |
|--------------------------|--|---------|---------|---------|---------|
| | | PROXY 1 | PROXY 2 | PROXY 1 | PROXY 2 |
| ORDINARY BUSINESS | | | | | |
| Ordinary Resolution 1 | To approve the payment of additional Directors' fees and benefits payable to the Non-Executive Directors of the Company and its subsidiaries amounting to RM100,000.00 for the period from 24 February 2024 up to 21 February 2025. | | | | |
| Ordinary Resolution 2 | To approve the payment of Directors' fees and benefits to the Directors of the Company and its subsidiaries up to an aggregate amount of RM2,000,000.00 for the period from 22 February 2025 until the next Annual General Meeting of the Company. | | | | |
| Ordinary Resolution 3 | To re-elect Huang Yu Fen | | | | |
| Ordinary Resolution 4 | To re-elect Datuk Yong Peng Tak | | | | |
| Ordinary Resolution 5 | To re-elect Tan Kang Seng | | | | |
| Ordinary Resolution 6 | To re-elect George Tan Kan Chin | | | | |
| Ordinary Resolution 7 | To re-elect Ong Suan Suan | | | | |
| Ordinary Resolution 8 | To re-appoint Ecovis Malaysia PLT as auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to determine their remuneration. | | | | |
| SPECIAL BUSINESS | | | | | |
| Ordinary Resolution 9 | To grant authority to Datuk Yong Peng Tak to continue in office as an Independent Non-Executive Director | | | | |
| Ordinary Resolution 10 | To authorise the Directors to allot and issue shares or grant rights pursuant to Sections 75 and 76 of the Companies Act 2016. | | | | |
| Ordinary Resolution 11 | Proposed renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature | | | | |

Dated this _____ day of _____ 2025.

Signature/common seal of shareholder



NOTES:

1. The 19th AGM of the Company will be conducted virtually from the broadcast venue at Meeting Room, Millennium VIII, Level 3, Hotel Grand Millennium Kuala Lumpur, 160 Bukit Bintang, 55100 Kuala Lumpur, W.P. Kuala Lumpur, Malaysia on Friday, 21 February 2025 at 10.00 a.m. or at any adjournment thereof. Shareholders of the Company are required to register for the 19th AGM not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof. **(Please follow the procedures as stipulated in the Administrative Guide).**
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7. The instrument appointing either a proxy, a power of attorney or other authorities, where it is signed or certified by a notary as a true copy shall be deposited with the Share Registrar of the Company, Symphony Corporate Services Sdn. Bhd. at The Gamuda Biz Suites, S-4-04, No. 12, Jalan Anggerik Vanilla 31/99, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan, Malaysia or email to symphonycorporateservices@gmail.com not less than forty eight (48) hours before the time appointed for holding the 19th AGM (no later than Wednesday, 19 February 2025 at 10.00 a.m.) or at any adjournment thereof, and in default the instrument of proxy shall not be treated as valid.
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11. Pursuant to paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, voting at the 19th AGM will be conducted by poll.

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Stamp

The Share Registrar of
WELLCALL HOLDINGS BERHAD
[Registration No. 200501025213 (707346-W)]
c/o SYMPHONY CORPORATE SERVICES SDN. BHD.
[201201037454 (1021936-V)]

S-4-04, The Gamuda Biz Suites,
No. 12, Jalan Anggerik Vanilla 31/99,
Kota Kemuning, 40460 Shah Alam,
Selangor Darul Ehsan.

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PERSONAL DATA PRIVACY:

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- (ii) warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies), and/or representative(s) for the Purposes; and
- (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.

Fold This Flap For Sealing



Plot 48, Jalan Johan 2/5,
Kawasan Perindustrian Pengkalan II,
Fasa II, 31550 Pusing,
Ipoh, Perak Darul Ridzuan.

Tel: 605 3668805 / 06 / 07 / 08

Fax: 605 3668768

www.wellcallholdings.com