



Engineering

WENTEL ENGINEERING HOLDINGS BERHAD

(Registration No. 202301007290 (1501211-T))



DELIVERING INSPIRED SOLUTION

ANNUAL REPORT 2024

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SCAN QR



Wentel Engineering Holdings Berhad
Annual Report 2024 can be accessed at
<https://www.wenteleng.com> or by
scanning the QR Code with your device.



WHO WE ARE

An Established Metal Fabricator and Assembler Providing Manufacturing Solutions

Wentel is an established metal fabricator and assembler. Through the subsidiaries, our company is principally involved in the fabrication of semifinished metal products, fabrication of metal parts and assembly of finished products.

Our group's history dates back to the 2000 when Twin Shell Engineering Sdn. Bhd. was founded, which was later renamed Wentel Engineering Sdn. Bhd. ("WESB") in 2019. Initially specialising in metal parts fabrication, we expanded our scope to include the fabrication of semifinished metal products in the same year. In 2005, we further extended our capabilities to include the assembly of finished products.

FUELED BY INNOVATION

Our core strength lies in the production facilities we possess. With in-house Computer Numerical Control ("CNC") machines, advanced equipment, and surface treatment capabilities, we position ourselves as a valuable partner for industry leaders across diverse sectors.

Our customers include manufacturers of security screening equipment, CNC machines, semiconductor manufacturing equipment, medical diagnostic equipment and industrial 3D printers.

COMMITTED TO SUSTAINABLE GROWTH

Today, all our operations are consolidated under Wentel Engineering Holdings Berhad ("Wentel" or "the Company"). This includes WESB, our headquarters in Johor, Malaysia, and Wentel Engineering Pte Ltd ("WEPL"), our sales office in Singapore. As part of our strategic vision, we have successfully listed on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), underscoring our commitment to transparency and growth in the industry.



VISION, MISSION & CORE VALUES



OUR VISION

To be the leading and preferred provider for sheet metal and structural fabrication, distinguished by our in-house surface treatment and assembly capabilities.



OUR MISSION

- Exceed customer expectations through excellent service and on-time deliveries.
- Ensure shareholder satisfaction by consistently achieving growth in sales and productivity.
- Prioritise employee satisfaction by cultivating a happy and fulfilling workplace.
- Stay ahead of the industry through continuous technological upgrade and innovation.



CORE VALUES



WIN-WIN

Foster partnerships and collaborations that benefit all parties involved.



EXCELLENCE

Strive for excellence in everything we do, setting high standards for quality and performance.



NURTURING INNOVATION

Cultivate a culture of innovation and continuous improvement in all aspects of our business.



TRANSPARENCY

Uphold transparency in our operations, communication, and decision-making processes to instil confidence and assurance among our stakeholders.



ENVIRONMENTAL RESPONSIBILITY

Commit to environmentally responsible practices, minimising our ecological footprint.



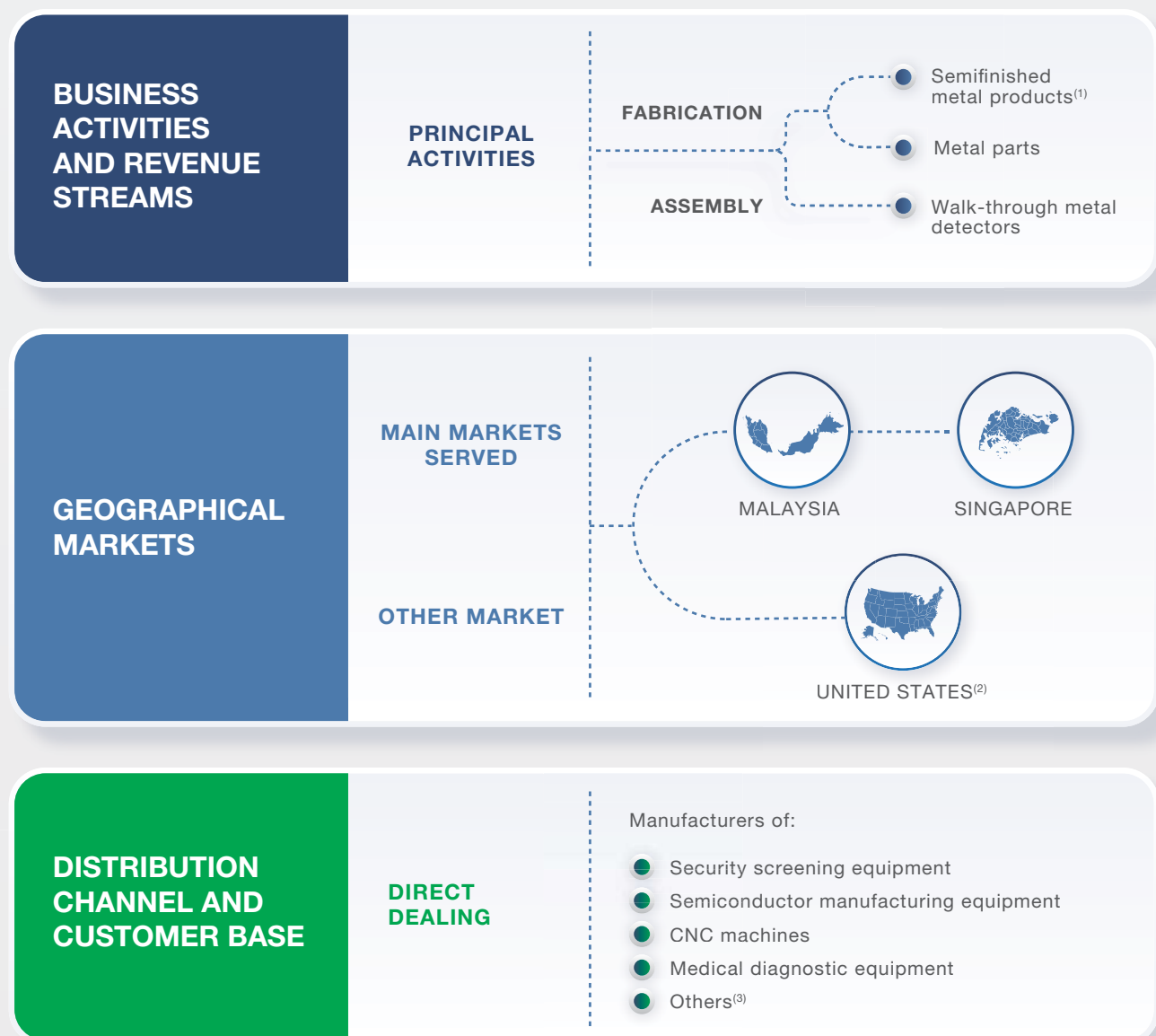
LIFELONG-LEARNING

Encourage a culture of continuous learning and development, promoting personal and professional growth.

BUSINESS MODEL

Our Company was incorporated in Malaysia under the Companies Act 2016 on 1 March 2023 as a private limited company under the name of Wentel Engineering Holdings Sdn Bhd. On 12 June 2023, our Company was converted into a public limited company and assumed its present name of Wentel Engineering Holdings Berhad (“Wentel” or the “Company”).

We are an investment holding company. Through our subsidiaries, we are principally involved in the fabrication of semifinished metal products, fabrication of metal parts and assembly of finished products. The following diagram illustrates the Company and its subsidiaries (the “Group”) principal activities:



Notes:

(1) Semifinished metal products comprise metal bodies and accessories.

(2) The United States accounted for 1.71%, 0.50% and 0.73% of our total revenue for the Financial Year Ended (“FYE”) 2022, FYE2023 and FYE2024 respectively.

(3) Others only refer to industrial 3D printers.

ACCREDITATIONS

Wentel is accredited with ISO 9001:2015 for Quality Management and ISO 14001:2015 for Environmental Management System. These certifications reflect our dedication to maintaining high standards in both product quality and environmental responsibility. Additionally, we have earned recognition from several partners for our exceptional collaboration and contributions.



ISO 9001:2015 WESB Lot 11



ISO 9001:2015 WESB Lot 58

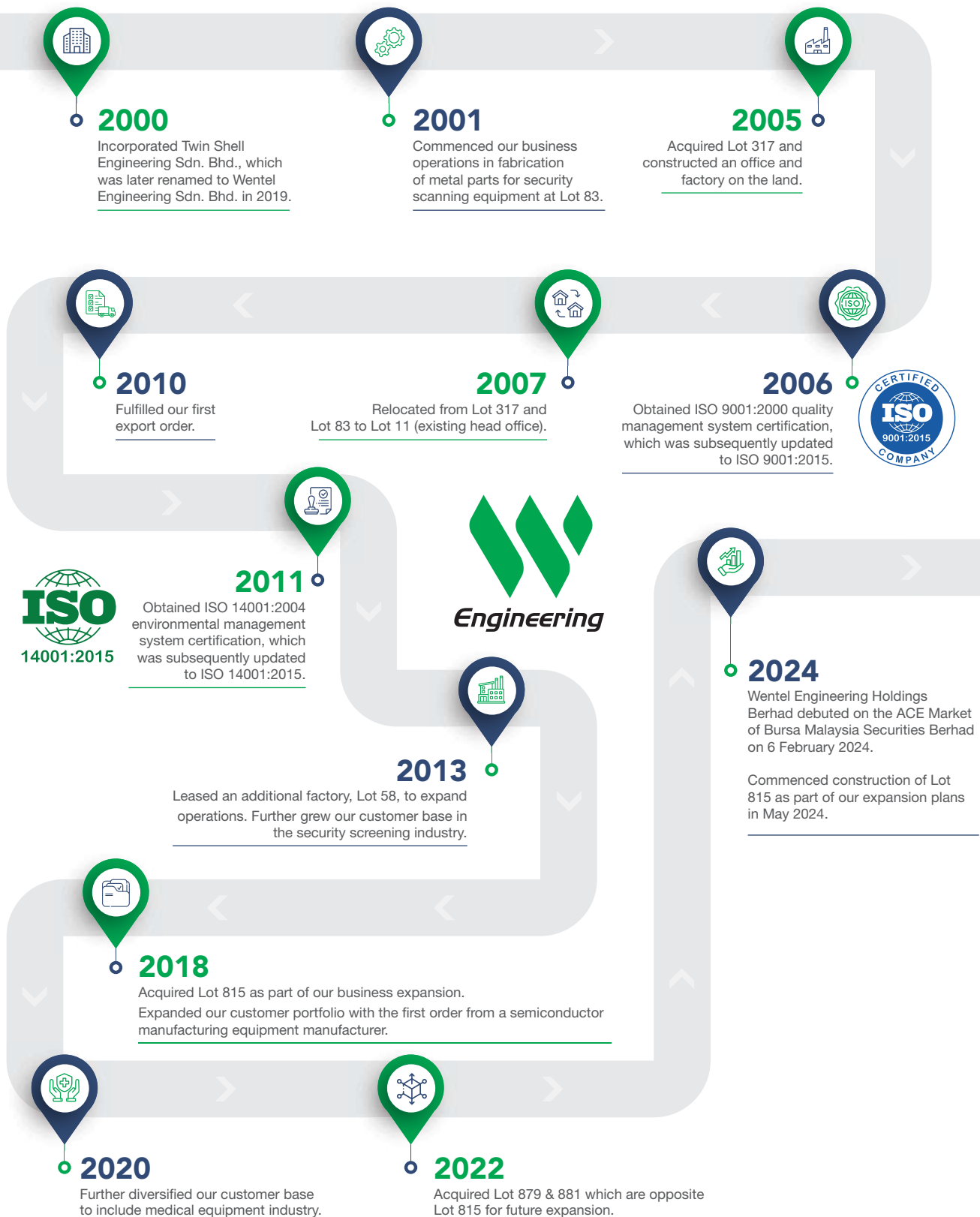


ISO 14001:2015 WESB Lot 11



ISO 14001:2015 WESB Lot 58

KEY MILESTONES



CORPORATE INFORMATION

BOARD OF DIRECTORS

Ban Kim Wah

*Non-Independent
Non-Executive Chairman*

Siow Chin How

*Independent Non-Executive
Director*

Wang Sze Min

*Independent Non-Executive
Director*

Wong Chun Wei

Executive Director

Soo Wee Loon

*Independent Non-Executive
Director*

AUDIT AND RISK MANAGEMENT COMMITTEE

Siow Chin How (*Chairman*)
Soo Wee Loon
Wang Sze Min

NOMINATION COMMITTEE

Soo Wee Loon (*Chairperson*)
Wang Sze Min
Siow Chin How

REMUNERATION COMMITTEE

Wang Sze Min (*Chairperson*)
Siow Chin How
Soo Wee Loon

COMPANY SECRETARIES

Tea Sor Hua (MACS 01324)
(SSM PC No.: 201908001272)

Lim Kee San (MAICSA 7067348)
(SSM PC No.: 202308000295)

REGISTERED OFFICE

Third Floor, No. 77, 79 & 81
Jalan SS21/60, Damansara Utama
47400 Petaling Jaya
Selangor Darul Ehsan
Tel : +603-7725 1777
Fax : +603-7722 3668
Email : info@cospec.com.my

HEAD OFFICE

No. 11, Jalan Gagah
Kawasan Perindustrian Larkin
80350 Johor Bahru
Johor
Tel : +607-238 1128
Fax : +607-238 0688
Website : www.wenteleng.com

SHARE REGISTRAR

**Tricor Investor & Issuing House
Services Sdn Bhd**
(Registration No. 197101000970
(11324-H))
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : +603-2783 9299
Email : is.enquiry@vistra.com

AUDITORS

Crowe Malaysia PLT
(201906000005 (LLP0018817-LCA)
& AF 1018)
Chartered Accountants
Level 16, Tower C, Megan Avenue II
12, Jalan Yap Kwan Seng
50450 Kuala Lumpur
Tel : +603-2788 9999

PRINCIPAL BANKER

OCBC Bank (Malaysia) Berhad

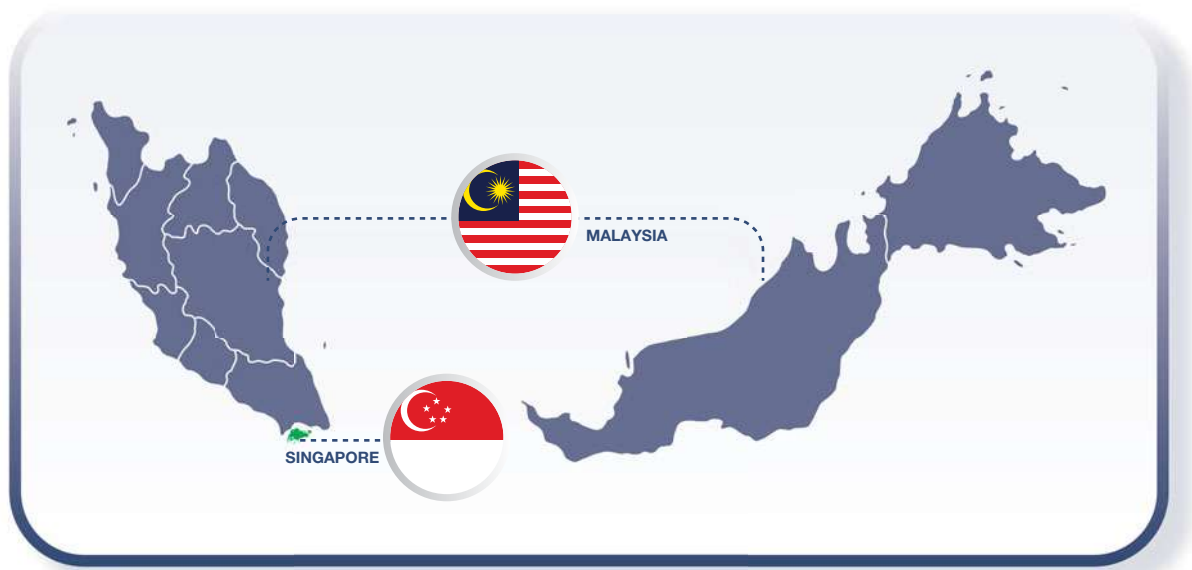
SPONSOR

TA Securities Holdings Berhad
(Registration No.
197301001467 (14948-M))
29th Floor, Menara TA One
22, Jalan P. Ramlee
50250 Kuala Lumpur
Tel : +603-2072 1277

STOCK EXCHANGE LISTING

ACE Market of Bursa Malaysia
Securities Berhad
Stock Name : WENTEL
Stock Code : 0298
Date of Listing : 6 February 2024

CORPORATE STRUCTURE

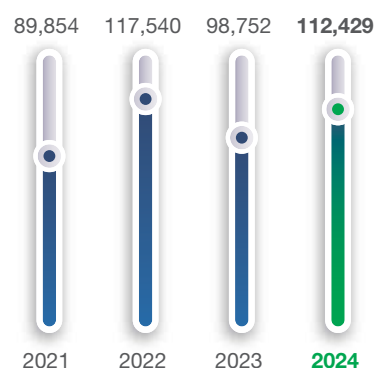


FINANCIAL HIGHLIGHTS

	FY2021	FY2022	FY2023	FY2024
Operating Results (RM'000)				
Revenue	89,854	117,540	98,752	112,429
Gross Profit ("GP")	22,659	31,191	24,840	31,571
Earnings Before Interest, Tax, Depreciation & Amortisation ("EBITDA")	24,892	32,876	24,335	25,494
Profit Before Taxation	17,307	25,693	18,822	20,822
Profit After Taxation	13,706	20,480	14,101	15,026
Key Financial Position Data (RM'000)				
Total Assets	92,499	107,551	117,617	214,126
Total Equity	67,392	87,699	101,929	186,464
Total Liabilities	25,107	19,852	15,688	27,662
FINANCIAL RATIOS				
GP Margin (%)	25.22%	26.54%	25.15%	28.08%
Profit Before Taxation Margin (%)	19.26%	21.86%	19.06%	18.52%
Profit After Taxation Margin (%)	15.25%	17.42%	14.28%	13.36%
Weighted Average Number of Ordinary Shares in Issue	1,100,000	1,100,000	260,211,233	1,126,113,661
Basic Earnings Per Share (RM)	12.46	18.62	0.05	0.01

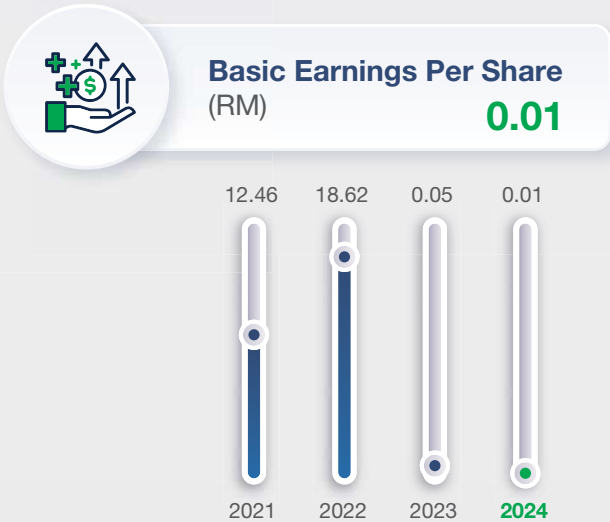
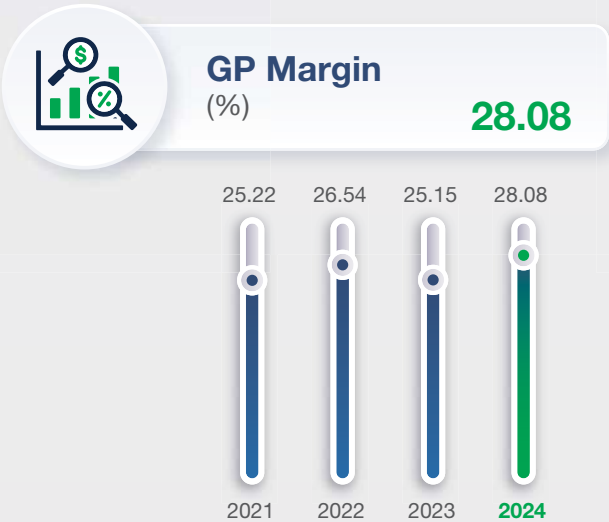
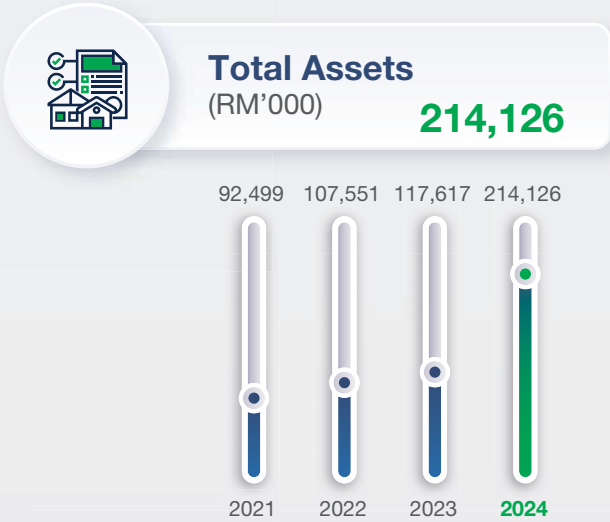
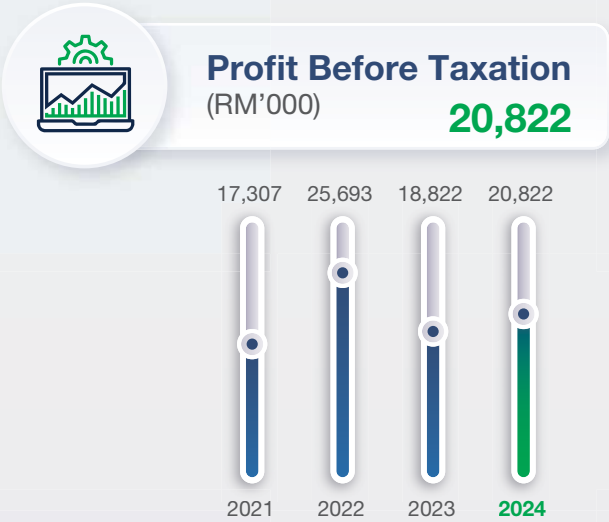
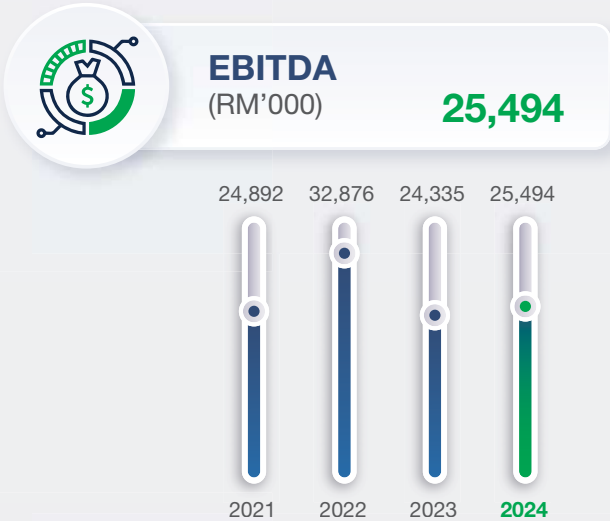
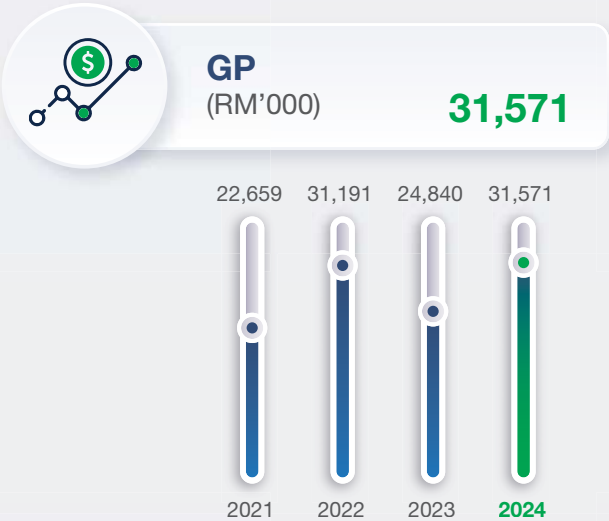


Revenue
(RM'000)
112,429



FINANCIAL HIGHLIGHTS

cont'd



PROFILE OF BOARD OF DIRECTORS

BAN KIM WAH

Non-Independent Non-Executive Chairman

📍 Malaysian 🧑 Male 🎂 62 years old

Date First Appointed to the Board:
1 March 2023

Board Committee Memberships:



Ban Kim Wah was appointed to the Board on 1 March 2023 and was re-designated to his current position on 28 March 2023. Leveraging on his experience in the industry in which our Group operates, he is mainly responsible for leading our Board in the collective oversight of our Group's management as well as overseeing our Group's corporate governance framework in complying with the relevant legal and regulatory requirements governing our Group's operations. He is also a major shareholder of the Company.

He completed his Malaysian Certificate of Education at Dato Jaafar Secondary School, Johor, in 1980. Starting as a salesperson at Syarikat Wanfy in 1981, he focused on marketing and material sourcing. He continued similar roles at Wanfy (M) Sdn. Bhd. until 1997.

In 1997, he co-founded TS Heuls Chemical & Engineering Sdn. Bhd., which is involved in trading chemicals and providing maintenance services for wastewater treatment plants, and served as a director until 2021.

In 2000, he co-founded WESB as a shareholder and became a director of WESB since 2003. He also joined WEPL as a director in 2011. He focused on developing the international markets for both companies. From 2018, he reduced his involvement in both companies to manage his personal business operations. He resigned as a director of both companies in March 2023, and assumed the role of Non-Independent Non-Executive Chairman of the Company.

He attended all five (5) Board meetings held during the financial year ended 31 December 2024.

PROFILE OF BOARD OF DIRECTORS

(cont'd)

WONG CHUN WEI

Executive Director

📍 *Malaysian* ♂ *Male* 👤 *38 years old*

Date First Appointed to the Board:
1 March 2023

Board Committee Memberships:

-



Wong Chun Wei was appointed to the Board on 1 March 2023 and was re-designated to his current position on 28 March 2023. He is mainly responsible for the Group's corporate development and strategy functions as well as sales and customer service activities.

He graduated with a Bachelor of Economics from La Trobe University, Australia in 2012.

He started his career in 2013 in Golden Oriental Realty Sdn. Bhd. ("GORSB") as a director, and was responsible for overseeing the company's development of a residential project in Johor Bahru and managing its daily operations. He also focused on the marketing of properties for the project. Since 2018, with over 70% of properties sold, his involvement become limited. Currently, he is still a director but is not involved in its daily operations.

In 2018, he joined 5E Resources group of companies, supporting the Managing Director. In 2020, he became the Head of Business Development, and led the efforts to enter new markets and promote the company's capabilities. He left the group in 2022.

In 2022, he became a director in WESB, and focused on developing and executing marketing strategies. He actively engaged with customers to understand their needs. In 2023, he became an Executive Director, overseeing corporate development, strategy, sales, and customer service activities of the Group.

With 9 years of experience at GORSB and 5E Resources group of companies, he brings valuable expertise to his role in the Group, where he leads corporate development, strategy, sales, and customer service, supporting the company's growth and expansion.

He attended all five (5) Board meetings held during the financial year ended 31 December 2024.

PROFILE OF BOARD OF DIRECTORS

(cont'd)

SOO WEE LOON

Independent Non-Executive Director

📍 Malaysian ♀ Female 👤 48 years old

Date First Appointed to the Board:
1 June 2023

Board Committee Memberships:

- Chairperson of Nomination Committee
- Member of Audit and Risk Management Committee
- Member of Remuneration Committee



Soo Wee Loon was appointed to the Board on 1 June 2023. She is the Chairperson of the Nomination Committee and a member of the Audit and Risk Management Committee and Remuneration Committee of the Company.

She graduated with a Bachelor of Laws (Hons) from the University of Liverpool, United Kingdom, in 1996. Following graduation, she completed her Bar Practice Course at the Honourable Society of Lincoln's Inn, United Kingdom, in 1998, and underwent pupillage with Messrs Nijar, Kumar Netto & Partners in Johor Bahru until 1999, when she was called to the Malaysian Bar. She is an Advocate and Solicitor of the High Court of Malaya and a member of The Honourable Society of Lincoln's Inn.

In 2000, she commenced her legal career as a Legal Assistant in Messrs Balwant Singh Sidhu & Co, focusing on civil litigation case preparation. After leaving the firm in 2003, she joined Messrs P.Y. Tng & Soo as a Partner, and she was mainly providing legal services on litigation and conveyancing until 2004.

Subsequently, she became a Partner in Messrs Neo & Soo in 2004, continuing her focus on litigation and conveyancing until 2007. Since May 2007, she has served as a Partner in Messrs Wang & S.B. Wong, specializing in corporate and conveyancing matters while also overseeing the operations of the firm.

She attended all five (5) Board meetings held during the financial year ended 31 December 2024.

PROFILE OF BOARD OF DIRECTORS

(cont'd)

WANG SZE MIN

Independent Non-Executive Director

📍 Malaysian ♀ Female 👤 52 years old

Date First Appointed to the Board:
1 June 2023

Board Committee Memberships:

- Chairperson of Remuneration Committee
- Member of Audit and Risk Management Committee
- Member of Nomination Committee



Wang Sze Min was appointed to the Board on 1 June 2023. She is the Chairperson of the Remuneration Committee and a member of the Audit and Risk Management Committee and Nomination Committee.

She graduated from the University of Adelaide, Australia, with a Bachelor of Commerce in 1997 and became a Chartered Accountant and a member of the Malaysian Institute of Accountants (MIA) in 2001.

Starting as an Audit Assistant in HL Lim & Co in 1997, she progressed to roles as Audit Senior and Audit Manager in 1999 and 2003, respectively. As an Audit Manager, she handled audits and supervised the firm's branch office operations until her departure in 2007.

In 2007, she founded Wang Accounting Services, offering accounting solutions to small and medium businesses. Since 2017, she's been the Chief Operations Officer of TJ Wang Accounting Management Sdn. Bhd., focusing on managing the company's operations, resource planning, and client relations.

Since 2021, she also provides management and consultancy services as a Partner of Wang & Partners PLT, a limited liability partnership. Currently, she is concurrently involved in her roles in Wang Accounting Services, TJ Wang Accounting Management Sdn. Bhd. and Wang & Partners PLT.

She attended all five (5) Board meetings held during the financial year ended 31 December 2024.

PROFILE OF BOARD OF DIRECTORS

(cont'd)

SIOW CHIN HOW

Independent Non-Executive Director

📍 Malaysian ♂ Male 👤 45 years old

Date First Appointed to the Board:
1 June 2023

Board Committee Memberships:

- Chairman of Audit and Risk Management Committee
- Member Of Remuneration Committee
- Member of Nomination Committee



Siow Chin How was appointed to the Board on 1 June 2023. He is the Chairman of the Audit and Risk Management Committee and a member of the Remuneration Committee and Nomination Committee.

He graduated with a Bachelor of Arts (Hons) in Accountancy and Finance from the University of Abertay Dundee, United Kingdom, in 2002. In 2006, he earned a Master of Business Administration from Victoria University, Australia. He became a Chartered Member of The Institute of Internal Auditors Malaysia (CMIIA) in 2008. Since 2015, he is a Chartered Accountant and a member of both the Institute of Singapore Chartered Accountants and the Malaysian Institute of Accountants, as well as a Certified Practising Accountant (CPA) registered with CPA Australia.

Starting his career in 2002 as an Internal Auditor at Persekutuan Tiong-Hua, Johor Baru, he focused on assessing internal controls. In 2003, he moved to Maya Manufacturing & Trading Company (Malaysia) Sdn. Bhd. as an Internal Auditor, ensuring internal controls and compliance with policies.

In 2010, he became the Head of Corporate Division in Maya Asia Resources Sdn. Bhd., overseeing corporate matters. Since 2014, he has been the Finance Director, managing internal audit, controls, finance functions, and corporate affairs.

Since 2015, he has also served as the Chief Financial Officer in Maya Asia Resources Pte Ltd, Singapore, managing the overall finance functions of the company.

He attended all five (5) Board meetings held during the financial year ended 31 December 2024.

Notes:-

1. None of the Directors have any family relationship with any Directors and/or major shareholders of the Company except for the following:-
 - a) Ban Kim Wah, who is the uncle of Wong Chun Wei, the Executive Director of the Company, is also the brother of Wong Kim Fatt and brother-in-law of Loo Sok Ching, the major shareholders of the Company.
 - b) Wong Chun Wei, who is the nephew of Ban Kim Wah, the Non-Independent Non-Executive Chairman of the Company, is also the son of Wong Kim Fatt and Loo Sok Ching, the major shareholders of the Company.
2. None of the Directors have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries except the recurrent related party transactions disclosed in the Circular to Shareholders dated 30 April 2025.
3. None of the Directors have been convicted of any offences in the past five (5) years other than for traffic offences (if any) or been imposed on any public sanction or penalty by relevant regulatory bodies during the financial year ended 31 December 2024.
4. None of the Directors have any other directorship in public companies and listed issuers.

PROFILE OF KEY SENIOR MANAGEMENT



CHUAH CHONG SYN

Group Chief Executive Officer



Age : 45 years old



Gender : Male



Nationality : Malaysian

Chuah Chong Syn, our Group Chief Executive Officer is mainly responsible for the Group's overall business operations. He also manages the Group's operations functions and supply chain functions jointly to ensure an effective and efficient production operation through prudent procurement and production planning to meet customers' requirements.

He obtained a Bachelor of Engineering (Mechanical) from Universiti Teknologi Malaysia in 2002.

He began his career in 2002 when he joined WESB as an Engineer where he was mainly responsible for providing engineering support to our company's manufacturing operations. He was subsequently promoted to Senior Engineer in 2004 with his job functions remained unchanged.

In 2005, he was promoted to Assistant Operation Manager where he was mainly responsible for the smooth running of the Operation Department. His responsibilities also included liaising with customers on technical aspects of the products to be manufactured.

In 2008, he was promoted to Operation Manager where his responsibilities were extended to include, among others, overseeing the company's quality assurance and production functions. He was also responsible for departmental overall manpower, capacity and operation planning, departmental budget control, project co-ordination and implementation, and machinery planning and support.

Having been with our Group for approximately 22 years with exposures to various aspects of our business operations, he assumed the role of Group Chief Executive Officer since 28 March 2023.

As at 3 April 2025, he has direct interest of 2,842,000 ordinary shares in the securities of the Company, which represents 0.25% of the total number of issued shares of the Company.



TAI YUAN HENG

General Manager



Age : 55 years old



Gender : Male



Nationality : Malaysian

Tai Yuan Heng, our General Manager is mainly responsible for overseeing our Group's day-to-day production operations.

He obtained his Malaysian Certificate of Education from Sekolah Menengah Seri Kota Melaka in 1987. He began his career in 1988 when he joined an engineering company involved in metal fabrication in Singapore as a technician where he learned various techniques used in metal fabrication such as welding, drilling and grinding. He left the company in 1991.

In 1991, he joined Hup Fatt Brothers Engineering Pte Ltd, a company involved in fabrication of precision sheet metal products in Singapore, as a technician where he was part of the manufacturing operations responsible for the production of metal products. In 1994, he was transferred to HFB Technologies (M) Sdn. Bhd. to assume the role of Plant Manager where he was mainly responsible for monitoring the company's factory operations and supervising factory workers involved in the production of metal products and structures. He left the company in 2000.

In 2000, he co-founded WESB as a shareholder and held the position of Director of the company since then. As Director and Factory Manager of WESB since its incorporation and subsequently as General Manager of our Group since 28 March 2023, his main responsibilities include overseeing our Group's day-to-day production operations, supervising production workers and production planning.

PROFILE OF KEY SENIOR MANAGEMENT

(cont'd)



YAP YEW WEI

Group Financial Controller



Age : 32 years old



Gender : Male



Nationality : Malaysian

Yap Yew Wei, Our Group Financial Controller is mainly responsible the Group's overall accounting and finance matters including internal controls, as well administrative matters.

He graduated with a Bachelor of Science (Hons) in Accounting and Finance from University of London, United Kingdom in 2015. He holds a professional qualification from the Association of Chartered Certified Accountants (ACCA) since 2020. Since 2021, he is also a Chartered Accountant and a member of MIA and became a Chartered Member of The Institute of Internal Auditors Malaysia in 2022.

He began his career in 2016 when he joined Maya Asia Resources Sdn. Bhd. as an Internal Auditor where he was mainly involved in evaluating the adequacy of and recommending improvements in internal controls of the company. In 2020, he was promoted to Finance Manager where he was mainly responsible for supervising corporate affairs, internal audit as well as accounting and finance functions of the company. He left the company in 2021 and has been our Group Financial Controller since December 2021.



LEW SIA CHING

Head of Supply Chain



Age : 43 years old



Gender : Female



Nationality : Malaysian

Low Sia Ching, our Head of Supply Chain is mainly responsible for the Group's procurement, inventory management and logistics functions.

She graduated with a Bachelor of Tourism Management (Hons) from Universiti Utara Malaysia in 2005.

She began her career in 2005 when she joined Goodhope Hotel in Johor as a Management Trainee where she was mainly responsible for the procurement functions of the hotel. She left this employment in 2006.

In 2006, she joined JVCKENWOOD Electronics Malaysia Sdn. Bhd. as a Purchasing Officer where she was mainly responsible for procurement and timely delivery of materials as part of the company's Electrical Purchasing Team. In 2010, she was promoted to Purchasing Senior Officer where her responsibilities were extended to project procurement monitoring to facilitate mass production for timely product launch. She was subsequently promoted to Purchasing Executive in 2012 and Purchasing Assistant Manager in 2013 where she continued her role in procurement functions.

In 2015, she was promoted to Purchasing Department Head where she was mainly responsible for supervising staff to ensure smooth operations of the department as well as managing overall inventory level. In 2017, she was promoted to Planning Department Head where she was mainly responsible for capacity planning, material supply and production planning.

In 2017, she joined WESB as a Supply Chain Manager where she was mainly responsible for managing the company's procurement activities and supplier relationship management. On 28 March 2023, she was promoted to our Head of Supply Chain where she currently oversees our Group's procurement, inventory management and logistics functions.

Notes:-

1. None of the key senior management personnel have any family relationship with any Directors and/or major shareholders of the Company.
2. None of the key senior management have any conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.
3. None of the key senior management personnel have been convicted of any offences in the five (5) years other than for traffic offences (if any) or been imposed on any public sanction or penalty by relevant regulatory bodies during the financial year ended 31 December 2024.
4. None of the key senior management personnel have any other directorship in public companies and listed issuers.

CHAIRMAN'S STATEMENT

Dear Valued Shareholders,

On behalf of the Board of Directors ("Board") of Wentel Engineering Holdings Berhad ("Wentel" or "the Company") and its subsidiaries ("the Group"), I am pleased to present the Annual Report for the financial year ended 31 December 2024 ("FYE2024") of Wentel.

The past year has been a testament to our resilience, adaptability, and commitment to sustainable growth. As we navigate an evolving business landscape, we remain sure and steadfast in our mission to be the leading and preferred provider of sheet metal and structural fabrication, leveraging our advanced in-house surface treatment and assembly capabilities to deliver high-precision, value-added solutions that meet the evolving needs of our customers.



Revenue
RM112.43
million



CHAIRMAN'S STATEMENT

(cont'd)

**17.72 times**

IPO's oversubscription rate

**RM71.03 million**

raised in IPO

RESILIENT FINANCIAL PERFORMANCE

Despite global uncertainties, Wentel delivered revenue of RM112.43 million and a net profit after tax of RM15.03 million in FYE2024. When adjusted for listing expenses, our net profit after tax was RM19.12 million, demonstrating the strength of our underlying business operations. Our earnings per share ("EPS") stood at 1.33 sen, while return on equity ("ROE") was 8.06%. When adjusted for listing expenses, this would translate into adjusted EPS and ROE of 1.70 sen and 10.25%, respectively.

Foreign exchange volatility posed challenges, resulting in a net foreign currency exchange loss of RM1.18 million. However, by implementing a well-executed natural hedging strategy—balancing revenue and expenditures across multiple foreign currencies—we effectively mitigated major financial risks.

CHAIRMAN'S STATEMENT

(cont'd)

STRATEGIC GROWTH AND INVESTMENTS

A key milestone for Wentel in FYE2024 was the commencement of our new manufacturing plant in second quarter of FYE2024 ("2Q2024"). This facility is designed to enhance our production capacity, improve our operational efficiency, and optimise our supply chain processes. The installation of new machinery and equipment (i.e. computer numerical control ("CNC") laser cutting machines, CNC milling machines and CNC turning machines) at the new plant will also support our entry into higher-precision CNC machining, enabling us to serve a broader range of industries.

In addition to facility expansion, we have continued to invest in cutting-edge machinery and automation technologies. These enhancements will not only increase productivity, but also allow us to meet the needs of our clients with greater precision and efficiency.

To complement our infrastructure growth, we launched a Talent Development Programme focused on upskilling and training to nurture a highly skilled workforce that will drive innovation and excellence in our operations. Investing in our people remains a core priority as we prepare to enter the next phase of our growth journey.

COMMITMENT TO CORPORATE GOVERNANCE AND ETHICAL LEADERSHIP

At Wentel, we recognise that strong corporate governance is fundamental to building a sustainable business. Throughout FYE2024, we reinforced our commitment to transparency, accountability, and ethical business practices. Our Board and management team have taken proactive steps to enhance corporate governance awareness through trainings, ensuring that our employees and leadership alike uphold the highest standards of integrity at all times.

We have also continued to strengthen our internal control systems by considering the recommendations of an independent internal auditor who conducted assessments of the adequacy and integrity of Wentel's internal control systems and management information systems. Additionally, our directors and key management personnel have participated in corporate governance training and workshops, staying updated on best practices and regulatory developments. These initiatives reflect our unwavering dedication to maintaining a high level of trust and integrity within our organisation.

ADVANCING SUSTAINABILITY GOALS

Sustainability has become an integral part of our business strategy, aligning with global economic, environmental, social, and governance priorities. Recognising the growing importance of responsible business practices, we have intensified our efforts to integrate sustainability into our operations.

From an economic standpoint, we recognise that sustainable growth is deeply connected to financial resilience, innovation, and value creation. By optimising our resource efficiency, streamlining our operations, and investing in advanced manufacturing technologies, we are enhancing our productivity while reducing our costs. Our commitment to sustainability also widens market opportunities, as businesses and consumers increasingly prioritise environmentally responsible supply chains. Furthermore, by strengthening local supplier partnerships and contributing to the domestic economy, we are fostering long-term economic stability while positioning ourselves as a competitive industry player.

From an environmental perspective, we have implemented waste reduction programmes and developed strategies to lower our carbon footprint. These initiatives are part of our long-term commitment to reducing our environmental impact while maintaining high production efficiency.

On the social front, we continue to expand our internship and workforce development programmes in collaboration with universities, providing opportunities for the next generation of talent to equip them with the skills needed to thrive in our industry. Employee training and professional development remain a key focus area, with structured programmes in place that are designed to enhance the technical expertise and leadership capabilities of our workforce.

In terms of governance, we are continuously strengthening our internal controls, ethical business policies, and risk management frameworks to ensure compliance with industry standards and regulations. Our commitment to corporate transparency and responsible leadership remains steadfast as we strive to create long-term value for all our stakeholders.

For more information on our sustainable practices, please refer to our Sustainability Statement from pages 33 to 62 of this Annual Report.

CHAIRMAN'S STATEMENT

(cont'd)

A YEAR OF OPPORTUNITIES AHEAD

We are optimistic about the opportunities that year 2025 will bring, despite ongoing global uncertainties.

Global merchandise trade volume is expected to grow by 3.0%, in line with an expansion in global gross domestic product ("GDP"). The tourism sector is also poised for continued recovery, with international tourist arrivals projected to grow by 3% to 5%. The United Nations Tourism Confidence Index reflects this optimism, scoring 130 for year 2025, while 64% of experts foresee better or much better prospects compared to year 2024. However, regional conflicts, geopolitical tensions, and policy uncertainty remain key downside risks.

Against this backdrop, we anticipate sustained demand for semiconductor components and security solutions. The global semiconductor market is forecast to grow by 12.5% to reach USD687 billion in year 2025, primarily driven by the memory and logic segments. This signals stronger demand for precision components, benefitting Malaysia's semiconductor sector. The global security equipment market is also expected to expand, driven by rising security concerns and evolving regulations. The growth in these markets will drive demand for high-quality, precision-engineered metal components and sheet metal fabrication, creating new growth opportunities for our Group.

Operationally, we remain focused on enhancing capacity and upgrading production facilities at our new manufacturing plant. We will also continue investing in workforce development, fostering a culture of continuous learning, career growth, and innovation to strengthen our competitive edge.

ACKNOWLEDGMENT AND APPRECIATION

As we reflect on another year of progress, I would like to express my deepest gratitude to our employees, whose hard work and dedication continue to drive our success. I also wish to extend my appreciation to our shareholders, customers, and business partners, whose trust and confidence in Wentel motivate us to push boundaries and achieve greater heights.

In addition, I wish to recognise the contributions of my compatriots on our Board, as well as our senior management for their vision, strategic leadership, and commitment to excellence. Together, we have built a strong and resilient organisation, ready to embrace the challenges and opportunities of the future.

With continued focus, determination and collaboration, Wentel will achieve even greater success in the financial year 2025 and beyond.

Thank you.

MR BAN KIM WAH

Non-Independent Non-Executive Chairman



MANAGEMENT DISCUSSION AND ANALYSIS

Wentel Engineering Holdings Berhad (“Wentel” or “the Group”) continued its trajectory of growth and transformation in the financial year ended 31 December 2024 (“FYE2024”), reinforcing its position as a leading provider of fabrication and assembly solutions. With over two decades of industry experience, the Group specialises in the fabrication of semifinished metal products and metal parts, as well as the assembly of finished products, catering to industries such as security screening, semiconductor manufacturing, CNC machining, and medical diagnostics.

CORE BUSINESS ACTIVITIES

Wentel operates across three key business segments, each playing a crucial role in its overall success:

1. The fabrication of semifinished metal products focuses on producing metal bodies and accessories, which are primarily supplied to manufacturers of security screening equipment and CNC machines. These semifinished products undergo additional processing before they are integrated into final products.
2. The fabrication of metal parts involves the production of essential components such as support blocks, brackets, panels, housings, and tunnels. These components are widely used in various industries, including semiconductor manufacturing, medical diagnostics, industrial 3D printing, passenger coaches, and security screening.
3. Lastly, the Group’s assembly of finished products specialises in the integration of electrical, electronic, and mechanical components to produce fully operational walk-through metal detectors.

To enhance the durability, functionality, and aesthetic appeal of its fabricated components, Wentel applies specialised surface treatments and coatings to select portions of its semifinished metal products and metal parts. These treatments serve multiple purposes, including corrosion and scratch resistance, as well as improving adhesion for subsequent coatings. In some cases, surface finishing is also applied for aesthetic enhancement, meeting both functional and design specifications required by customers across various industries.

Wentel carries out a range of in-house surface treatments, including sandblasting, degreasing, buffing, and zinc phosphate treatment, ensuring that metal surfaces are properly prepared for coating applications. These processes help remove impurities, improve coating adhesion, and enhance surface quality, ultimately extending the lifespan and performance of the final product.



MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

Additionally, the Group provides in-house surface coating solutions, including zinc electroplating, powder coating, and spray painting. These coatings offer added protection against corrosion, abrasion, and environmental exposure, ensuring that Wentel's fabricated components meet high industry standards for durability and reliability.

For specialised surface finishing requirements beyond its in-house capabilities, the Group collaborates with trusted third-party subcontractors to provide additional treatment options such as chemical film treatment and advanced surface coatings, including nickel electroplating, chrome electroplating, and aluminum anodising. These value-added services allow the Group to deliver fully customised surface finishing solutions, catering to the specific needs of its clients.

Through this combination of in-house expertise with strategic outsourcing, Wentel ensures cost-effective, high-quality, and comprehensive surface treatment solutions, reinforcing its position as a leading provider of precision-engineered metal components.

Business activities and revenue streams

Principal activities

Fabrication

Semifinished
metal products

Metal parts

Assembly

Walk-through metal detectors

MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

COMPETITIVE STRENGTHS

Wentel's success is built on several key competitive advantages:

1. With a well-established industry reputation, the Group benefits from over 20 years of expertise in precision fabrication and assembly.
2. Its long-term relationships with major industry players have fostered trust and consistent business growth.
3. Additionally, the Group's in-house engineering capabilities and technical expertise allow it to maintain high manufacturing standards.
4. Quality assurance remains a priority, as evidenced by its ISO 9001:2015 Quality Management Systems certification, ensuring compliance with stringent industry standards.
5. The Group's presence in Malaysia and Singapore further strengthens its regional market accessibility.
6. Its comprehensive production facilities are designed to meet the diverse needs of multiple industries.

OPERATIONAL REVIEW

Market and Industry Landscape

Global GDP for Year 2024 is projected to grow by 2.7% at market exchange rates, with global merchandise trade expanding by 2.3% year-on-year in the first half of Year 2024 ("1H2024"). Moderate growth in the second half of Year 2024 ("2H2024") is expected to bring full-year expansion to 2.7%. The tourism sector also demonstrated strong momentum, with an estimated 1.4 billion international tourists (overnight visitors) recorded worldwide in Year 2024. The manufacturing sector expanded 3.3% in 1H2024, driven by 5.9% growth in domestic-oriented industries, supported by rising demand in non-metallic minerals, basic metals, and fabricated products, alongside a strong construction sector.

The evolving geopolitical landscape and shifting trade policies had a significant impact on global production and trade dynamics in Year 2024. US sanctions on Chinese imports reshaped trade flows, with tariffs, trade restrictions, and regulatory changes disrupting supply chains, particularly for companies reliant on global suppliers or export markets. However, Southeast Asian manufacturers—including Wentel—benefited from a shift in orders to Malaysia, Vietnam, and Indonesia, as businesses sought alternative production hubs to navigate these challenges.

As the industries that the Group serves continued to evolve, both new opportunities and emerging challenges shaped the business landscape throughout the year.

In the security industry, the security screening equipment segment experienced steady organic growth, driven by rising global security concerns, stricter regulations, and technological advancements. Increased investments in public security infrastructure worldwide further reinforced demand for the Group's fabricated metal products.

Meanwhile, the semiconductor industry, after facing a cyclical downturn, began showing signs of recovery in the fourth quarter of FYE2024 ("4Q2024"). The continued expansion in electrical and electronics ("E&E") and primary-related clusters contributed to 4.4% growth in the manufacturing sector in 4Q2024 (vs. 5.6% in the third quarter of FYE2024 ("3Q2024")).

Wentel is well-positioned to capitalise on opportunities within Malaysia's growing semiconductor market. Additionally, the shifting geopolitical dynamics and trade diversions have opened new partnership and market entry opportunities, which the Group continues to assess as part of its long-term growth strategy. Its diversified business portfolio and adaptability ensured operational resilience, providing a stable foundation for future expansion amidst market fluctuations throughout the financial year.

A Milestone Year as a Public Listed Company

The past year was a transformational and historic period for Wentel, marked by its successful listing on the ACE Market of Bursa Malaysia Securities Berhad on 6 February 2024. This milestone was more than just a financial achievement—it signified the Group's evolution into a publicly listed company, reinforcing its commitment to transparency, governance, and long-term value creation for stakeholders. The listing not only enhanced Wentel's market visibility, but also provided greater financial flexibility to accelerate its business expansion, strengthen its operational capabilities, and drive sustainable growth.

The transition from a private limited company to a public entity was a strategic move that enabled Wentel to tap into the capital markets, securing additional funds through its Initial Public Offering ("IPO"). Following its successful IPO, Wentel raised RM71.03 million, which has been strategically allocated to drive key growth initiatives. These funds are being used to expand production capacity through the construction of a new manufacturing facility, invest in advanced machinery and automation technologies, and support the Group's working capital requirements. By leveraging this capital, the Group is better positioned to seize new opportunities in its business landscape, enhance its production efficiency further, and solidify its competitive edge across key industries.

MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

Beyond financial gains, Wentel's listing also marked a new era of corporate governance and stakeholder engagement. As a public company, the Group is committed to upholding the highest standards of accountability, transparency, and corporate responsibility. This shift aligns with Wentel's broader ambition to strengthen investor confidence, build long-term partnerships, and drive sustainable growth in the years ahead.

With this significant milestone achieved, Wentel is now poised for its next phase of expansion, leveraging its enhanced financial position, industry expertise, and strategic growth plans to further solidify its market leadership.

FINANCIAL REVIEW

FYE2024 was a year of financial strength and resilience for Wentel, largely due to organic growth in the security equipment industry and the recovery of the semiconductor sector. Increased demand in these industries contributed significantly to revenue and profit growth, highlighting Wentel's ability to capitalise on market trends.

Financial Performance

Against the above backdrop, revenue grew by 13.85%, reaching RM112.43 million, compared to RM98.75 million in FYE2023. The fabrication of semi-finished metal products achieved a record-breaking revenue of RM83.53 million and remained the largest revenue contributor to the Group, accounting for 74.30% of total revenue, followed by the fabrication of metal parts (20.40%) and assembly of finished products (5.30%).

The Group also expanded its customer base to reflect strong demand and growing industry confidence in its product offerings. Geographically, Malaysia remained the primary revenue driver, contributing 71.77%, with Singapore and the US making up the remaining share.

Gross profit ("GP") saw a strong 27.10% increase in FYE2024, rising to RM31.57 million from RM24.84 million in FYE2023. The GP margin also grew, reflecting improved operational efficiency and effective management of raw material costs. Several key factors influenced the Group's profit margins during the year under review:

- Raw material costs – With material consumption accounting for 40-50% of total revenue, fluctuations in raw material prices significantly impact both GP and net profit margins.
- Product mix and order volume – Variations in high-mix, low-volume production orders affect overall margins, as customised and small-batch productions often have higher processing costs compared to standardised, large-scale manufacturing.
- Foreign exchange fluctuations – As the Group operates in multiple international markets, foreign currency exchange movements influence procurement costs and overall profitability.

Despite incurring listing expenses and foreign exchange losses, net profit grew by 6.56% to RM15.03 million, compared to RM14.10 million in FYE2023. Most notably, adjusted core net profit after tax (NPAT) surged by 56.47% to RM20.30 million, highlighting the effectiveness of the Group's operational strategies and cost optimisation efforts. Meanwhile, total assets expanded significantly by 82.05%, reaching RM214.13 million from RM117.62 million in the previous year, reinforcing Wentel's strengthened financial position.



Revenue (RM'000)

RM112.43

FYE2023: RM98.75



Gross Profit (RM'000)

RM31.57

FYE2023: RM24.84

Revenue by location (RM'000)

● 2023 ● 2024

Malaysia



Singapore



United States



MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

Financial Position

Wentel's balance sheet demonstrated substantial improvements, with total equity increasing by 82.94% to RM186.46 million from RM101.93 million in FYE2023. This growth was driven by higher profitability and disciplined capital management.

Current assets almost doubled, growing by 94.04% to RM142.23 million in FYE2024 from RM73.30 million in FYE2023, primarily due to a substantial increase in cash reserves and trade receivables from sales growth. Non-current assets likewise expanded to RM71.90 million in FYE2024 from RM44.32 million in FYE2023, a 62.24% growth which reflected strategic capital investments to enhance production capacity.

Total borrowings were slashed by 51.93% to RM1.41 million from RM2.93 million, underscoring prudent debt management and strong cash flow generation.

Liquidity

Liquidity remained robust, with the current ratio improving to 6.11 times in FYE2024, up from 5.20 times in FYE2023, reinforcing Wentel's short-term financial stability. Fixed deposits with licensed banks as well as cash and bank balances surged by 183.84% to RM90.30 million from RM31.81 million, mainly due to funds raised from Company's initial public offering mainly for capital expenditure and net cash from operating activities for FYE2024, ensuring ample liquidity to support operational needs and strategic growth initiatives.

Furthermore, Wentel maintained a solid capital structure, with an improved debt-to-assets ratio of 0.01 in FYE2024 from 0.02 in FYE2023. This strong financial foundation positions the Group well to capitalise on growth opportunities while maintaining resilience in an evolving market landscape.

	FYE2023 RM'000	FYE2024 RM'000	Changes %
Revenue	98,752	112,429	13.85
Gross profit	24,840	31,571	27.10
Net profit after tax (NPAT)	14,101	15,026	6.56
Listing expenses	-	4,092	
Realised/unrealised (gain)/loss in foreign currency exchange, net	(1,129)	1,179	
Adjusted core net profit after tax (Core NPAT)	12,972	20,297	56.47
- Add back listing expenses			
- Add back loss in foreign currency exchange			
EPS (sen)	5.42	1.33	-75.46
Core EPS (sen)	4.99	1.80	-63.93
GP margin	25.15%	28.08%	
NPAT margin	14.28%	13.36%	
Core NPAT margin	13.14%	18.05%	
Current ratio (times)	5.20	6.11	
Gearing ratio (times)	0.03	0.01	
Net assets per share (RM)	0.12	0.16	

	FYE2023 RM'000	FYE2024 RM'000	Changes %
Revenue by segment			
Fabrication of semifinished metal products	75,365	83,532	10.84
Fabrication of metal parts	16,073	22,939	42.72
Assembly of finished products	7,314	5,958	-18.54
Total revenue	98,752	112,429	13.85

MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

	FYE2023 RM'000	FYE2024 RM'000
Revenue by location		
Malaysia	69,729	80,686
Singapore	28,530	30,919
US	493	824
Total revenue	98,752	112,429

The Group closely monitors key profitability metrics to ensure strong financial performance and sustainable growth. By tracking these indicators, the Group can assess the profitability of each department and project, identifying areas that contribute positively to the bottom line. It can then implement corrective measures when necessary and continuously optimise operational efficiency and financial returns.

DIVIDENDS

It is the Board's policy to recommend dividends to allow shareholders to participate in the Group's profits. During FYE2024, no dividends were declared as the Group prioritised strengthening its financial position, preserving liquidity, and supporting ongoing expansion initiatives. This decision was made to ensure that Wentel maintains a stable financial foundation, enabling it to navigate market uncertainties, invest in business growth, and enhance long-term shareholder value.

As a holding company, Wentel's ability to declare and pay dividends or make other distributions to our shareholders is dependent on the dividends we receive from our subsidiaries, present or future. Nonetheless, the Board remains committed to declaring dividends when financially prudent and will continue to assess the Group's performance, cash flow position, and capital requirements to determine future dividend distributions.

STRATEGIC INITIATIVES

Manufacturing Facility Expansion and Technological Advancements

A key milestone for Wentel in FYE2024 was the commencement of construction for its new manufacturing plant at Lot 815 in 2Q2024. Situated on freehold industrial-zoned land owned by the Group in Kawasan Perindustrian Selatan, Johor Bahru, this facility marks a significant step in Wentel's long-term expansion strategy.

Designed as a state-of-the-art facility, the new plant will consist of two blocks of single-storey factory buildings with double-storey office spaces and two blocks of workers' hostels. Upon its completion in the second half of the financial year ending 31 December 2025 ("2H2025"), the Group will relocate its operations from Lot 58 in Kawasan Perindustrian Larkin, Johor Bahru, to the new plant and terminate its tenancy at Lot 58. Meanwhile, operations at Lot 11 will continue as part of the Group's expanded manufacturing footprint.

With a built-up area of approximately 299,701 sq ft, the new plant is expected to significantly enhance Wentel's production capacity, streamline operations, and optimise supply chain efficiency. Once operations commence in the first half of the financial year ending 31 December 2026 ("1H2026"), it will improve the Group's production capacity, strengthening its ability to meet growing market demand across various industries. The total estimated construction cost of RM67.95 million is being financed through a combination of IPO proceeds, internally generated funds, and/or bank borrowings.

Beyond expanding its physical infrastructure, Wentel remains committed to advancing its manufacturing capabilities through technological investments. The Group is integrating next-generation CNC laser cutting machines, CNC milling machines, and CNC turning machines that have better fabrication parameters and/or added functionality into its operations, enabling its entry into the high-precision CNC machining sector. This expansion will broaden Wentel's service offerings to industries such as high-end medical technology and semiconductor manufacturing, further reinforcing its market position.

By leveraging automation and digital manufacturing solutions such as robotics production lines, the Group aims to enhance product quality, reduce labour costs and achieve greater operational stability, thereby reducing unnecessary expenditures associated with downtimes. The adoption of advanced prototyping capabilities and faster turnaround times will accelerate new product development, enabling Wentel to better serve its customers with high-value, customised engineering solutions. These advancements will ensure that the Group remains at the forefront of industry trends and evolving customer demands, solidifying its reputation as a trusted provider of high-precision engineering solutions.

MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

Strengthening Market Presence and Customer-Centric Innovation

To expand its market presence and industry reach, Wentel pursued several strategic initiatives:

Strong Customer Engagement

The Group strengthened its customer engagement strategy by fostering long-term partnerships and working closely with clients right from the research and development stage to develop cost-efficient, high-precision solutions. By collaborating early in the product development process, Wentel not only optimised production costs, but also ensured seamless integration of its fabricated components into customers' final products, reinforcing its value as a trusted manufacturing partner.

Uncompromising Commitment to Product Quality

A steadfast commitment to high product quality remained at the core of Wentel's operations, ensuring that every aspect of its manufacturing processes met stringent industry standards while continuously evolving to align with changing customer demands. Through rigorous quality control measures, advanced precision engineering, and strict compliance with international regulations, the Group maintained exceptional product reliability and performance.

To uphold these high standards, the Group invested in cutting-edge inspection technologies, robust quality management systems, and continuous process improvements. The Group's adherence to ISO-certified manufacturing protocols reinforced its reputation for consistently delivering quality products that meet the exact specifications of its clients across the security screening, semiconductor and medical technology industries.

Sustainability and Smart Manufacturing

Wentel's approach extends beyond operational efficiency to encompass environmental responsibility, resource optimisation, and long-term business resilience. By adopting sustainable initiatives such as reducing water and energy consumption as well as recycling, the Group actively minimises its environmental footprint while reducing operating expenses.

Further reinforcing its dedication to sustainable practices, Wentel holds the ISO 14001 Environmental Management Systems certification, a testament to its structured and proactive approach in managing its environmental impact, ensuring regulatory compliance, and continuously improving its sustainability efforts across its operations.

Additionally, the Group's integration of automation and digital manufacturing solutions that enable real-time monitoring, predictive maintenance, and data-driven decision-making on a greater scale will further boost its precision, reduce its waste, and optimise its resource utilisation. These initiatives not only enhance its ability to meet the increasingly discerning requirements and sustainability expectations of its clients and stakeholders, but also position Wentel as a forward-thinking, sustainability-focused manufacturer.

Value-Added Services

Additionally, the Group continually enhances its value-added services, offering its customers comprehensive solutions beyond fabrication and assembly, such as customised engineering support, prototyping, and precision finishing services. This expanded service portfolio strengthens customer relationships and positions the Group as a one-stop manufacturing partner capable of delivering tailored, high-performance solutions.

Regional Presence for Greater Market Reach

As part of its regional growth strategy, the Group maintains and actively strengthens its physical presence in Singapore, enabling closer collaboration with international clients while expanding its footprint in high-growth markets. This strategic move has enhanced Wentel's customer engagement capabilities, market responsiveness, and ability to cater to the evolving needs of a diverse client base in an effective manner.

By positioning itself within a key regional hub, the Group has improved access to new business opportunities, strengthened relationships with existing partners, and reinforced its reputation as a leading engineering solutions provider in the region.

Enhancing Cost Management and Financial Resilience

In addition to the cost efficiency gains achieved through investments in automation and smart manufacturing, the Group took proactive measures to mitigate the impact of rising raw material costs. Wentel procures raw materials using purchase orders without locking in purchase prices with suppliers. This approach ensures greater cost stability and operational resilience, allowing the Group to negotiate price adjustments with customers when necessary.

MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

Wentel also reinforced its corporate governance framework and pursued strategic business diversification to enable the Group to navigate market fluctuations while driving sustainable growth. By implementing robust risk management practices, Wentel proactively identifies, assesses, and mitigates financial and operational risks, ensuring that the Group remains agile and well-prepared to adapt to industry changes.

Efficient capital allocation is fundamental to Wentel's long-term growth and financial resilience. By aligning capital investments with strategic objectives, prioritising high-return projects, and maintaining a balanced approach between capital expenditures ("CAPEX") and operating expenses ("OPEX"), the Group ensures optimal resource utilisation. Following its successful IPO, Wentel optimised its capital structure through strategic debt financing, allowing for capacity expansion, technological advancements, and operational improvements while maintaining a strong credit profile to secure favourable interest rates and borrowing terms. To uphold financial stability, the Group regularly monitors key financial performance ratios, ensuring that debt levels remain manageable and aligned with strategic goals. This proactive risk management approach mitigates the risk of over-leverage, providing the flexibility needed to seize expansion opportunities while safeguarding financial health. Additionally, working capital optimisation and transparent stakeholder communication reinforce

investor confidence, ensuring that capital is effectively deployed to drive sustainable success in the competitive engineering and manufacturing landscape.

The Group also actively explores government grants, subsidies, and low-interest financing options offered by government agencies and financial institutions, particularly for initiatives related to innovation, sustainability, and workforce development. Securing these financial incentives reduces capital expenditure pressures, helping to ease the financial burden associated with business expansion, technological upgrades, and capability enhancement.

Empowering a Skilled Workforce for Future Growth

Recognising that a highly skilled workforce is the foundation of long-term sustainability and business excellence, Wentel has introduced a comprehensive Talent Development Programme focused on upskilling, continuous learning, and leadership development. This initiative reflects the Group's commitment to nurturing talent, fostering innovation, and maintaining a competitive edge in an evolving industry landscape.

By equipping its workforce with advanced knowledge in automation, precision engineering, and smart manufacturing technologies, the Group ensures that its team remains adaptable and well-prepared to meet increasingly complex customer demands.

OUR KEY RISKS & MITIGATION

The Group recognises that effective risk management is critical to ensuring business continuity, financial stability, and long-term sustainability. The Group has identified key risks and implemented proactive mitigation strategies to minimise potential disruptions. The table below outlines the risks, their potential impact, mitigation strategies, and expected outcomes.

Raw Material Price Fluctuations	
Risk Description: The Group relies on raw materials such as metals, which are subject to price volatility due to global supply-demand dynamics, inflation, and geopolitical factors.	
Potential Impact: Higher production costs, reduced profit margins, and pricing challenges for customers.	
Mitigation Strategies	Results
<ul style="list-style-type: none"> Implement a flexible purchase order strategy to allow cost adjustments. Diversify suppliers to ensure competitive pricing. Enter bulk purchase agreements for cost stability. Explore alternative materials when feasible. 	- Improved cost management, better pricing stability, and reduced impact of material price volatility.

MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

Currency Fluctuations

Risk Description:

As the Group operates in international markets, revenue and procurement transactions are exposed to currency fluctuations.

Potential Impact:

Profitability affected by unfavourable exchange rate movements, increased cost of imports.

Mitigation Strategies	Results
<ul style="list-style-type: none"> Maintain natural hedging by balancing foreign currency revenue and expenses. Use hedging instruments such as forward contracts where necessary. Regularly monitor currency trends to adjust pricing strategies. 	<ul style="list-style-type: none"> - Reduced impact of currency fluctuations on financial performance and greater financial predictability.

Reliance on Major Customers

Risk Description:

A significant portion of revenue is derived from a few key customers, increasing revenue concentration risk.

Potential Impact:

Loss of a major customer could significantly impact revenue and profitability.

Mitigation Strategies	Results
<ul style="list-style-type: none"> Expand the customer base to reduce reliance on any single client. Strengthen relationships with existing customers through value-added services. Offer diversified product solutions to attract new market segments. 	<ul style="list-style-type: none"> - Greater revenue diversification, reduced dependency on key customers, and increased market stability.

Predominantly Short-Term Contracts

Risk Description:

The Group operates on purchase-order based transactions rather than long-term contracts, making revenue streams less predictable.

Potential Impact:

Volatility in order volumes, uncertainty in long-term revenue visibility.

Mitigation Strategies	Results
<ul style="list-style-type: none"> Foster strong customer relationships to encourage repeat orders. Provide customised solutions and competitive pricing to improve customer retention. Diversify product offerings to meet a broader range of customer needs. 	<ul style="list-style-type: none"> - More consistent order flow, stronger customer loyalty, and improved revenue predictability.

MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

Concentration in a Single Industry Segment

Risk Description:

Over 65% of the Group's revenue is derived from the security screening equipment industry.

Potential Impact:

Business performance is highly sensitive to regulatory changes, budget allocations, technological advancements, and evolving security threats, all of which influence demand for security screening solutions.

Mitigation Strategies	Results
<ul style="list-style-type: none"> Diversify business segments by expanding into adjacent industries such as industrial automation. Invest in research and development to develop solutions for multiple industries. Strengthen regional expansion efforts to tap into new markets. 	<ul style="list-style-type: none"> - A more resilient business model, reduced reliance on any single industry, and better risk distribution.

Workforce Retention Challenges

Risk Description:

The loss of skilled and experienced employees due to competitive job markets and workforce mobility.

Potential Impact:

Increased recruitment and training costs, potential loss of technical expertise, and disruptions to operations.

Mitigation Strategies	Results
<ul style="list-style-type: none"> Implement competitive compensation and benefits packages. Provide career development opportunities through training and leadership programmes. Foster a positive work culture with engagement initiatives and employee well-being programmes. 	<ul style="list-style-type: none"> - Higher employee retention, a motivated workforce, and reduced disruption from turnover.

By implementing these risk mitigation strategies, Wentel enhances its resilience, operational efficiency, and financial stability, ensuring that it remains well-positioned for sustainable growth in an evolving market landscape.

FORGING AHEAD

The global economy is projected to expand by 3.3% in Year 2025, according to the International Monetary Fund. Malaysia's economy is expected to grow within a range of 4.5% to 5.5% in Year 2025, per the Ministry of Finance's projection. The manufacturing sector is anticipated to continue its expansion, driven by strong domestic demand and a recovering external sector.

As Wentel looks ahead, favourable market trends in security screening, semiconductor manufacturing, and CNC machining present exciting growth opportunities.

The increasing adoption of Artificial Intelligence ("AI") and automation in security screening, coupled with the rise of smart airports and cities and stricter travel regulations, is driving demand for advanced detection solutions. Governments and private sectors are investing in next-generation security technologies to enhance threat detection, streamline screening processes, and improve public safety. AI-powered systems with real-time data analysis, facial recognition, and machine learning are becoming essential in high-traffic locations, enabling greater efficiency, accuracy, and reduced human intervention. As global security concerns evolve, the push for automated, high-precision screening technologies that meet stricter regulatory standards continues to grow, reinforcing the need for intelligent, AI-driven security solutions.

MANAGEMENT DISCUSSION AND ANALYSIS

(cont'd)

The global surge in semiconductor production, fuelled by the rapid expansion of generative AI, data centres, and high-performance computing, is driving unprecedented demand for advanced chips and, consequently, high-precision engineered components. As AI-driven applications and cloud computing technologies continue to evolve, semiconductor manufacturers are scaling up fabrication capabilities to meet the growing need for faster, more efficient, and power-optimised chips. This expansion is reinforcing demand for specialised precision-fabricated components, which are critical in supporting wafer fabrication, chip assembly, and semiconductor testing processes. With the industry undergoing rapid advancements, the need for high-quality, precision-engineered metal parts remains integral to ensuring the reliability, efficiency, and scalability of next-generation semiconductor manufacturing.

Additionally, the integration of AI-driven automation, real-time data analytics, and Internet of Things ("IoT") connectivity is transforming CNC machining by enhancing efficiency, precision, and scalability. These cutting-edge innovations enable greater accuracy, reduced material waste, and faster production cycles, making them indispensable in high-tech industries such as medical technology, semiconductor manufacturing, and industrial automation. Such ongoing advancements in smart and automated CNC machining are driving increased demand for precision machining, creating new opportunities for manufacturers like the Group that specialise in high-precision components.

Wentel remains committed to seizing these strategic opportunities to drive long-term growth, enhance operational efficiency, and strengthen its market position. With a clear focus on talent development, capacity expansion, supply chain optimisation, precision fabrication, and regional expansion, the Group is well-placed to capitalise on emerging industry trends and evolving customer demands.

The Group will continue to invest in talent development, ensuring that its workforce remains skilled, innovative, and adaptable to the rapidly evolving engineering and manufacturing landscape. Through continuous upskilling, structured training programmes, and industry collaborations, the Group nurtures a highly competent team capable of driving operational excellence and technological innovation.

The Group's new manufacturing plant will provide additional production capacity to support increased demand across key industries. Designed with state-of-the-art automation and smart manufacturing technologies, the facility will enable the Group to scale operations efficiently, improve productivity, and meet the growing needs of its global clientele in a timely manner.

Supply chain optimisation and resilience remain a top priority, allowing Wentel to enhance procurement strategies, reduce lead times, and mitigate risks associated with material shortages and cost fluctuations. Continually strengthening its supplier network and diversifying sourcing strategies to include local procurement can help the Group to ensure a stable and efficient production flow, reinforcing its ability to deliver high-quality products on time.

Wentel also continues to advance its precision fabrication capabilities, integrating next-generation CNC machining, laser cutting, and advanced metal processing technologies. These innovations enhance product accuracy, consistency and customisation, enabling the Group to cater to its clients in high-tech industries.

To further expand its market reach, Wentel is actively strengthening its regional presence, particularly in high-growth markets. By establishing a physical footprint and fostering closer relationships with international clients, the Group is better positioned to tap into new business opportunities, expand its customer base, and reinforce its reputation as a trusted engineering solutions provider.

With a strategic focus on these key growth areas, Wentel is poised to enhance its competitiveness, drive innovation, and sustain long-term value creation for its stakeholders.

SUSTAINABILITY STATEMENT

Wentel Engineering Holdings Berhad (“Wentel” or “the Company”) and its subsidiaries (“the Group”) prioritises sustainability as the foundation of our long-term growth. Committed to economic, environmental, social, and governance best practices, we foster transparency and stakeholder engagement to align our operations with national development goals. Through these efforts, we create shared value, driving business success and a sustainable future.

ABOUT THIS STATEMENT

This Sustainability Statement was produced following our initial public offering in February 2024, which made us an ACE Market constituent of Bursa Malaysia Securities Berhad (“Bursa Securities”). Over the past year, we assessed and addressed key economic, environmental, social, and governance sustainability issues to meet stakeholder expectations and drive industry sustainability.

The following pages of this statement highlight the initiatives we have implemented on this front.



SUSTAINABILITY STATEMENT

(cont'd)

SCOPE AND BOUNDARY

This statement covers the Malaysian business operations and activities of its wholly-owned subsidiary, Wentel Engineering Sdn. Bhd. (“WESB”).

REPORTING PERIOD AND CYCLE

This statement details our sustainability-related activities from 1 January 2024 to 31 December 2024 (“FYE2024”). Our Sustainability Statements will be produced annually going forward, coinciding with our financial reporting period to ensure consistency in our disclosures.

REPORTING GUIDELINES

Primary

- Bursa Malaysia’s Sustainability Reporting Guide (3rd Edition)
- Malaysian Code on Corporate Governance 2021 (“MCCG”)

Reference

- Global Reporting Initiative
- FTSE4Good Index Series
- United Nations’ Sustainable Development Goals

Going forward, we are aligning our reporting with the National Sustainability Reporting Framework (“NSRF”). Beginning next year, we will transition to reporting that incorporates NSRF and other relevant standards.

This data has been reviewed and validated by senior management and the relevant data custodians, and has received formal approval from the Board.

FEEDBACK AND INQUIRIES

We welcome your feedback. Please write to us at corporate@wenteleng.com.

OUR APPROACH TO SUSTAINABILITY

At Wentel, competent leadership and a governance structure drive our sustainability efforts. We engage stakeholders to align with industry standards and societal needs, while our sustainability framework enables continuous assessment, tracking, and improvement across operations.

SUSTAINABILITY GOVERNANCE



We have established a sustainability governance structure to ensure effective implementation of our strategies, with clear roles and accountability:

Board of Directors

- Oversees sustainability strategy, reporting, and risk management.
- Reviews sustainability projects, KPIs, and performance annually.
- Appoints a Sustainability Committee to assist in related matters.

Board Committee

- Reviews and recommends sustainability strategies to the Board.
- Ensures alignment with industry trends and feasibility within resources.
- Assists in preparing the Group’s Sustainability Statement.

Sustainability Committee

- Implements and monitors the Board-approved sustainability strategy.
- Reviews and reports on sustainability risks, trends, and performance.
- Oversees community, environmental, and corporate responsibility initiatives.
- Recommends sustainability policies and reporting standards to the Board.

SUSTAINABILITY STATEMENT

(cont'd)

MATERIALITY ASSESSMENT

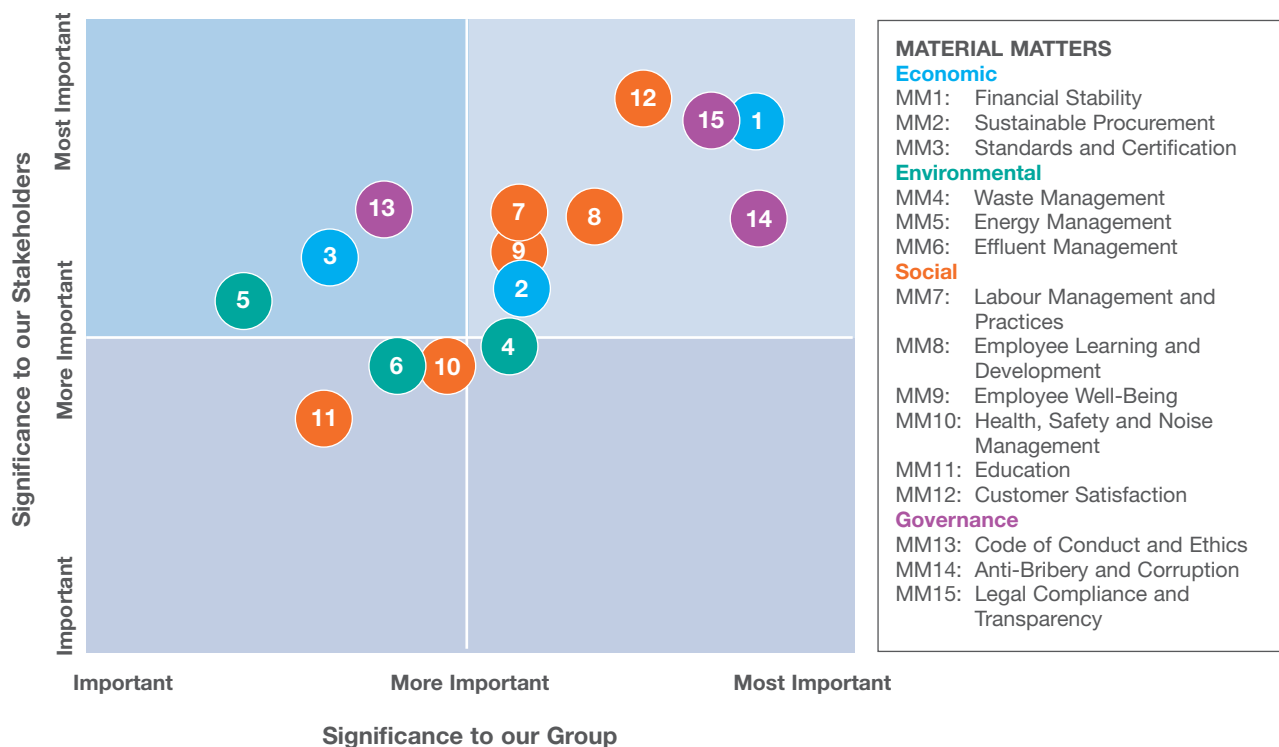
Materiality assessments play a crucial role in our identification and evaluation of the risks and opportunities that shape our sustainability journey. By systematically assessing the sustainability-related matters that are most relevant to our Group and stakeholders, we ensure that our strategies are aligned with both current and future needs. Through ongoing engagement with our stakeholders, we gain valuable insights into the matters that are most relevant to them, allowing us to address these matters effectively.

Materiality Process

Our process for identifying and prioritising material matters is as follows:



Materiality Matrix



The above materiality matrix is a diagram where we plot the identified sustainability-related matters according to significance to both our Group and our stakeholders. The matters in the upper-right section of the matrix are regarded as the most significant by both parties. Consequently, our top three material matters are Customer Satisfaction, Legal Compliance and Transparency, as well as Financial Stability.

The material matters positioned closer to the lower-left section of the matrix are Education, Effluent Management, as well as Health, Safety and Noise Management. While these matters are lower in priority, we continue to allocate resources to addressing them, as detailed in the discussion on material matters below.



SUSTAINABILITY STATEMENT

(cont'd)

SUSTAINABILITY RISK MANAGEMENT

Sustainability risk management is key to our broader strategy, ensuring long-term value by identifying and addressing risks. Integrating sustainability into our decision-making processes and risk framework enhances our resilience, fosters stakeholder trust, and creates opportunities for positive impact.



The table below outlines our material matters as well as their associated risks and the opportunities we leverage to generate long-term value and contribute to a sustainable future.

Material Matters	Risks	Opportunities
<div> ECONOMIC</div>		
MM1: Financial Stability	Market volatility (e.g. forex, interest rates and commodity prices), liquidity issues, and high debt exposure can negatively impact financial performance and relationships with suppliers.	Diversifying revenue streams, implementing effective hedging mechanisms and optimising costs can strengthen financial resilience, supplier ties and long-term growth.
MM2: Sustainable Procurement	Supplier non-compliance and higher costs for sustainable materials may disrupt operations and affect margins.	Ethical sourcing can build strong supplier relationships and differentiate products in a competitive market.
MM3: Standards and Certification	Non-compliance with quality standards or certifications may lead to legal penalties and reputational damage.	Holding quality certifications enhances brand trust, opens new market opportunities, and ensures operational quality.
<div> ENVIRONMENTAL</div>		
MM4: Waste Management	Poor waste management practices can lead to environmental damage and regulatory fines.	Effective waste reduction and recycling can lower disposal costs and enhance sustainability credentials.
MM5: Energy Management	Rising energy costs and supply disruptions can increase operational costs and impact profitability.	Investing in energy efficiency and renewable energy can reduce costs and improve environmental performance.
MM6: Effluent Management	Inadequate treatment of effluent and leakages can result in environmental pollution and legal liabilities.	Advanced effluent and leakage management processes can reduce waste, ensure compliance, and improve operational efficiency.

SUSTAINABILITY STATEMENT

(cont'd)

SUSTAINABILITY RISK MANAGEMENT (CONT'D)

Material Matters	Risks	Opportunities
 SOCIAL		
MM7: Labour Management and Practices	Poor labour practices can lead to difficulty in sourcing for manpower, operational and legal issues, increased turnover and disciplinary issues, and reputational damage.	Fair labour practices enhance employee recruitment, engagement and productivity; reduce attrition and disciplinary issues, and improve brand image.
MM8: Employee Learning and Development	Lack of investment in training and development can lead to skill gaps, creating setbacks to quality and productivity.	Continuous learning programmes improve talent retention, innovation, quality and productivity.
MM9: Employee Well-Being	Neglecting employee well-being can lead to health issues, higher absenteeism, and reduced productivity.	Focusing on well-being boosts employee morale, reduces turnover, and enhances organisational performance.
MM10: Health, Safety and Noise Management	Insufficient health and safety measures can lead to workplace accidents, legal penalties, and operational downtime.	Proactive health and safety programmes reduce risks, enhance productivity, and improve employee morale.
MM11: Education	Limited community access to education can lead to an overall skills gap and social inequality.	Supporting education initiatives can strengthen community ties and build a skilled talent pool.
MM12: Customer Satisfaction	Poor customer satisfaction, arising from inability to keep up with changing customer demands due to technological, process and material quality issues, can result in negative publicity, customer churn, and reduced sales.	Staying aligned with evolving customer expectations and implementing initiatives to improve quality and production time raise customer satisfaction, which in turn fosters loyalty, generates repeat business, and enhances brand reputation.
 GOVERNANCE		
MM13: Code of Conduct and Ethics	Violations of ethical standards or misconduct can lead to legal issues and damage to reputation.	A strong code of conduct enhances brand integrity, builds stakeholder trust, and ensures regulatory compliance.
MM14: Anti-Bribery and Corruption	Corruption or bribery incidents can lead to legal penalties, reputational damage, and operational risks.	Robust anti-corruption policies improve governance, attract ethical investors, and enhance corporate reputation.
MM15: Legal Compliance and Transparency	Low awareness of changes to legal or regulatory standards can lead to fines, legal actions, and reputational harm.	Staying updated with changes to legal and regulatory standards ensures strong compliance and transparency, enhancing trust with stakeholders and mitigating operational risks.

SUSTAINABILITY STATEMENT

(cont'd)

SUSTAINABILITY FRAMEWORK

Our sustainability framework integrates sustainability into all operations, aligning our vision, mission, and values with long-term goals. It continuously evolves to address emerging opportunities and risks.

Building stakeholder trust is central to this framework. Transparency enables open communication, collaboration strengthens partnerships, and accountability ensures we deliver tangible results, reinforcing our commitment at every level.



Outcomes: Achieve Sustainability Development Goals and contribute to the national agenda.



ESTABLISHING SUSTAINABILITY TARGETS

Wentel is dedicated to transparency and accountability, ensuring stakeholders remain informed about our impact and progress toward a more sustainable future.

This year lays the foundation for clear, achievable targets. We are defining key metrics and baselines to assess our performance, identify improvements, and refine future goals. While focusing on qualitative targets now, we will gradually introduce quantitative targets for better measurement and accountability.

SUSTAINABILITY STATEMENT



(cont'd)

ESTABLISHING SUSTAINABILITY TARGETS (CONT'D)

Sustainability-Related Metrics and Targets				
Commit to maintaining zero cases of:	Ensure full compliance with:	Achieve:	Increase:	Establish baselines for:
<ul style="list-style-type: none"> Non-compliance with environmental laws and regulations Workplace fatalities Cybersecurity breaches Reports of discrimination, harassment, or violence Human rights violations Confirmed incidents of corruption 	<ul style="list-style-type: none"> National and local laws and regulations Environmental laws and standards Health and safety regulations Labour standards 	<ul style="list-style-type: none"> High customer satisfaction rate Zero Lost Time Incident Rate ("LTIR") 	<ul style="list-style-type: none"> Energy efficiency Solar energy adoption Local procurement and spending 	<ul style="list-style-type: none"> Green House Gas ("GHG") emissions Social programmes and initiatives

STAKEHOLDER ENGAGEMENT





To stay effective, we adapt to market, regulatory, and societal changes through continuous stakeholder engagement, identifying risks, seizing opportunities, and aligning with best practices. The table below outlines how we address stakeholder concerns and the methods we use to engage with them.

	Concerns/Issues	Our Responses and Engagement Approach
EMPLOYEES 	<ul style="list-style-type: none"> Occupational health and safety Training and career development Personal and professional growth Compensation and benefits 	<ul style="list-style-type: none"> Created a dedicated Safety and Health Committee to maintain a safe and secure working environment Regularly review and update our safety, health and environmental procedures to ensure compliance with relevant laws Offer comprehensive and structured training programmes for all employees Hold regular conversations with employees about goal-setting and career development Regularly benchmark our salary and benefits packages against industry standards to ensure competitiveness
SHAREHOLDERS/ INVESTORS 	<ul style="list-style-type: none"> Financial performance Ethical business practices Risk management and mitigation Transparency and timely reporting 	<ul style="list-style-type: none"> Continuously enhance processes to improve performance and operational efficiency Identify new business opportunities and implement appropriate strategies to drive growth Take steps to strengthen business resilience and manage risks effectively Uphold strong corporate governance standards and ethical business practices Actively encourage shareholders to participate in annual meetings and share their insights Provide transparent and timely updates through our website and Bursa Securities's platform

SUSTAINABILITY STATEMENT

(cont'd)

STAKEHOLDER ENGAGEMENT (CONT'D)

	Concerns/Issues	Our Responses and Engagement Approach
SUPPLIERS 	<ul style="list-style-type: none">Financial stabilityEthical business conductLong-term partnerships	<ul style="list-style-type: none">➤ Maintain a fair procurement process with regular supplier performance assessments➤ Foster strong relationships with suppliers through ongoing communication and collaboration
COMMUNITY 	<ul style="list-style-type: none">Community well-beingHealth and safety in the communityEnvironmental sustainabilitySupporting local sourcing and employment	<ul style="list-style-type: none">➤ Engage regularly with local communities to understand and address their concerns➤ Participate in and support community welfare initiatives and social projects➤ Enforce strict policies on waste management, environmental impact, and health and safety➤ Prioritise local sourcing and hire from local communities to support regional economies
CUSTOMERS 	<ul style="list-style-type: none">Data privacy and cybersecurityTimely deliveryProduct quality and safetyAfter-sales serviceInnovation	<ul style="list-style-type: none">➤ Implement stringent quality control processes to achieve maximum product and service standards➤ Foster a culture of safety and quality across the organisation➤ Maintain open lines of communication with customers to understand and address their concerns➤ Conduct regular customer satisfaction surveys to identify opportunities for improvement➤ Drive continuous innovation to enhance safety, quality, and customer experience➤ Strengthen cybersecurity measures to protect customer data
GOVERNMENT/REGULATORY AUTHORITIES 	<ul style="list-style-type: none">Ethical business conductEnvironmental protectionEmployee health and safetyCompliance with regulations	<ul style="list-style-type: none">➤ Ensure strict compliance with all relevant laws and regulations governing our operations➤ Promote ethical business practices and robust governance standards➤ Regularly conduct employee training on ethics, health and safety, and environmental management to ensure compliance with regulations

SUSTAINABILITY POLICIES

To drive the implementation of our sustainability strategy, we have developed a set of policies and action plans. These frameworks guide our decision-making processes, promoting transparency, accountability, ethical conduct, and a commitment to workplace equality and integrity.

We are committed to the ongoing review and enhancement of these policies to keep pace with the evolving business landscape.

Anti-Bribery and Anti-Corruption Policy	Whistle-Blowing Policy	Freedom of Association & Collective Bargaining
Code of Ethics and Conduct	Diversity and Inclusivity	Modern Slavery and Human Trafficking
Child Labour	Human Rights	Disciplinary & Grievance Practices

SUSTAINABILITY STATEMENT

(cont'd)



ECONOMIC



We aspire to drive inclusive, sustainable growth, providing stable employment, practicing sustainable procurement, and adhering to global standards. Our economic contributions align with the sustainability matters and United Nations Sustainable Development Goals (“SDG”) below.

Economic Material Matters	SDGs
MM1: Financial Stability MM2: Sustainable Procurement MM3: Standards and Certification	SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation. SDG 12: Ensure sustainable production and consumption patterns. SDG 17: Strengthen the means of implementation and revitalise the Global partnership for sustainable development.

MM1: FINANCIAL STABILITY

Financial stability is key to our long-term sustainability, enabling growth, responsible investments, and resilience. A strong financial base supports sustainable practices, innovation, and workforce development while ensuring we meet stakeholder obligations and adapt to evolving demands.

Our successful listing on Bursa Securities’s ACE Market has enhanced our financial capacity, visibility, and credibility. This stability allows us to generate direct economic impacts, from revenue generation to resource allocation. The table below highlights our contributions to the national economy and value creation for stakeholders.

Direct Economic Contribution RM ('000)		
	FYE2024	FYE2023
Revenue	112,429	98,752
Tax expenses	5,795	4,721
Employee Wages	21,225	20,161
Dividend	0	0

MM2: SUSTAINABLE PROCUREMENT

At Wentel, we see supply chains as catalysts for positive change, driving sustainability across industries, communities, and the environment.

We prioritise suppliers committed to sustainable practices, ensuring compliance with environmental and safety standards. Our suppliers must uphold safe working conditions and adhere to our Code of Conduct. Regular audits verify their compliance with laws and policies, maintaining a responsible supply chain.

SUSTAINABILITY STATEMENT

(cont'd)



MM2: SUSTAINABLE PROCUREMENT (CONT'D)

Through supplier payments, we generate indirect economic benefits, stimulating local economies. Over the past two years, more than 40% of our spending has supported local suppliers, as shown below.

Proportion of spending on local suppliers			
Period	Total amount spent on all suppliers (RM'000)	Total amount spent on local suppliers (RM'000)	Proportion of spending on local suppliers
FYE2024	53,769	29,797	55.42%
FYE2023	43,390	18,374	42.35%

MM3: STANDARDS AND CERTIFICATION

Adhering to recognised standards ensures our sustainability efforts are credible, measurable, and aligned with global best practices. It builds stakeholder trust, supports ethical and environmental commitments, and enables accurate progress tracking for continuous improvement and risk mitigation.

This year, we maintained our ISO 9001:2015 and ISO 14001:2015 certifications, reinforcing our commitment to quality and environmental preservation. These certifications reflect our dedication to exceeding customer expectations while upholding stringent international standards.

SUSTAINABILITY STATEMENT

(cont'd)



ENVIRONMENTAL



At Wentel, we are committed to minimising environmental risks and impacts by strictly adhering to regulations and our Environmental Policy, aligned with ISO 14001. Our efforts include:

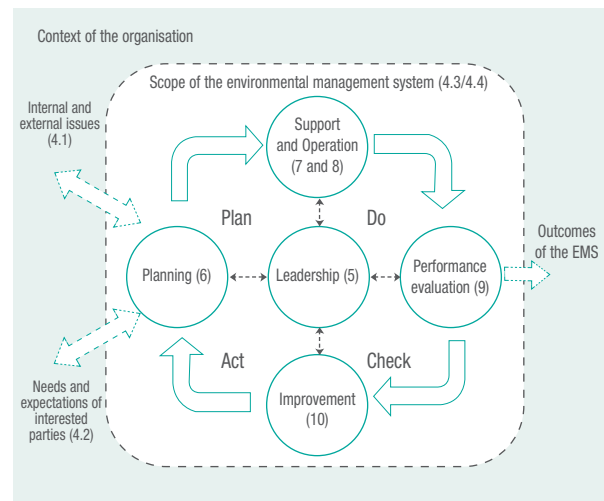
- Ensuring full compliance with environmental laws and regulations;
- Reducing waste by phasing out virgin materials and adopting the 4Rs (Reduce, Reuse, Recycle, and Recover);
- Optimising resource use, investing in renewable energy, and improving efficiency;
- Minimising air pollution through control systems and monitoring;
- Promoting water conservation via reuse systems and rainwater harvesting;
- Raising stakeholder awareness through training and communication; and
- Setting and pursuing ambitious environmental targets for long-term sustainability.

Environmental Management System

Our Environmental Management System (“EMS”) follows the Plan-Do-Check-Act cycle, ensuring a structured approach to sustainability.

- Plan: Identify environmental aspects, legal requirements, and set sustainability objectives.
- Do: Implement EMS through resources, competencies, and documented procedures.
- Check: Monitor, measure, and audit performance to assess effectiveness.
- Act: Address nonconformities, take corrective actions, and drive continuous improvement.

Our leadership guides our EMS, aligning it with operational needs and stakeholder expectations.



EMS Steering Committee



SUSTAINABILITY STATEMENT

(cont'd)



ENVIRONMENTAL (CONT'D)



EMS Steering Committee (Cont'd)

Our EMS Steering Committee, led by the Chief Executive Officer and overseen by the Environmental Management Representative, is structured into four key areas: Environmental Control Management, Training & Communication, Emergency Preparedness & Response, and Legal & Compliance. Each division drives specific environmental initiatives, ensuring sustainability and regulatory compliance.

In line with this commitment, we are working towards obtaining ISO 14001 certification for our new manufacturing plant by 2026, further strengthening our dedication to environmental responsibility.

Our environmental material matters to be discussed below are related to the following SDGs:

Environmental Material Matters	SDGs
MM4: Waste Management MM5: Energy Management MM6: Effluent Management	SDG 6: Ensure availability and sustainable management of water and sanitation for all. SDG 12: Ensure sustainable production and consumption patterns. SDG 13: Take urgent action to combat climate change and its impacts.

MM4: WASTE MANAGEMENT

Metal fabrication generates waste, but as an ISO 14001:2015-certified company, we prioritise waste reduction through recycling and reuse to minimise our ecological footprint and support a circular economy. We categorise our waste as:

- Scheduled waste (e.g., sludge, spent activated carbon, contaminated rags and containers) is disposed of by Department of Environment-approved contractors per the Environmental Quality (Scheduled Wastes) Regulations 2005 of the Environmental Quality Act 1974.
- Non-scheduled waste (e.g., food and office waste) is managed by selected contractors.

Employees are continually reminded to “reduce, reuse and recycle” to further lessen our impact.

During the year under review, our operations generated a total of 99.17 metric tonnes of hazardous waste. While none of this waste could be recycled due to the nature of the materials and regulatory restrictions, we continue to explore alternative disposal methods and potential recycling opportunities to minimise our environmental impact while ensuring full compliance with all relevant regulations.

MM5: ENERGY MANAGEMENT

Energy is vital to our manufacturing, and we are committed to using it responsibly to conserve resources and reduce emissions.

To minimise consumption, we have implemented initiatives such as Project Lunchtime, which encourages switching off lights and air-conditioning during lunch breaks. We have also installed solar panels at car parks and security posts to generate clean energy and transitioned to energy-efficient LED lighting across all factories, significantly reducing our energy use.

SUSTAINABILITY STATEMENT

(cont'd)



ENVIRONMENTAL (CONT'D)

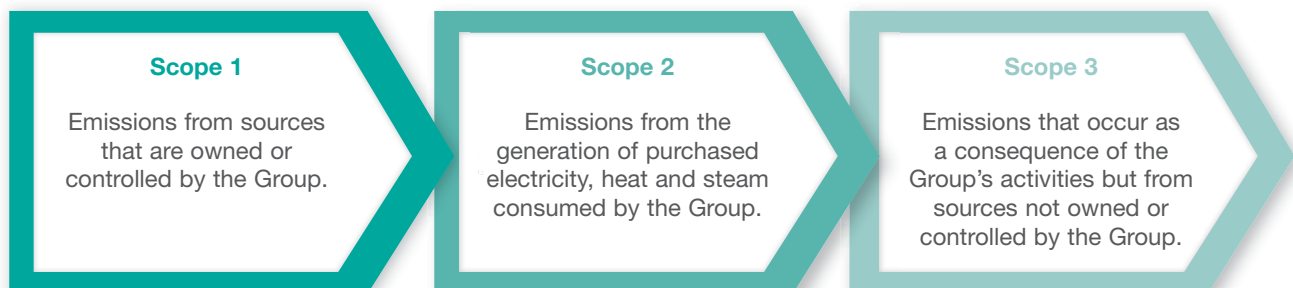


MM5: ENERGY MANAGEMENT (CONT'D)

Total Energy Consumption										
	Total Non-Renewable Energy Gigajoule ("GJ")				Total Renewable Energy (GJ)			Total Energy Input (GJ)	Total % of Renewable Energy Input (GJ)	Total Energy Input (Megawatts)
Period	Electricity	Fuel	Gas	Diesel	Solar	Steam	Others			
FYE2024	12,291.91	773.86	8,915.17	7,308.02	0	0	0	29,288.96	0%	8,135.82
FYE2023	10,965.57	742.28	8,316.20	6,320.62	0	0	0	26,344.67	0%	7,317.96

GHG Emissions (tCO ₂ e)			
Period	Scope 1	Scope 2	Scope 3
FYE2024	8,380	1,140	4,480
FYE2023	-	-	-

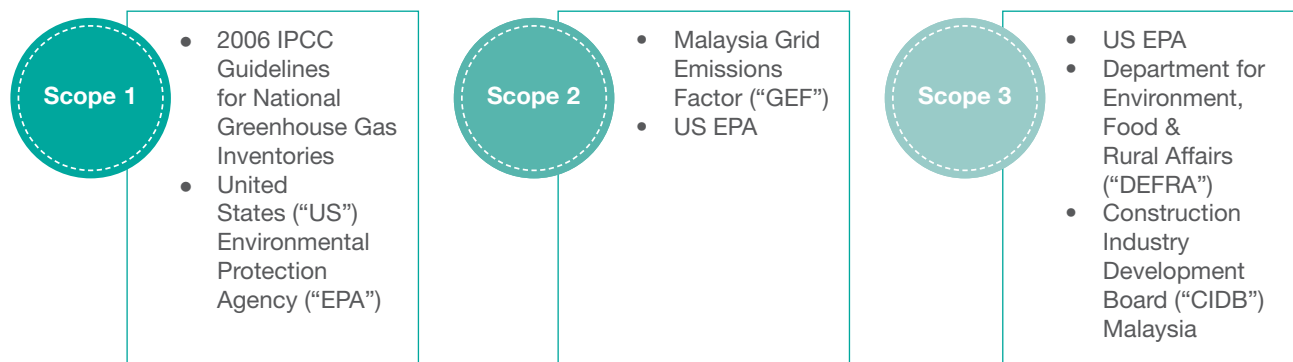
GHG Definitions



GHG Framework

Greenhouse Gas Protocol

Emission Factors



SUSTAINABILITY STATEMENT

(cont'd)



MM6: EFFLUENT MANAGEMENT

Just like energy, water is essential to our operations, and effective effluent management is crucial to protecting local water sources.

Alongside water-saving initiatives, we ensure our wastewater and industrial discharge are treated and managed to prevent contamination of local water bodies. In line with ISO 14001:2015, our practices comply with environmental regulations to minimise harmful discharges. Through continuous monitoring and advanced treatment technologies, we strive to reduce our impact and preserve clean water resources.

Total Volume of Water Used (Megalitres)							
Period	Surface water	Groundwater (wells, boreholes)	Used quarry water collected in the quarry	Municipal potable water	Harvested rain water	Others	Total
FYE2024	28.69	0	0	0	0	0	28.69
FYE2023	24.31	0	0	0	0	0	24.31

Water Discharge or Effluents Data (Megalitres)				
Period	Surface Water Discharge (river, lake, stream, pond)	Sub-Surface Water Discharge (public sewer)	Off-Site Water Treatment Discharge Kualiti Alam	Total
FYE2024	0	0	3.75	3.75
FYE2023	0	0	2.98	2.98

SUSTAINABILITY STATEMENT

(cont'd)



SOCIAL



The “Social” aspect of sustainability covers a company’s impact on employees, customers, communities, and stakeholders. At Wentel, we promote fair labour practices, workplace safety, and community well-being. We prioritise employee health, skill development, ethical business practices, and customer satisfaction by delivering high-quality products and services.

Our social material matters are related to the following SDGs:

Social Material Matters	SDGs
MM7: Labour Management and Practices MM8: Employee Learning and Development MM9: Employee Well-Being MM10: Health, Safety and Noise Management MM11: Education MM12: Customer Satisfaction	<p>SDG 3: Ensure healthy lives and promote well-being for all at all ages.</p> <p>SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.</p> <p>SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p>

Commitment to Community Engagement

We are dedicated to enriching the communities in which we operate by respecting human rights, fostering long-term relationships, and encouraging active participation in community initiatives. Through open communication and collaboration, we strive to create lasting positive impacts that benefit both society and our organisation. During the year, we supported education, health, safety, and environmental sustainability through various initiatives, including:

- Career fairs – We engaged with students and job seekers to provide insights into the engineering and manufacturing industry, offering guidance on career opportunities within our Group.
- Safety awareness talks – We conducted educational sessions for children at a local home, equipping them with essential safety knowledge and fostering a culture of responsibility.
- Blood donation drives – We encouraged employees and the wider community to contribute to life-saving medical efforts, reinforcing the importance of health and wellness.
- Recycling events – We actively participated in waste reduction initiatives, promoting sustainability and encouraging eco-friendly practices among employees and the community.

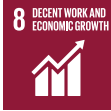
These efforts reflect our ongoing commitment to social responsibility, strengthening our role as a responsible corporate citizen.

1. Universiti Tun Hussein Onn Malaysia (“UTHM”) Career Canvas (Interview Impressionists) – 2 May 2024



SUSTAINABILITY STATEMENT

(cont'd)

**SOCIAL
(CONT'D)***Commitment to Community Engagement (Cont'd)*

2. Sunway Bigbox Carnival Good Jobs – 4 May 2024



3. Safety Talk at Berkat Children's Home – 22 Jun 2024



4. Blood Donation Drive – 14 Aug 2024



5. Recycling Event (Awareness Talk) – 11 Dec 2024



SUSTAINABILITY STATEMENT

(cont'd)



SOCIAL (CONT'D)



Commitment to Community Engagement (Cont'd)

6. Recycling Event (Reduce Waste, Recycle Right!) – 18 Dec 2024



Community and Society		
Period	Total amount invested in the community where the target beneficiaries are external to the listed corporation (RM)	Total number of beneficiaries of the investment in communities
FYE2024	7,672	5

In FYE2024, we contributed RM7,672 to support the charitable efforts of five organisations.

MM7: LABOUR MANAGEMENT AND PRACTICES

At Wentel, we are committed to fostering a workplace that values employee growth, well-being, and success. Our approach is rooted in fair employment practices, inclusivity, and equal opportunities for career advancement. We emphasise diversity as a core value and ensure all employees, regardless of background, have access to opportunities to thrive. We also maintain a strict zero-tolerance policy against discrimination, harassment, or intimidation.

In line with our human rights policy, we uphold key principles to promote equality and fairness:

- Respect for all, regardless of race, gender, age, nationality, religion, disability, or ethnicity.
- Fair treatment and condemnation of discrimination, bullying, or harassment.
- An unbiased system for recruitment, selection, training, and promotion.
- Equal remuneration and opportunities for career development and succession planning.

We also offer accommodation for out-of-state employees and have partnerships with universities to provide internships that lead to permanent roles, thereby strengthening our talent pipeline. To support our Muslim employees, we have extended Friday lunch breaks to 1.5 hours, ensuring ample time for prayers. Through these initiatives, we cultivate an inclusive and supportive workplace where everyone can succeed.

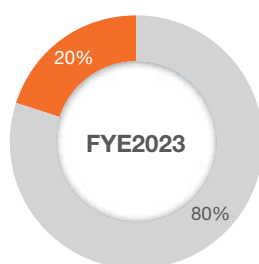
SUSTAINABILITY STATEMENT

(cont'd)


**SOCIAL
(CONT'D)**

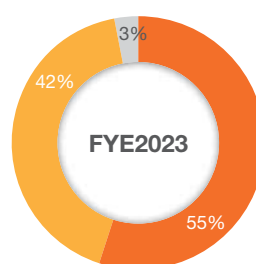

MM7: LABOUR MANAGEMENT AND PRACTICES (CONT'D)

% of Employees by Gender

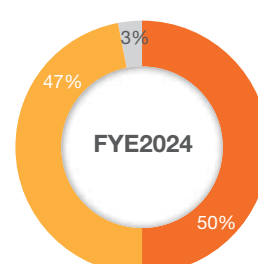
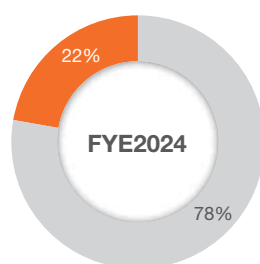


■ Male ■ Female

% of Employees by Age Group



■ <30 Years ■ 30-50 Years ■ >50 Years



% of Employees by Age, Gender and Employee Category

FYE2024	Gender		Age*		
Employee Category	Male	Female	<30 Years	30-50 Years	>50 Years
Senior Management	75%	25%	0%	75%	25%
Management	57%	43%	7%	79%	14%
Executive	52%	48%	40%	54%	6%
Non-Executive	87%	13%	57%	42%	1%
Total	78%	22%	50%	46%	3%
FYE2023	Gender		Age		
Employee Category	Male	Female	<30 Years	30-50 Years	>50 Years
Senior Management	75%	25%	0%	75%	25%
Management	57%	43%	14%	72%	14%
Executive	49%	51%	52%	45%	3%
Non-Executive	92%	8%	59%	39%	2%
Total	80%	20%	55%	42%	3%

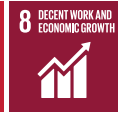
* Percentages may not total 100% due to rounding.

SUSTAINABILITY STATEMENT

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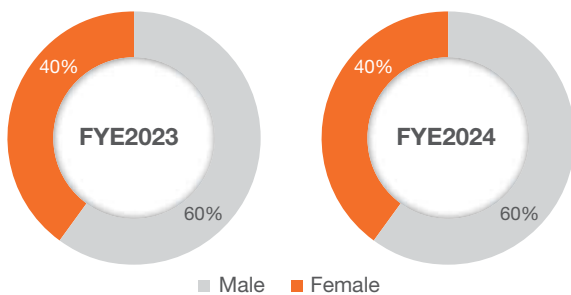


SOCIAL (CONT'D)

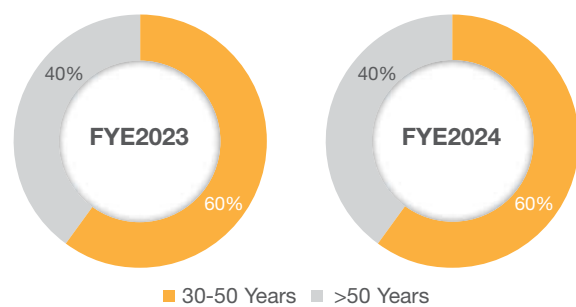


MM7: LABOUR MANAGEMENT AND PRACTICES (CONT'D)

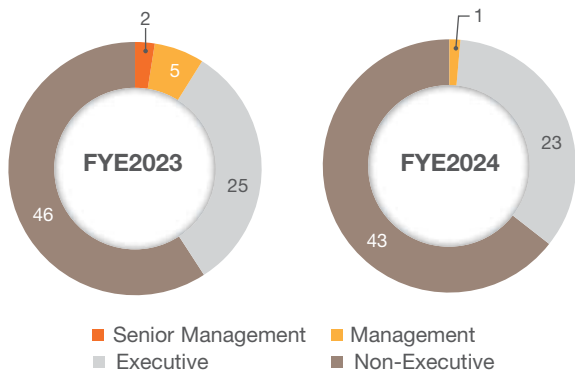
% of Directors by Gender



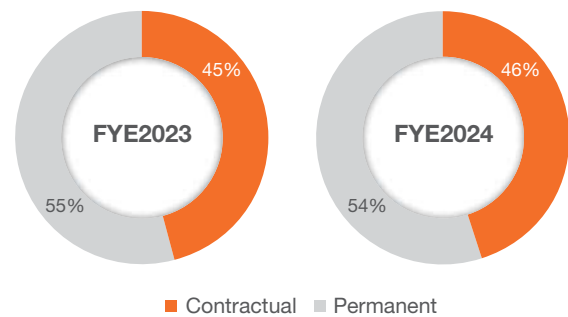
% of Directors by Age Group



Total Number of Employee Turnover



EMPLOYMENT TYPE: % of Employees



% of Employees by Ethnicity

	FYE2024	FYE2023
Malay	33%	33%
Chinese	13%	9%
Indian	2%	0%
Other Ethnic Minorities	0%	0%
Non-Malaysian	52%	58%

SUSTAINABILITY STATEMENT

(cont'd)



MM7: LABOUR MANAGEMENT AND PRACTICES (CONT'D)

Our Group upholds the highest standards of labour rights and fair employment practices, ensuring social justice, equitable work opportunities, and shared economic growth. Our labour standards, aligned with national and international frameworks, include:

- **Child Labour:** Full compliance with Malaysia’s Children and Young Persons (Employment) Act 1966, with strict prohibition of child labour in our operations and supply chain.
- **Freedom of Association & Collective Bargaining:** Support for employees’ rights in line with Malaysian labour laws.
- **Disciplinary & Grievance Practices:** Commitment to dignity and respect, rejecting corporal punishment, coercion, or verbal abuse.
- **Work Hours:** Adherence to legal work hours, overtime, rest periods, and holiday entitlements.
- **Remuneration & Benefits:** Fair, merit-based compensation determined by performance reviews.

To combat modern slavery, forced labour, and human trafficking, we have implemented measures to safeguard workers’ rights and dignity, including:

- Upholding ethical employment standards in foreign worker recruitment with fair contracts;
- Conducting audits, spot checks, and monitoring for compliance and exploitation risks;
- Reviewing our supply chain to identify and address potential risks;
- Prohibiting all forms of harassment, abuse, or coercion in the workplace;
- Ensuring employee housing meets or exceeds Act 446 standards for well-being and safety;
- Preventing forced labour through intimidation, threats, or confinement; and
- Rejecting conflict minerals that may fund human rights violations.

As a result of these measures, we received no substantiated human rights complaints in FYE2024.

No. of Substantiated Human Rights Complaints	
FYE2024	0
FYE2023	0

MM8: EMPLOYEE LEARNING AND DEVELOPMENT

In the fast-paced manufacturing and high-tech sectors, continuous learning is key to staying competitive. At Wentel, we foster a culture of upskilling to ensure both individual and organisational success.

Aligned with our motto, “We’re Together – Building a Better World Through Engineering,” we offer diverse training programmes covering workplace safety, advanced production techniques, leadership, and personal growth. As a strategic pillar of our annual business plan, training is integrated with performance appraisals. Each year, we conduct a training needs analysis to assess competencies and guide targeted programmes for skill enhancement.

Training is structured into three categories:

- **Company-wide training** – provides all employees with foundational knowledge and skills critical to our business operations, aligning them with strategic objectives.
- **Department-specific training** – tailored to technical needs, with ad-hoc and external courses available. Effectiveness is evaluated post-training. Refresher courses prevent skill loss, and a cross-training programme enhances workforce sustainability.
- **Induction training** – ensures new employees undergo structured onboarding in their first week, covering company policies, safety protocols, and ISO standards.

SUSTAINABILITY STATEMENT

(cont'd)

SOCIAL
(CONT'D)

MM8: EMPLOYEE LEARNING AND DEVELOPMENT (CONT'D)

These initiatives ensure our workforce remains skilled, adaptable, and ready for industry advancements.

Total Hours of Training by Employee Category					
Period	Senior Management	Management	Executive	Non-Executive	Total No. of Hours
FYE2024	474	1,067	7,213	8,772	17,526
FYE2023	111	405	3,476	11,246	15,238

To support career growth and succession planning, we conduct annual performance appraisals to assess strengths, identify improvement areas, and guide tailored development plans. This ensures employees have clear growth opportunities within the organisation.

MM9: EMPLOYEE WELL-BEING

At Wentel, we value our people as our greatest assets and prioritise their well-being both in and outside the workplace. We foster a supportive environment where employees feel appreciated and empowered to grow. To strengthen team bonds and celebrate milestones, we host annual dinners and festive events. We also offer personalised career paths with targeted training, recognise long-term dedication through Employee Service Awards, and reward performance with salary increments and bonuses.

1. Long Service Awards – 10 May 2024



2. 2024 Annual Dinner – 17 May 2024



SUSTAINABILITY STATEMENT

(cont'd)



MM9: EMPLOYEE WELL-BEING (CONT'D)

3. Year-End Christmas Party – 20 Dec 2024



Commitment to Fair and Competitive Compensation

We are committed to fair pay, ensuring all employees covered by the relevant salary scales receive compensation in full compliance with the Malaysian Government’s Minimum Wages Order. We have implemented the recent minimum wage revision to RM1,700, effective February 2025. For other employees, salaries are determined based on job scope, performance, qualifications, and experience. We also pay employees on or before the 7th of each month, offering them financial stability and peace of mind.

Comprehensive Employee Benefits and Work-Life Balance

To support our team, we offer comprehensive benefits, including performance awards, insurance coverage, travel allowances, bereavement donations, education assistance, and membership in professional societies. Employees also receive various leave options, such as maternity, paternity, medical, and annual leave, promoting work-life balance. The Group encourages task completion within regular hours, with overtime requiring prior approval. No employee will work more than 104 overtime hours per month.

Ensuring Long-Term Financial Security

As part of our commitment to long-term financial security, we make employer contributions to the Employees Provident Fund (“EPF”), Social Security Organisation (“SOCSO”), and Employment Insurance System (“EIS”), ensuring that our employees are well-protected for the future. Through these measures, we aim to foster a workplace culture that values, supports, and rewards our most prized asset—our people.

Seamless Onboarding for a Strong Start

Our onboarding process ensures a smooth transition for new employees, equipping them with the tools, knowledge, and support needed to succeed. It includes an introduction to company culture, policies, and job expectations, along with tailored training. Open communication is encouraged to help new hires integrate quickly and confidently into their roles.



SUSTAINABILITY STATEMENT

(cont'd)

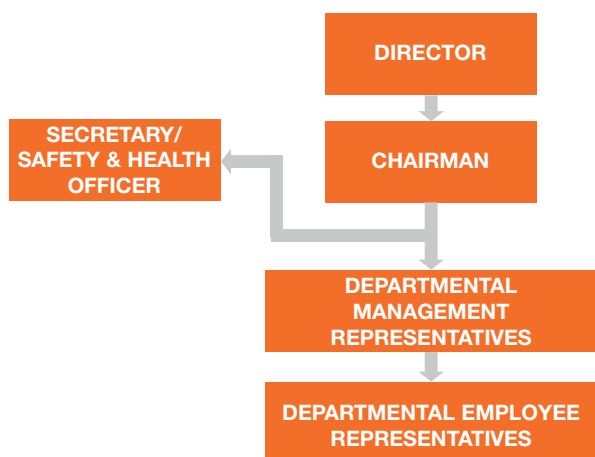

**SOCIAL
(CONT'D)**


MM10: HEALTH, SAFETY AND NOISE MANAGEMENT

Health & Safety

At Wentel, we prioritise a safe and comfortable workplace, essential to employee well-being and business success. Across our manufacturing and administrative facilities, we maintain hazard-free environments and integrate robust health and safety procedures to mitigate risks.

To implement these procedures, we have established the Occupational Safety & Health Management System Committee and the Safety & Health Committee. Both committees share the same structure. While the former oversees safety protocols, the latter is dedicated to ensuring a secure workplace. Our commitment to health and safety extends to complying with the Occupational Safety and Health Act 1994 and other relevant regulations.



In line with this, we are committed to providing safe working conditions, conducting regular risk assessments, and thoroughly investigating any incidents to ensure the well-being of our employees and stakeholders. Safety education is a priority, ensuring employees have the necessary Personal Protective Equipment (e.g., safety glasses, face shields, respirators, aprons) alongside the safety shoes provided upon joining. Visitors must complete a safety orientation covering emergency procedures and site hazards, with hosts ensuring compliance.

To reinforce a strong safety culture, we set health and safety targets, monitor safety performance, and implement 5S—a structured approach to workplace organisation that enhances efficiency, safety, and productivity through Sort, Set in Order, Shine, Standardise, and Sustain.

Number of Employees Trained on Health and Safety Standards

Period	Total number of employees	Total number of employees trained on health and safety standards
FYE2024	372	232
FYE2023	373	263

We believe transparency and open communication are key to maintaining a safe workplace. Employees are required to report any accidents, injuries, or near-miss incidents immediately, allowing us to investigate, identify root causes, and implement corrective actions to prevent recurrence. This strengthens our safety protocols and fosters continuous improvement.

In addition to incident reporting, we hold toolbox meetings at the start of each work shift. These informal yet focused sessions provide an excellent platform for employees to openly discuss any safety, health, and environmental concerns that may arise. The brief and interactive nature of these meetings encourages employees to share their experiences and insights in a relaxed setting, making it easier to highlight potential hazards or areas where safety practices can be enhanced. By addressing these issues before the day's work begins, we are able to proactively mitigate risks and keep everyone on the same page when it comes to maintaining a safe workplace.

SUSTAINABILITY STATEMENT

(cont'd)



MM10: HEALTH, SAFETY AND NOISE MANAGEMENT (CONT'D)

Health & Safety (Cont'd)

These regular toolbox meetings also serve as an opportunity to reinforce our commitment to safety, remind employees of key safety protocols, such as checking of equipment and cleaning of worksites, and introduce any updates to regulations or procedures. Whether discussing minor safety adjustments or major concerns, these meetings ensure that employees at all levels feel empowered to contribute to the ongoing effort to improve workplace safety, health, and environmental performance. This collaborative approach not only enhances awareness, but also strengthens our collective responsibility for creating a safe and supportive working environment.

Health & Safety				
EMPLOYEES				
Period	Total number of hours worked in the reporting period	Number of lost time injuries	Lost Time Incident Rate ("LTIR")	Work-Related Fatalities
FYE2024	811,004	8	1.97	0
FYE2023	789,470	10	2.53	0

Note:

LTIR is calculated as: $A/B \times 200,000$, where:
A: Number of lost time injuries in the reporting period
B: Total number of hours worked in the reporting period

The value of 200,000 represents a standardised value of the total number of hours that 100 employees work weekly for 40 hours, for a duration of 50 weeks ($100 \times 40 \times 50 = 200,000$).

We are strengthening our safety measures to reduce lost time injuries by enhancing training, improving hazard identification, and reinforcing compliance. We are reviewing incidents, implementing corrective actions, and conducting regular audits to ensure a safer workplace, with a continued focus on achieving zero injuries.

Noise Management

Our Group conducted a comprehensive Boundary Noise Level Measurement across multiple locations throughout our premises, taking measurements at various times throughout the day to account for any fluctuations in noise levels. These assessments were carried out to ensure compliance with environmental noise regulations and to assess the potential impact of our manufacturing operations on the surrounding environment and communities.

The results of the measurements showed that the noise levels generated by our manufacturing activities consistently fell within the permissible limits set by the Department of Occupational Safety and Health, confirming that our operations are in full compliance with the relevant noise control regulations. This proactive approach demonstrates our ongoing commitment to minimising our environmental footprint and maintaining responsible operational practices that contribute to the well-being of the community.

We also conducted audiometric testing for our production employees in strict compliance with the Occupational Safety and Health (Noise) Regulation 2019 to ensure their hearing health is protected in high-noise environments. These employees represent a diverse range of roles across the entire production spectrum, including finishing, deburring, grinding, welding, bending, packing, and assembly—all of which involve varying levels of noise exposure. The comprehensive 10-minute test was designed to assess employees' hearing thresholds, identify any early signs of noise-induced hearing loss, and enable proactive intervention measures such as enhanced hearing protection, noise control strategies, and health monitoring initiatives to safeguard long-term well-being.

SUSTAINABILITY STATEMENT

(cont'd)



MM11: EDUCATION

We are committed to fostering in our employees an appreciation for lifelong education. We recognise that investing in skill development not only enhances their individual performance but also strengthens our overall organisational capabilities. Through structured training programmes, we provide opportunities for continuous learning both internally and externally.

Our internal training sessions are conducted by supervisors and experienced team members, ensuring that employees receive hands-on guidance and insights tailored to our specific needs and goals. Meanwhile, external training programmes are delivered by accredited third-party training organisers, offering specialised expertise and industry-recognised certifications.

We are also actively exploring initiatives to enhance continuing professional development for employees, recognising the importance of lifelong learning in a rapidly evolving industry. These initiatives aim to provide structured opportunities for employees to expand their expertise, gain industry-recognised certifications, and stay ahead of emerging trends. Plans are currently under discussion for phased implementation in the coming years.

MM12: CUSTOMER SATISFACTION

One of the core reasons our Group exists in business is to deliver superior value to our customers by deeply understanding their discerning requirements and leveraging our capabilities to provide product quality that meets or exceeds those expectations. We believe that exceptional product quality and customer satisfaction are essential drivers of our success, directly influencing revenue growth, profitability, and our reputation within the industry.

Quality Policy for Excellence and Continuous Improvement

We have established a Quality Policy to ensure that quality is consistently prioritised across all facets of our operations. This policy outlines our commitment to being a leader in the fabrication and manufacturing of metal products and components, as well as the assembly of finished goods. Guided by this policy, we are dedicated to adhering to ISO 9001 standards, ensuring compliance with all relevant customer and regulatory requirements, and delivering products that meet the highest standards of reliability. Furthermore, we place a strong emphasis on the continuous improvement of our quality management system, striving to exceed customer expectations and enhance overall operational excellence.

Proactive Customer Engagement

Our technical sales team also plays a key role in monitoring product quality and addressing customer concerns promptly. They are in regular contact with our existing customers through monthly visits to discuss project progress and offer on-site facility updates. Our customers also receive weekly order status updates, which help to ensure shipment dates are met in a timely fashion.

Annual Performance Evaluations

Annual audits and business reviews by our customers help assess our performance and ensure compliance with product specifications. Our customer service team also gathers feedback through satisfaction surveys, evaluating delivery, quality, and communication. Complaints are taken seriously and escalated to the quality control team when necessary.

For the year under review, we achieved 86% in delivery performance, 79% in quality, and 84% in communication. These results highlight our efficiency in meeting timelines, commitment to high standards, and dedication to clear, responsive communication. We remain focused on continuous improvement to drive long-term success and customer satisfaction.

SUSTAINABILITY STATEMENT

(cont'd)



SOCIAL
(CONT'D)



MM12: CUSTOMER SATISFACTION (CONT'D)

Upholding Data Privacy and Security

In parallel with our commitment to product quality is our zeal to protect our customers’ data. We adhere strictly to the Personal Data Protection Act (“PDPA”) 2010, ensuring that any customer data we collect is done so with explicit consent and with complete transparency regarding its usage. Our data protection practices include clear communication on how customer data is stored, used, and protected. Customer data is only shared with external parties or vendors when required by law, and we are vigilant in mitigating the risks associated with data breaches, which can severely impact both our reputation and customer trust.

Our Computer Usage Policy helps reduce cybersecurity risks by providing clear guidelines on using company devices and networks. It covers secure data handling, password practices, software restrictions, and safe browsing to prevent malware, data breaches, and unauthorised access. This proactive approach protects both our internal systems and sensitive information, ensuring a more secure digital environment.

We are pleased to report that in FYE2024, there have been no instances of data breaches, reflecting our ongoing commitment to safeguarding the privacy and security of our customers’ information.

No. of Substantiated Cybersecurity Complaints	
FYE2024	0
FYE2023	0

SUSTAINABILITY STATEMENT

(cont'd)



GOVERNANCE



Governance at Wentel is founded on a commitment to integrity, accountability, as well as transparency – with transparency being one of our core values. We uphold robust structures and practices to ensure that all decisions are made with the best interests of our stakeholders in mind. Our governance framework includes an experienced and principled Board of Directors, clear policies, and strong internal controls designed to foster responsible business practices, maintain compliance with laws and regulations, and ensure ethical conduct across all levels of our Group. Through effective governance, we aim to safeguard long-term sustainability, create value for our stakeholders, and reinforce the trust placed in us by the communities and partners we serve.

Our governance-related material matters are closely aligned with the following SDGs:

Governance Material Matters	SDGs
MM13: Code of Conduct and Ethics MM14: Anti-Bribery and Corruption MM15: Legal Compliance and Transparency	SDG 12: Ensure sustainable production and consumption patterns. SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

MM13: CODE OF CONDUCT AND ETHICS

Our Code of Conduct and Ethics is the cornerstone of our commitment to integrity, accountability, and transparency in all aspects of our operations. It provides clear guidelines on the ethical standards we uphold, covering areas such as honesty, respect, fairness, and compliance with all applicable laws and regulations. By adhering to this code, our employees, partners, and stakeholders are empowered to make responsible decisions that align with our values, ensuring that we operate with the highest level of ethical conduct and foster a culture of trust and respect throughout the organisation.

To ensure its continued relevance and effectiveness, we regularly review and update the Code, adapting it to evolving legal requirements, industry standards, and best practices. The Code is available for public viewing on our website at <https://www.wenteleng.com/policies>.

MM14: ANTI-BRIBERY AND CORRUPTION

At Wentel, we are committed to operating with the highest levels of integrity and transparency, fully adhering to the laws and regulations governing our operations and business activities. This commitment to ethical conduct extends across the entire Group, applying to all directors, executives, managers, employees, as well as our business and community partners. We expect everyone associated with Wentel to uphold the highest standards of business ethics.

Anti-Bribery & Anti-Corruption Policy

Our Anti-Bribery & Anti-Corruption Policy, which reflects the Group's zero-tolerance stance towards bribery and corruption, is publicly available on our website at <https://www.wenteleng.com/policies>. This policy explicitly prohibits offering, soliciting, or accepting bribes, kickbacks, or any unethical financial incentives, whether directly or indirectly, ensuring that all business dealings are conducted with the utmost ethical standards.

No-Gift Policy

Our Employee Handbook clearly outlines our policy regarding the exchange of gifts or services. Employees, along with their immediate family members, are strongly discouraged from giving or receiving any gifts or gratuitous services from the Group's contractors, suppliers, bankers, dealers, or customers. Any gifts or services—regardless of their nature or value—received directly or indirectly by an employee or their family members (with the exception of items of nominal value) must be reported in writing and promptly surrendered to the employee's departmental or divisional head for proper review and processing. This policy helps maintain transparency and avoid any potential conflicts of interest.

SUSTAINABILITY STATEMENT

(cont'd)



GOVERNANCE (CONT'D)



MM14: ANTI-BRIBERY AND CORRUPTION (CONT'D)

Through regular training, monitoring, and clear reporting mechanisms, we ensure that ethical business conduct is consistently followed. Our commitment to combating bribery and corruption is integral to maintaining trust with our stakeholders and ensuring all business dealings are conducted in full compliance with applicable laws and regulations.

Confirmed Incidents of Corruption and Action Taken		
Period	Confirmed Incidents of Corruption	Number of Action(s) Taken
FY2024	0	0
FY2023	0	0

MM 15: LEGAL COMPLIANCE AND TRANSPARENCY

Ensuring legal compliance and maintaining transparency in all our operations are key to strengthening stakeholder trust and confidence. We operate within the legal frameworks governing our industry, and we take proactive measures to stay informed of any changes in legislation. We are also committed to cultivating a culture of transparency by providing clear, accurate, and timely information to our stakeholders, ensuring that transparency is at the core of every aspect of our business operations.

Fostering a Culture of Transparency and Accountability

In line with this commitment, we actively promote an environment of openness and accountability, where employees, contractors, and other stakeholders feel empowered to report any concerns related to unethical practices, legal violations, or breaches of company policies. Our Whistle-Blowing Policy, available for public reference on our website at <https://www.wenteleng.com/policies>, plays a pivotal role in this effort, offering a secure and confidential mechanism for individuals to raise their concerns without fear of retaliation. Whether it involves possible fraud and corruption, abuse of power, conflict of interest, health and safety risks, waste of company resources or sabotage, amongst others, whistle-blowers can trust that their disclosures will be treated with the utmost seriousness and confidentiality.

Our policy provides multiple channels for reporting to ensure that concerns can be raised in a way that feels safe and comfortable for all. Every report is thoroughly investigated by a dedicated team to ensure a fair and impartial process for all parties involved. We strictly prohibit any retaliation against whistle-blowers and are committed to safeguarding individuals from discrimination, harassment, or victimisation as a result of their disclosures. By upholding this system, we not only comply with legal and ethical obligations but also reinforce our core values of integrity, transparency, and accountability. Through these efforts, we aim to continuously improve our practices and ensure the long-term success and sustainability of our business.

SUSTAINABILITY STATEMENT

(cont'd)

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
Age Group by Employee Category		
Senior Management Under 30	Percentage	0.00
Senior Management Between 30-50	Percentage	75.00
Senior Management Above 50	Percentage	25.00
Management Under 30	Percentage	7.00
Management Between 30-50	Percentage	79.00
Management Above 50	Percentage	14.00
Executive Under 30	Percentage	40.00
Executive Between 30-50	Percentage	54.00
Executive Above 50	Percentage	6.00
Non-executive/Technical Staff Under 30	Percentage	57.00
Non-executive/Technical Staff Between 30-50	Percentage	42.00
Non-executive/Technical Staff Above 50	Percentage	1.00
Gender Group by Employee Category		
Senior Management Male	Percentage	75.00
Senior Management Female	Percentage	25.00
Management Male	Percentage	57.00
Management Female	Percentage	43.00
Executive Male	Percentage	52.00
Executive Female	Percentage	48.00
Non-executive/Technical Staff Male	Percentage	87.00
Non-executive/Technical Staff Female	Percentage	13.00
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	60.00
Female	Percentage	40.00
Under 30	Percentage	0.00
Between 30-50	Percentage	60.00
Above 50	Percentage	40.00
Number of Board Directors	Number	5
Number of independent Directors on the board	Number	3
Number of women on the board	Number	2
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	8,135.82
Bursa (Health and safety)		
Bursa C5(a) Number of work-related fatalities	Number	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	1.97
Bursa C5(c) Number of employees trained on health and safety standards	Number	232

Internal assurance

External assurance

No assurance

(*) Restated

SUSTAINABILITY STATEMENT

(cont'd)

PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2024
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Senior Management	Hours	474
Management	Hours	1,067
Executive	Hours	7,213
Non-executive/Technical Staff	Hours	8,772
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	46.00
Bursa C6(c) Total number of employee turnover by employee category		
Senior Management	Number	0
Management	Number	1
Executive	Number	23
Non-executive/Technical Staff	Number	43
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	55.00
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	28.69
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	99.17
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	8,380.00
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	1,140.00
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	4,480.00

Internal assurance

External assurance

No assurance

(*) Restated

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Wentel Engineering Holdings Berhad (“Company”) recognises the importance of maintaining high standards of corporate governance for transparency, accountability, integrity and a well-managed company. As a fundamental part of discharging its duties and responsibilities, the Board is committed towards ensuring good corporate governance practices are implemented and maintained throughout the Company and its subsidiaries (“the Group”) to enhance shareholders’ value, and to be consistent with the principles and best practices as set out in the Malaysian Code on Corporate Governance (“MCCG”).

This Corporate Governance Overview Statement (“Statement”) is augmented with a Corporate Governance Report, based on a prescribed format as enumerated in Rule 15.25(2) of the ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) so as to provide a detailed articulation on the application of the Group’s corporate governance practices as set out in the MCCG throughout the financial year ended 31 December 2024 (“FYE2024”). The Corporate Governance Report is available on the Company’s corporate website at www.wenteleng.com, as well as via an announcement on the website of Bursa Securities at www.bursamalaysia.com.

This Statement makes reference to the following three (3) key principles of the MCCG:-

- Principle A - Board leadership and effectiveness
- Principle B - Effective audit and risk management
- Principle C - Integrity in corporate reporting and meaningful relationship with stakeholders

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

PART I – BOARD RESPONSIBILITIES

1.1 Board Roles and Responsibilities

The Board is accountable for the overall performance and business affairs of the Group. The Board provides necessary leadership, which includes practising a high level of good governance to ensure the long-term success of the Group and the delivery of sustainable value to its stakeholders.

In discharging its fiduciary duties and leadership functions, the Board is guided by the Board Charter, which outlines the duties and responsibilities of the Board, matters reserved for the Board, as well as those which the Board may delegate to the Executive Director / Group Chief Executive Officer and the Management. For the effective function of the Board, the Board has established the following Board Committees to assist in the execution of its responsibilities:-

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

The Board committees operate in accordance with clearly defined Terms of Reference (“TOR”) as reviewed and approved by the Board. The Board Committees’ TOR can be accessed via the Company’s corporate website at www.wenteleng.com.

To enable the Board to discharge its responsibilities in meeting the goals and objectives of the Group, among others, it has the following duties:-

- Promoting a good corporate governance culture within the Group that emphasizes ethical, prudent and professional conduct;
- Reviewing, challenging and deciding on Management’s proposals for the Group, and monitoring its implementation;
- Ensuring that the Group’s strategic plan supports long-term value creation and includes strategies on economic, environmental and social considerations;
- Ensuring there is a sound framework for internal controls and risk management;
- Identifying the principal risks of the Group’s business and ensuring that business decisions involve appropriate risk-taking;

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

1.1 Board Roles and Responsibilities (Cont'd)

To enable the Board to discharge its responsibilities in meeting the goals and objectives of the Group, among others, it has the following duties:- (Cont'd)

- Ensuring that Senior Management possesses the necessary skills and experience, and implementing measures for the orderly succession of Board and senior management;
- Ensuring the Group has in place procedures to facilitate effective communication with shareholders and stakeholders; and
- Ensuring the integrity of the Group's financial and non-financial reporting.

1.2 The Chairman of the Board

The Chairman of the Board, Mr. Ban Kim Wah, holds a Non-Independent Non-Executive position and he is responsible for leading the Board to ensure its effectiveness and integrity and the entrenchment of good corporate governance practices within the Group.

The Board views that the Chairman of the Board should not be involved in any Board Committees. This is to ensure checks and balances, as well as objectivity, are maintained and not influenced by the Chairman of the Board who also sits on Board Committee(s). Therefore, in line with MCCG, the Chairman of the Board is not a member of any of the Board Committees.

1.3 The Chairman and Group Chief Executive Officer ("Group CEO")

The positions of the Chairman and Group CEO are held by two different individuals, and each has a clearly accepted division of responsibilities to ensure there is a balance of power and authority to promote accountability.

The Chairman of the Board is responsible for ensuring the orderly conduct and effectiveness of the Board, as well as facilitating constructive deliberations on matters in hand. Meanwhile, the Group CEO has overall responsibilities over the day-to-day management of the Group's business and implementation of the Board's policies and decisions. The Executive Director is also accountable to the Board for the overall organisation, management and staffing of the Company and/or the Group as well as the procedures in financial and other matters, including conduct and discipline.

1.4 Qualified and Competent Company Secretaries

The Board is supported by two (2) Company Secretaries who are experienced and qualified to act as Companies Secretaries under Section 235(2) of the Companies Act 2016 and are registered holders of the Practising Certificate issued by the Companies Commission of Malaysia. All Directors have access to the advice and services of the Company Secretaries.

The Company Secretaries consistently participate in relevant training programs, conferences, or seminars organised by authorities and professional bodies. This ensures they stay updated on corporate governance developments and regulatory changes pertinent to their role, enabling them to provide valuable advisory services to the Board.

The Board acknowledges that the Company Secretaries play an important role and will ensure that the Company Secretaries fulfil the functions for which they have been appointed.

During the FYE2024, all Board and Board Committees meetings were properly convened, accurate and proper records of the proceedings and resolutions passed were taken and maintained in the statutory records of the Company.

Overall, the Board is satisfied with the performance and support rendered by the Company Secretaries and their team to the Board in the discharge of her duties and functions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

1.5 Meeting of Board and Board Committees

To facilitate the Directors' time planning, an annual meeting calendar is prepared in advance of each new year by the Company Secretaries. The meeting calendar outlines the dates of Board and Board Committee meetings, as well as the annual general meeting ("AGM"). Additionally, it includes closed periods for trading in securities by Directors and principal officers, aligning with scheduled announcements of the Group's quarterly results.

The Notices of meetings of the Board and Board Committees together with the meeting papers will be furnished to the Directors via email at least five (5) business days prior to the dates of meetings. This is to ensure that the Directors have sufficient preparation time and information to make informed decisions at each meeting.

The deliberations and decisions of matters discussed in the Board or Board Committees meetings are duly recorded in the minutes of meetings, including whether any Director abstains from voting or deliberating on a particular matter. The draft minutes of meetings are circulated for the Board or Board Committees in a timely manner for review before they are confirmed and adopted by members of the Board or Board Committee at their respective meetings. The Company Secretaries also ensure that deliberations at meetings are well documented.

All the records of proceedings and resolutions passed are kept at the registered office of the Company.

For matters which require the Board's decision on an urgent basis outside of Board Meetings, board papers along with Directors' Written Resolution will be circulated for the Board's consideration. All written resolutions approved by the Board will be tabled for notation at the next Board Meeting.

1.6 Board Charter

The Company has formalised and adopted a Board Charter which sets out the composition, balance, authorities, roles, responsibilities, operations, and processes of the Board, along with internal processes and principles governing its functions. Additionally, the Board Charter serves as a key point of reference and primary induction material, offering valuable insights to new Board members.

The Board Charter will undergo periodic reviews to maintain alignment with the Board's objectives, responsibilities, and the latest compliance requirements stemming from regulatory changes. This regular review process is essential to ensure the ongoing relevance and currency of the Board Charter, enabling the Board to function effectively and in adherence to pertinent regulations.

The Board Charter is published on the Company's corporate website at www.wenteleng.com.

1.7 Code of Ethics and Conduct

The Board has implemented a Code of Ethics and Conduct ("Code") to proactively promote and maintain an ethical corporate culture and enhance corporate governance standards across the Group. The Code outlines general principles and provides guidance on ethical behaviour and professional conduct for Directors and employees, emphasising their duties and obligations. To underscore the importance of the Code, it has been incorporated into the Company's Board Charter, which sets out the Board's functions, authority, roles, and responsibilities. The Code also emphasises the expectation of professionalism and trustworthiness from all Directors and employees of the Group.

Periodic reviews of the Code will be conducted by the Board to ensure its continued relevance and appropriateness.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

1.8 Whistleblowing Policy

The Group is committed to the highest standard of integrity, transparency and accountability in the conduct of its business and operations. The Group has established the Whistleblowing Policy setting out the appropriate communication and feedback channels to facilitate whistleblowing. The implementation of the Whistleblowing Policy is in line with the Companies Act 2016 and Section 17A of the MACC Act (“the Acts”), where provisions have been made to protect the officers who make disclosures on breach or non-observance of any requirement or provision of the Acts or on any serious offence involving fraud and dishonesty.

The Board commits to reviewing and updating the Whistleblowing Policy at least once every three (3) years to ensure its effectiveness and alignment with governing legislation and regulatory requirements.

The Whistleblowing Policy is published on the Company’s corporate website at www.wenteleng.com.

1.9 Anti-Bribery and Anti-Corruption Policy

In line with the Malaysian Anti-Corruption Commission (Amendment) Act 2018 (“MACC Act 2018”), the Company has put in place an Anti-Bribery and Anti-Corruption Policy (“ABAC Policy”) to encourage a culture of integrity and transparency in all of the Group’s activities. This policy which adheres to the Listing Requirements and the Guidelines on Adequate Procedures issued pursuant to Section 17A(5) of the MACC Act 2018, generally sets out the responsibilities of the Company and all individuals who work for the Group, in observing and upholding the Group’s position on bribery and corruption and provides key anti-bribery and anti-corruption principles that apply to all interactions with the Group’s customers, business partners, and other third parties, as well as guidelines for the prevention, management, and remediation of bribery and corruption related risks.

The ABAC Policy will be reviewed at least once in every three (3) years to ensure that they continue to remain relevant and appropriate. The ABAC Policy is available for viewing on the Company’s corporate website at www.wenteleng.com.

1.10 Directors’ Fit and Proper Policy

The Board has adopted the Directors’ Fit and Proper Policy in accordance with Rule 15.01A of the Listing Requirements of Bursa Securities. This policy serves as a guide to the NC and the Board in their review and assessment of potential candidates for appointment to the Board, as well as retiring Directors seeking re-election at the AGM.

The Directors’ Fit and Proper Policy ensures that the NC and the Board adhere to rigorous standards in their evaluation of candidates, enabling them to select Directors who possess the necessary qualifications, experience, and integrity to serve effectively on the Board.

The Board will regularly review the Directors’ Fit and Proper Policy and may revise it as deemed necessary to align with the Board’s objectives, current laws, and practices. The Directors’ Fit and Proper Policy is available on the Company’s corporate website at www.wenteleng.com.

The Board has also adopted the Nomination and Appointment of New Directors Process and Procedures to formalise the process for the nomination and appointment of a new Director to be undertaken by the NC and the Board in discharging their responsibilities in terms of the nomination and appointment of new Directors.

1.11 Conflict of Interest Policy

The Board has adopted a Conflict of Interest Policy that outlines the guidelines and procedures for identifying, disclosing, and managing conflicts of interest that may arise within the Group. The Policy aims to ensure that any actual, potential, or perceived conflicts are appropriately addressed and mitigated. It is also intended to ensure compliance with the Listing Requirements of Bursa Securities and the Companies Act 2016, while reinforcing the principles of good corporate governance and transparency.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

PART I – BOARD RESPONSIBILITIES (CONT'D)

1.11 Conflict of Interest Policy (Cont'd)

The Board will review the Conflict of Interest Policy from time to time and update it as necessary to ensure it remains aligned with the Board's objectives, applicable laws, and evolving best practices.

1.12 Sustainability Governance

The Board emphasizes the significance of sustainable business practices in fostering long-term value, acknowledging that responsible conduct is integral to achieving operational excellence.

The oversight of sustainability, including strategies, priorities, and targets, resides with the Board, while Management is charged with executing operations pertaining to Environmental, Social, and Governance (ESG) factors as essential elements of the Group's corporate strategy.

As stewards of the Company's shareholders, the Board prioritizes the promotion of exemplary corporate governance practices, characterized by a commitment to ethics, integrity, and corporate responsibility. Furthermore, the Board ensures that both internal and external stakeholders are well-informed about the Company's sustainability strategies, priorities, targets, and overall performance, as outlined in the Sustainability Statement included in this Annual Report.

In addition, the Board has integrated the evaluation of its understanding of sustainability issues into the annual performance review, recognizing their critical importance to the Company's performance.

PART II – BOARD COMPOSITION

2.1 Board Composition and Balance

The Board currently comprises five (5) members and the composition of the current Board is set out in the table below:-

	Names	Designation
1.	Ban Kim Wah	Non-Independent Non-Executive Chairman
2.	Wong Chun Wei	Executive Director
3.	Siow Chin How	Independent Non-Executive Director
4.	Soo Wee Loon	Independent Non-Executive Director
5.	Wang Sze Min	Independent Non-Executive Director

This current Board composition complies with Rule 15.02 of the Listing Requirements of Bursa Securities, which requires that at least two (2) Directors or one-third (1/3) of the Board, whichever is the higher, are Independent Directors.

The Board composition is also in line with Practice 5.2 of the MCCG of having at least half of the Board comprising Independent Non-Executive Directors. This composition is able to provide independent and objective judgement as well as provide an effective check and balance to safeguard the interest of the minority shareholders and other stakeholders, and ensure high standards of conduct and integrity are maintained.

The Independent Directors, who are professionals of credibility and reputation, demonstrate independent judgement and objectivity in the Board's deliberations. The diverse professional backgrounds of the Directors provide the Board with an effective mix of members with industry-specific knowledge and broad business experience.

A brief profile of the Directors is presented in the Board of Directors' Profile of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

PART II – BOARD COMPOSITION (CONT'D)

2.1 Board Composition and Balance (Cont'd)

The Board recognises and embraces the benefits of having a diverse Board, and understands that increasing diversity at the Board level is an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in skill, regional and industry experience, background, race, gender and other distinctions between Directors. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. All Board appointments are made on merit, taking into account the skills, experience, independence and knowledge that the Board as a whole requires to be effective.

2.2 Tenure of Independent Directors

The Board acknowledges the recommendation by the MCCG that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. However, if the Board intends to retain a Director who has served as an Independent Director of the Company for a cumulative term of more than nine (9) years, the Board must justify its decision and seek the shareholders' approval through a two-tier voting process at a general meeting. Furthermore, the Board recognises that as per the Listing Requirements of Bursa Securities, the tenure of an Independent Director should not exceed a cumulative term of twelve (12) years.

The Board has not adopted a policy that limits the tenure of its Independent Directors to nine (9) years, being a step-up practice. Notwithstanding that, the assessment of the independence of Independent Directors will be conducted annually via the Annual Evaluation of Independence of Directors to ensure that they are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement or the ability to act in the best interests of the Company.

During the FYE2024, none of the Directors has served the Board as an Independent Director of the Company for a cumulative term of more than nine (9) years.

2.3 Board Diversity and Senior Management Team

The Board recognizes the significance of diversity in both its composition and that of the Senior Management Team, as advocated by the MCCG. To advance a diversity agenda, Directors and Senior Management are selected from a broad and varied pool, based on objective criteria and merit, while also considering diversity in skills, knowledge, experience, age, cultural background, gender, and contribution.

In accordance with the MCCG's recommendation on gender diversity, the Board has established and adopted a Gender Diversity Policy. This policy outlines a framework for enhancing gender diversity at both the Board and senior management levels. Emphasizing the importance of diversity among Board members, the policy encompasses factors such as race, ethnicity, age, gender, skills, competencies, experiences, and expertise. It aims to enhance gender diversity not only within the Board but also throughout the senior management hierarchy.

Currently, there are two (2) female Directors on the Board, namely, Ms. Soo Wee Loon and Ms. Wang Sze Min, representing 40% of the Board composition.

2.4 Board Committees

The Board Committees are set up to manage specific tasks for which the Board is responsible within a clearly defined TOR. This ensures that the Board members can spend their time more efficiently while the Board Committees are entrusted with the authority to examine particular issues.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

PART II – BOARD COMPOSITION (CONT'D)

2.4 Board Committees (Cont'd)

The Board has established three (3) Board Committees and the membership of each committee is set out in the table below:-

Composition	ARMC	NC	RC
Siow Chin How (Independent Non-Executive Director)	Chairman	Member	Member
Soo Wee Loon (Independent Non-Executive Director)	Member	Chairperson	Member
Wang Sze Min (Independent Non-Executive Director)	Member	Member	Chairperson

The TOR of the respective Board Committees are available on the Company's corporate website at www.wenteleng.com.

2.5 NC

The NC is chaired by Ms. Soo Wee Loon, an Independent Non-Executive Director of the Company.

The NC holds the responsibility of identifying and recommending appropriate candidates for Board membership, as well as continuously evaluating the performance of Directors. However, the Board retains ultimate responsibility and authority for appointing Directors. This process ensures that the composition of the Board aligns with the Company's long-term strategic objectives and requirements. Moreover, it involves establishing a skills matrix to support the Company's strategic direction and needs.

The NC has written TOR dealing with its authority and duties which include the selection and assessment of Directors. The TOR of the NC had incorporated the relevant practices recommended under the MCCG. The TOR of the NC is published on the Company's corporate website at www.wenteleng.com.

The activities undertaken by the NC during the FYE2024 are as follows:-

- Evaluated the balance of skills, knowledge and experience of the Board. Carried out the assessment and rating of each Director's performances against the criteria as set out in the annual assessment form. The performance of Non-Executive Directors was also carefully considered, including whether he/she could devote sufficient time to the role.
- Undertaken an effectiveness evaluation exercise of the Board and its Committees as a whole with the objective of assessing its effectiveness.
- Reviewed and assessed the independence of the Independent Directors of the Company.
- Reviewed and assessed the performance of the ARMC.
- Reviewed and recommended to the Board for consideration, the re-election of the Directors who were due to retire at the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

PART II – BOARD COMPOSITION (CONT'D)

2.6 Appointment to the Board

An appointment of a new Director is a matter for consideration and decision by the Board upon appropriate recommendation from the NC. Further, when identifying candidate(s) for appointment of directors, the Board does not solely rely on recommendations from existing Board members, Management or major shareholders. The Board may utilise a variety of independent sources to identify suitable candidate(s). It is of the essence of the Board to ensure high levels of professional skills and appropriate personal qualities are pre-requisites for such nominee(s).

The criteria for the recruitment or appointment of a Director is guided by fit and proper assessment by the NC.

In the case of candidates for the position of Independent Non-Executive Directors, the NC shall also evaluate the candidates' ability to discharge such responsibilities/functions as expected from Independent Non-Executive Directors.

2.7 Re-election and Re-appointment of Directors

In accordance with the Constitution of the Company, an election of Directors shall take place each year. At the AGM of the Company where one-third (1/3) of the Directors for the time being or, if the number is not three (3) or a multiple of three (3), then the number nearest one-third (1/3) shall retire from office provided always that all Directors shall retire from office once at least once every three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires. Additionally, the Directors appointed to fill casual vacancy or as an addition to the Board shall hold office only until the next AGM and shall be eligible for re-election.

In assessing the candidates' eligibility for re-election, the NC considers their competencies, commitment, contribution, and performance based on their respective performance evaluation to the Board and their ability to act in the best interest of the Company.

Upon the recommendation of the NC and the Board, Mr. Wong Chun Wei and Mr. Siow Chin How will retire and seek re-election at the forthcoming Second Annual General Meeting ("2nd AGM") and the details of the Directors are disclosed in the Profile of Directors section of this Annual Report.

2.8 Annual Evaluation of the Directors, Board and Board Committees as a whole

The Board has, through the NC, undertaken a formal and objective annual evaluation to assess the effectiveness of the Board and the Board Committees as a whole and the contribution of each Director, including the independence of the Independent Non-Executive Directors, referring to the guides available and the good corporate governance compliance.

In evaluating the performance of Non-Executive Directors, the assessment comprises amongst others, the attendance at Board or Committee meetings, adequate preparation for Board and/or Board Committees' meetings, regular contribution to Board or Board Committees' meetings, personal input to the role and other contributions to the Board or Board Committees as a whole.

In evaluating the performance of the Executive Director, the assessment was carried out against diverse key performance indicators including amongst others, financial, strategic and sustainability, conformance and compliance, business acumen or increase shareholders' wealth, succession planning and personal input to the role.

Following the Listing and subsequent to the FYE2024, the NC and the Board carried out the annual assessment of the Board and Board Committees as a whole as well as the individual Director's performance in February 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

PART II – BOARD COMPOSITION (CONT'D)

2.9 Attendance of Board and Board Committees' Meetings

The Board schedules at least four (4) meetings in a financial year with additional meetings to be convened where necessary. During the FYE2024, the Company has conducted five (5) Board meetings.

The number of meetings held and attended by each member of the Board and Board Committees during the FYE2024 are as follows:-

Name of Director	Board	ARMC	NC	RC
	No. of Meetings Attended			
Ban Kim Wah (Non-Independent Non-Executive Chairman)	5/5	-	-	-
Wong Chun Wei (Executive Director)	5/5	-	-	-
Siow Chin How (Independent Non-Executive Director)	5/5	5/5	1/1	3/3
Soo Wee Loon (Independent Non-Executive Director)	5/5	5/5	1/1	3/3
Wang Sze Min (Independent Non-Executive Director)	5/5	5/5	1/1	3/3

To facilitate an effective way to discharge the responsibilities, the Board Committees have been established and guided by the respective TOR. The Board Committees are chaired by Independent Non-Executive Directors who exercise skilful leadership with in-depth knowledge of the industry.

2.10 Board Training

The Board acknowledges that continuous education is vital for the Board members to keep abreast with the latest developments in the industry and business environment as well as changes to statutory requirements and regulatory guidelines.

All Directors of the Company have attended and completed the Mandatory Accreditation Programme Part I in relation to the Directors' roles, duties and liabilities ("MAP Part I") and Mandatory Accreditation Programme Part II in relation to the Sustainability and the related roles of a Director ("MAP Part II") as required by Bursa Securities. The Directors will continue to identify and attend other training courses to equip themselves effectively to discharge their duties as Directors on a continuous basis.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

PART II – BOARD COMPOSITION (CONT'D)

2.10 Board Training (Cont'd)

During the FYE2024, the Directors have attended the following training programmes in compliance with Rule 15.08 of the Listing Requirements of Bursa Securities:

Name of Directors	Training / Seminar attended
Ban Kim Wah	<ul style="list-style-type: none">Key Amendments to the Listing Requirements of Bursa Securities relating to Conflict of InterestMAP Part IIBeneficial Ownership Reporting
Wong Chun Wei	<ul style="list-style-type: none">Key Amendments to the Listing Requirements of Bursa Securities relating to Conflict of InterestMAP Part IIBeneficial Ownership ReportingBursa Academy: Conflict of Interest and Governance of Conflict of Interest
Siow Chin How	<ul style="list-style-type: none">Key Amendments to the Listing Requirements of Bursa Securities relating to Conflict of InterestMAP Part IIBeneficial Ownership ReportingBuilding Sustainable Credibility Assurance, Greenwashing and The Rise of Green-HushingBoard Ethics: Growing Concerns from New Technology, Stake-holder Interests & Conflict of Interest
Soo Wee Loon	<ul style="list-style-type: none">Key Amendments to the Listing Requirements of Bursa Securities relating to Conflict of InterestMAP Part IIBeneficial Ownership Reporting
Wang Sze Min	<ul style="list-style-type: none">Key Amendments to the Listing Requirements of Bursa Securities relating to Conflict of InterestMAP Part IIBeneficial Ownership Reporting

The Directors are encouraged to attend relevant seminars and courses to keep themselves abreast on the various issues faced in the changing business environment, regulatory and corporate governance developments to enhance their professionalism, skill and knowledge to effectively discharge their duties and responsibilities.

Relevant guidelines on statutory and regulatory requirements were circulated to the Board from time to time for the Board's reference.

2.11 Conflict of Interest and Related Party Transactions

To ensure accountability and mitigate conflicts of interest regarding matters brought before the Board, Directors receive reminders from the Company Secretaries regarding their statutory duties and responsibilities, along with updates on any related changes. Consequently, all related party transactions and conflicts of interest situations, if any, undergo quarterly review by the ARMC.

Directors also acknowledge their obligation to refrain from participating in discussions and voting on resolutions in which they have an interest, whether at Board meetings or general meetings. Should a corporate proposal require shareholders' approval, the interested Directors will abstain from voting on resolutions related to their shareholdings. Additionally, they will ensure that persons connected with them similarly refrain from voting on such resolutions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

PART III - REMUNERATION

3.1 Remuneration Policy

The Board had established a formal and transparent Remuneration Policy to attract and retain Directors and Senior Management of the Company. The Remuneration Policy is available on the Company's corporate website at www.wenteleng.com.

The RC assists the Board in implementing its policies and procedures on remuneration, which includes reviewing and recommending the proposed remuneration packages of the Directors of the Company. The RC is also responsible for ensuring that the remuneration packages are commensurate with the expected responsibility and contribution by the Directors and link to the strategic objectives of the Company.

The Board will determine the remuneration package of the Executive Director, taking into consideration the recommendations of the RC for the Executive Director. The remuneration packages for the Executive Director are structured in such a way that they link rewards to both corporate and individual performance.

The Independent Non-Executive Directors of the Company will be paid a basic fee as ordinary remuneration based on their responsibilities in Committees and the Board, their attendance and/or the special skills and expertise they bring to the Board. The fee shall be fixed in sum and not by a commission on or percentage of profits or turnover. Apart from Directors' fees, all Independent Non-Executive Directors are entitled to meeting allowances for attending Board and Board Committee meetings. Each Director shall abstain from the deliberation and voting on matters pertaining to their own remuneration.

3.2 Remuneration of Directors

The remuneration payable to each of the individual Director and the Group Chief Executive Officer of the Company and of the Group for the FYE2024 are as follows:-

The Company

Name	Fees (RM'000)	Allowance (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefits -in Kind (RM'000)	Other emoluments* (RM'000)	Total (RM'000)
<u>Directors</u>							
Ban Kim Wah	78	3	-	-	-	-	81
Wong Chun Wei	-	-	-	-	-	-	-
Siow Chin How	67	3	-	-	-	-	70
Soo Wee Loon	53	3	-	-	-	-	56
Wang Sze Min	53	3	-	-	-	-	56
<u>Group Chief Executive Officer</u>							
Chuah Chong Syn	-	-	-	-	-	-	-
Total	251	12	-	-	-	-	263

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

PART III - REMUNERATION (CONT'D)

3.2 Remuneration of Directors (Cont'd)

The Group

Name of Directors	Fees (RM'000)	Allowance (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefits-in Kind (RM'000)	Other emoluments* (RM'000)	Total (RM'000)
<u>Directors</u>							
Ban Kim Wah	78	3	-	-	-	-	81
Wong Chun Wei	-	-	275	82	-	45	402
Siow Chin How	67	3	-	-	-	-	70
Soo Wee Loon	53	3	-	-	-	-	56
Wang Sze Min	53	3	-	-	-	-	56
<u>Group Chief Executive Officer</u>							
Chuah Chong Syn	-	-	279	88	13	46	426
Total	251	12	554	170	13	91	1,091

Note:-

* Other emoluments include the Employees Provident Fund (EPF), Social Security Organisation (SOCSO) and Employment Insurance System (EIS).

3.3 Remuneration of Senior Management

The remuneration of the Senior Management of the Group is as follows:-

Range of Remuneration*	No. of Senior Management Officer
RM200,001 to RM250,000	2
RM250,001 to RM300,000	2
RM400,001 to RM450,000	1

* Successive bands of RM300,001 to RM350,000 and RM350,001 to RM400,000 are not shown entirely as they are not represented.

Due to the confidentiality and sensitivity of the remuneration packages of Senior Management as well as security concerns, the Board opts not to disclose the Senior Management's remuneration components on a named basis in the bands of RM50,000.

The Board is of the view that the disclosure of the Senior Management's remuneration components on a named basis would not be in the best interest of the Company given that the competitive human resources environment as such disclosure may give rise to recruitment and talent retention issues. The Board is of the opinion that the disclosure of Senior Management's aggregated remuneration on an unnamed basis in the bands of RM50,000 is adequate.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

PART I – ARMC

4.1 Effective and Independent ARMC

The Board entrusts the ARMC with various responsibilities, including but not limited to advising and overseeing financial reporting, external audit functions, internal control environment, internal audit processes, and the review of related party transactions, along with addressing conflict of interest situations.

The ARMC is chaired by Mr. Siow Chin How, an Independent Non-Executive Director who is distinct from the Chairman of the Board. The majority of the members of the ARMC are financially literate, whilst the Chairman of the ARMC is a member of the Malaysian Institute of Accountants.

The ARMC comprises three (3) members. The composition of the ARMC complies with Rules 15.09 and 15.10 of the Listing Requirements of Bursa Securities and the recommendation of MCCG whereby all three (3) ARMC members are Independent Non-Executive Directors. None of the Independent Non-Executive Directors has appointed alternate directors.

None of the members of the ARMC were former key audit partners and to uphold utmost independence, the Board has no intention to appoint any former key audit partner as a member of the ARMC.

The members of the ARMC are equipped with the requisite skills and knowledge to fulfill their responsibilities outlined in the TOR of the ARMC. They possess a deep understanding of matters falling within the purview of the ARMC, including the financial reporting process.

It is expected that they dedicate ample time to updating their knowledge and enhancing their skills through relevant continuing education programs. This ensures their active engagement and informed participation during deliberations. The ARMC members have consistently stayed informed about developments in accounting and auditing standards, practices, and regulations.

4.2 Financial Reporting

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and ensuring that the financial statements of the Group comply with the Companies Act 2016 and applicable approved financial reporting standards in Malaysia.

The ARMC assists the Board in discharging its fiduciary duties by ensuring that the audited financial statements and quarterly financial reports are prepared in accordance with the Malaysian Financial Reporting Standards and the Listing Requirements. In presenting the annual audited financial statements and quarterly announcements of results to shareholders, the Board aims to present a balanced and fair assessment of the Company's financial position and prospects. The ARMC reviews the Company's quarterly financial results and annual audited financial statements to ensure accuracy adequacy and completeness prior to presentation to the Board for its approval.

4.3 External Auditors

The Group maintains a transparent and effective relationship with the External Auditors, granting them direct communication authority. This enables the External Auditors to bring to the attention of the ARMC any matters requiring the Board's attention regarding compliance with accounting standards and related regulatory requirements.

The Board has established the External Auditors Assessment Policy together with the annual performance evaluation form, which outlines the guidelines and procedures for the ARMC to review, assess, and monitor the performance, suitability, and independence of the External Auditors.

The ARMC obtained assurance from the External Auditors confirming that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

PART I – ARMC (CONT'D)

4.3 External Auditors (Cont'd)

During FYE2024, the ARMC conducted the annual performance assessment of the External Auditors and was satisfied with their performance, suitability, and independence. Accordingly, the ARMC has recommended the re-appointment of the Company's External Auditors, Crowe Malaysia PLT, for shareholders' approval at the forthcoming AGM of the Company.

PART II – RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

5.1 Risk Management and Internal Control Framework

The Board recognizes its overall responsibilities in establishing and maintaining a robust risk management framework and internal control system throughout the Group. This framework and system are structured to effectively manage the Group's risks within an acceptable risk appetite, rather than aiming to eliminate the risk of potential failure in achieving the Group's policies, goals, and objectives. They offer reasonable assurance against significant misstatements in financial information and records, as well as protection against financial losses or fraudulent activities.

The Company also engages Internal Auditors to provide independent assessments of the adequacy, efficiency and effectiveness of the Company's internal control system. The Internal Auditors report directly to the ARMC and internal audit plans are tabled to the ARMC for review and approval by the Board to ensure adequate coverage.

Further details on the features of the risk management and internal control framework, and the adequacy and effectiveness of this framework, are disclosed in the Statement on Risk Management and Internal Control in this Annual Report.

5.2 Internal Audit Function

The internal audit function of the Group is outsourced to GovernanceAdvisory.com Sdn. Bhd. ("GA"), an independent professional consulting company, which is independent of the activities and operations of the Group as its Internal Control Consultant to review the adequacy and sufficiency of systems, procedures and controls of the Group.

The Board had established the Internal Auditors Assessment Policy together with the annual performance evaluation form, to outline the guidelines and procedures for the ARMC to review, assess and monitor the performance, suitability and independence of the Internal Auditors.

The ARMC had obtained assurance from GA confirming that they are, and have been, independent throughout the conduct of the internal audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The internal audit functions and activities carried out during the FYE2024 are as disclosed in the ARMC Statement in this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(cont'd)

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

PART I – ENGAGEMENT WITH STAKEHOLDERS

6.1 Continuous Communication with Stakeholders

The Board recognizes the significance of promptly and equitably disseminating information regarding significant developments within the Group to shareholders, potential investors, and the public. Consequently, the Board has adopted a Corporate Disclosure Policy.

The quarterly results, announcements and annual reports serve as primary means of dissemination of information so that the shareholders are constantly kept abreast of the Group's progress and developments.

The Company's corporate website at www.wenteleng.com serves as one of the most convenient ways for shareholders, business partners and members of the public to gain access to corporate information, news and events relating to the Group.

The Company's AGM serves as a primary platform for communication between the Group and its shareholders. During the AGM, shareholders will have the opportunity to pose questions regarding proposed resolutions and other matters concerning the Group's performance, developments, and future trajectory. The Board is committed to ensuring transparency and understanding by providing a comprehensive written explanation for each item of special business included in the meeting notice, facilitating shareholders' comprehension and evaluation of the resolutions and their implications.

PART II – CONDUCT OF GENERAL MEETINGS

6.2 General Meetings

The Board will ensure that the Notice of the AGM is sent out at least twenty-eight (28) days prior to the meeting to allow sufficient time for the shareholders to go through the Annual Report and make necessary attendance and voting arrangements.

In line with Practice 13.1 of MCGG, the notice convening the First ("1st") AGM of the Company was issued to shareholders at least twenty-eight (28) days prior to the AGM, providing shareholders with sufficient time to prepare themselves to attend the AGM or to appoint a proxy to attend and vote on their behalf. Similarly, the notice for the upcoming Second ("2nd") AGM of the Company, scheduled to be held on 30 May 2025, will also be issued to the shareholders at least 28 days before the date of the meeting.

The Company's 1st AGM was held physically at a venue that was easily accessible. Board members, External Auditors, Company Secretaries, Sponsors, and relevant senior management personnel were present to engage with shareholders and aid the Board in addressing any queries raised.

All resolutions set out in the Notice of the 1st AGM were put to vote by poll and the votes cast were validated by an independent scrutineer appointed by the Company. The outcome of all resolutions proposed at the general meetings is announced to Bursa Securities on the same day.

6.3 Effective Communication and Proactive Engagement

All Directors and Senior Management attended the 1st AGM physically and were accountable to the shareholders for their stewardship of the Company. The Chairman of the Board and its Board Committees members were available to respond to shareholders' queries concerning the Company and the Group in the 1st AGM. The External Auditors were also invited to attend the AGM and assist the Board in addressing relevant queries made by the shareholders.

From the Company's standpoint, the AGM provides an opportunity for Directors to directly interact with shareholders, gaining insights into their requirements and soliciting feedback. The Board encourages shareholders to pose questions and provide feedback during and after the shareholders' meetings, ensuring that their queries are addressed thoroughly.

The Board will ensure that the required infrastructure and tools will be in place to enable the smooth conduct of the 2nd AGM and meaningful engagement with the shareholders. The summary of key matters discussed at the AGM will also be published on the Company's website for the shareholders' information.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

Pursuant to Rule 15.15 of the ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Audit and Risk Management Committee (“ARMC” or “the Committee”) of Wentel Engineering Holdings Berhad (“the Company”) is pleased to present the ARMC Report which lays out the ARMC’s functions and activities held for the financial year ended 31 December 2024 (“FYE2024”).

1. OBJECTIVES

The ARMC was established with the primary objective of assisting the Board in fulfilling its statutory obligations effectively. By conducting impartial and independent assessments, the Committee provides additional assurance to the Board concerning the effectiveness of financial, operational, and administrative controls and procedures, thereby enhancing governance and risk management practices within the Company and its subsidiaries (“Group”).

2. COMPOSITION OF ARMC

The ARMC comprises the following members, all of whom are Independent Non-Executive Directors:

Name of Committee members	Designation
Siow Chin How	Chairman, Independent Non-Executive Director
Soo Wee Loon	Member, Independent Non-Executive Director
Wang Sze Min	Member, Independent Non-Executive Director

The Company has complied with Rule 15.09 of the Listing Requirements of Bursa Securities as well as Practice 9.1 and Practice 9.4 under Principle B of the Malaysian Code of Corporate Governance as the ARMC members fulfill the requirements as prescribed.

The Chairman of ARMC, Mr. Siow Chin How is a Chartered Accountant of the Malaysian Institute of Accountants, a chartered member of The Institute of Internal Auditors Malaysia, a member of the Certified Practicing Accountants of Australia and a Chartered Accountant of Singapore of the Institute of Singapore Chartered Accounts. In this respect, the composition of ARMC complies with Rule 15.09(1)(c)(i) of the Listing Requirements of Bursa Securities.

The authorities and duties of the ARMC are governed by the Terms of Reference of the ARMC, which can be accessed on the Company’s website at www.wenteleng.com.

3. ATTENDANCE OF MEETINGS

During the FYE2024, the ARMC convened a total of five (5) meetings. The attendance record of each ARMC member at these meetings is as follows:

Name	Meeting attended
Siow Chin How	5 of 5
Soo Wee Loon	5 of 5
Wang Sze Min	5 of 5

During the ARMC meetings, Executive Director, designated Key Senior Management, External Auditors, and Internal Auditors were invited to facilitate direct communication and provide clarifications on audit issues, areas of concern, operational matters and to brief the ARMC on specific issues arising from the internal audit report or any other matters of interest.

To enhance the effectiveness of the Group’s internal controls and seek professional guidance for fulling its duties, GovernanceAdvisory.com Sdn. Bhd (“GA”) has been appointed as the Internal Auditors. GA conducts reviews of the internal control system and reports its findings directly to the ARMC.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(cont'd)

4. SUMMARY OF WORKS OF THE ARMC FOR THE FYE2024

The works carried out by the ARMC, amongst others, included the review and deliberation of the following prior to presenting its recommendations to the Board for consideration, approval and adoption:

- (a) The audit plan and scope are carefully reviewed to ensure comprehensive coverage of the external audit before commencing the statutory audit of the financial statements for the FYE2024.
- (b) The Audit Review Memorandum with the External Auditors upon completion of the annual audit, covering findings on the results and issues arising from their audit of the financial statements of the Group and their resolutions of such issues highlighted in their report to the ARMC.
- (c) The Company's quarterly and year-end financial results prior to presenting its recommendations to the Board for consideration and approval for release of the announcements of the financial results to Bursa Securities.
- (d) The Group's annual audited financial statements to ensure compliance with accounting standards and legal requirements. Engaging in discussions with the External Auditors regarding their audit findings, particularly focusing on matters related to changes in accounting standards and other disclosure requirements.
- (e) The performance of the External Auditors based on competency, efficiency and transparency as demonstrated during their audit, recommendation on their re-appointment and proposed audit fee to the Board for consideration and approval.
- (f) The risk-based 2-year internal audit plan and its adequacy of scope and coverage as proposed by the Internal Auditors. The findings of the internal audit reports and follow-up audit status as well as considered the management responses thereto, and ensured that appropriate actions are taken by the management on the recommendations raised by the Internal Auditors.
- (g) Related party transactions and/or recurrent related party transactions that transpired during the financial year under review entered into by the Group (if any), to ascertain that such transactions are carried out on arm's length basis.
- (h) The Circular to Shareholders in relation to the Proposed New Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature dated 30 April 2024.
- (i) The adoption of updated Terms of Reference of the ARMC by enhancing and incorporating the conflict of interest ("COI") component.
- (j) Held one (1) private session with the External Auditors without the presence of the Executive Directors and Management, to review key issues within their sphere of coverage and responsibilities in regards to the audit of the financial statements of the Group for the FYE2024. It was noted that the Committee had confirmed that they did not have any knowledge of fraud within the Group.
- (k) The Corporate Governance Overview Statement, Corporate Governance Report, ARMC Report and Statement on Risk Management and Internal Control to ensure compliance with legal and regulatory reporting, and also disclosure requirements, prior to recommendation to the Board for inclusion in the Annual Report.
- (l) Appropriate measures are implemented to identify corporate liability risks, including those associated with bribery, corruption, and compliance.
- (m) The assessment of the Internal Auditors' performance is based on various criteria, among others, including calibre and quality of the engagement team, the level of its audit governance and independence, as well as the effectiveness and efficiency of their internal audit reviews.
- (n) Annual self-appraised performance of the ARMC and submission of the evaluation forms to the Nomination Committee for assessment.
- (o) Reviewed the Conflict of Interest ("COI") questionnaires submitted by the Directors and Key Senior Management of the Group. Based on this review, no significant COI were identified that would necessitate further examination and implementation of specific mitigation measures. The only exemptions were related party transactions that had been duly disclosed and entered into with the Group, which are being managed in accordance with the established governance and approval processes.

AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

(cont'd)

5. INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to an independent internal audit consulting firm. This arrangement ensures an independent assessment and assists the ARMC in assessing the adequacy and effectiveness of the Group's governance and internal control system. Additionally, the Internal Auditors presents significant audit findings and offers recommendations for continuous enhancement of the system.

The cost incurred on the outsourced internal audit functions for FYE2024 by the Group amounted to RM18,000.00.

The internal audit function has conducted independent and systematic audit reviews in accordance with the approved annual internal audit plan. These reviews encompass key functional areas and business activities of the Group, emphasizing best practices and addressing all business risks with a core focus. The aim is to provide reasonable assurance that the following aspects continue to operate satisfactorily and effectively:

- The effectiveness and efficiency of operations;
- Reliability of reporting;
- Compliance with applicable laws and regulations; and
- Safeguarding the assets.

The internal audit reviews are conducted based on functional areas, serving as a valuable platform for evaluating processes and provide assurance that all areas of concern, findings and recommendations are addressed. Subsequent follow-up audit reviews are conducted to assess the implementation of appropriate actions and enhancements as deemed necessary by Management.

The ARMC believes that the internal audit function operates independently, and the Internal Auditors have performed their audit assignments with impartiality, proficiency, and due professional care.

6. RELATIONSHIP WITH AUDITORS

The Board fosters a transparent and appropriate relationship with both External and Internal Auditors through the ARMC. The ARMC maintains direct communication channels with auditors and may engage in discussions without the presence of Executive Director and Management when deemed necessary. Both External and Internal Auditors have direct reporting lines to the ARMC, granting them unrestricted access to report their findings and concerns. This ensures that issues are addressed independently, objectively, and impartially, without any undue influence from the Management.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Malaysian Code on Corporate Governance requires the Board of Directors ("Board") to establish a sound risk management framework and internal controls system to safeguard shareholders' investments and assets of Wentel Engineering Holdings Berhad ("Company") and its subsidiaries ("Group"). Pursuant to Rule 15.26(b) of the ACE Market Listing Requirements ("AMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), a listed corporation must ensure that its Board include in their Annual Report, a statement about the state of internal control and risk management of the listed corporation as a group.

The Board recognises the responsibilities and importance of maintaining a sound system of risk management and internal controls. The Board remains committed to maintain sound systems of risk management and internal control throughout the Group and in compliance with the AMLR of Bursa Securities and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers.

The Board is pleased to provide the following statement which outlines the nature and scope of risk management and internal control of the Group during the financial year 2024 and up to the date of approval of the statement for inclusion in the annual report.

BOARD'S RESPONSIBILITIES

The Board acknowledges the importance of its responsibility for maintaining a sound system of internal controls. It seeks regular assurance on the adequacy, effectiveness and integrity of the risk management and internal control system to align with the Group's objectives and strategies and safeguard shareholders' investments and the Group's assets.

The Board, through its Audit and Risk Management Committee ("ARMC"), supported by the internal auditors who are independent of the activities they audit, conducts periodic assessments. This assessment aims to evaluate whether risks that may hinder the Group from achieving its objectives are being adequately evaluated, managed and controlled. Any issues identified, along with the actions agreed upon by the Management to address them, are tabled and deliberated during the ARMC meetings. Subsequently, the minutes of these meetings are then presented to the Board. The Board recognises the need to embed risk management in all aspects of the Group's activities and set levels of acceptable risk to aid decision-making and governance processes.

The Board also acknowledges that inherent limitations exist in any system of internal controls. Consequently, the internal control system is designed to mitigate but not completely eliminate, risks that may hinder the achievement of the Group's business objective. Therefore, the internal control system can only provide reasonable and not absolute assurance against material misstatement or fraud or error.

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

1. Risk Management System

The Board has established a Risk Management and Internal Control Framework ("Framework") comprising the Risk and Management Policy and Internal Audit Charter, to identify, evaluate and manage significant risks faced by the Group. The Framework entails compiling the Group's risk profile, and risk registers and implementing appropriate control measures to mitigate risks to acceptable levels. The Board believes that maintaining a sound risk management and internal control system hinges upon a clear understanding and appreciation of the following key elements within the Group's Framework: -

- a. A formalised Framework to streamline the Group's risk management activities;
- b. The Board and the Executive Director must first ascertain the levels of the risk appetite of the Group to determine the extent of the risk context;
- c. A risk management structure which outlines the lines of reporting and establishes the responsibility of personnel at different levels, i.e. the Board, ARMC and Management;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(cont'd)

RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM (CONT'D)

1. Risk Management System (Cont'd)

- d. The Heads of Department and key management staff are responsible for identifying, assessing and managing strategic and operational risks from time to time;
- e. The identified key risks which are included in the risk register are monitored regularly to provide an early warning signal of increasing risk exposures;
- f. The effectiveness of the control measures/actions stated in the risk register will be reviewed and reported to the ARMC periodically or on a frequency as determined by the ARMC; and
- g. Integrating Environmental, Social, and Governance (ESG) related risks, including environmental compliance, corporate governance, and social responsibility, into the risk assessment framework to align with sustainability goals.

2. Internal Control System

The Group's system of internal controls includes the following key elements: -

- a. An organisational structure with clearly defined lines of accountability and responsibilities provides a sound framework within the organisation, facilitating checks and balances for proper decision-making at the appropriate authority levels of management, including matters requiring the Board's approval;
- b. The ARMC and the Board meet at least once quarterly to review and deliberate on financial reports, annual financial statements, internal audit reports, etc. Discussions with Management are conducted to address identified internal control issues;
- c. The ARMC and the Board review findings from both internal and external auditors regarding accounting and internal control issues, and hold discussions with Management on actions to be taken to resolve them;
- d. Internal policies and procedures have been established for the key business units within the Group to guide employees in their day-to-day activities. These policies and procedures are periodically reviewed and updated to cater to the changing business environment and operational requirements, and statutory reporting needs;
- e. The Group has also documented policies and procedures to regulate relevant key processes in compliance with its International Organisation for Standardisation ("ISO") 9001:2015 and ISO 14001:2015;
- f. Cybersecurity measures have been strengthened to protect sensitive information and ensure data integrity, with continuous monitoring and updates on Information Technology (IT) security frameworks; and
- g. Implementation of anti-bribery and corruption policies in line with regulatory requirements, including a whistleblowing mechanism to encourage transparency and ethical conduct.

3. Internal Audit Function

The Group continues to engage GovernanceAdvisory.com Sdn. Bhd. ("GA") as its independent internal auditor to provide objective assessments of the adequacy, efficiency, and effectiveness of its internal control system. GA conducts independent audits and presents findings to the ARMC, highlighting areas for improvement and ensuring compliance with internal policies and regulatory requirements.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(cont'd)

BOARD ASSURANCE AND LIMITATION

For the financial year under review, the Board expresses satisfaction with the effectiveness of the existing systems of risk management and internal control, and up to the date of approval of this Statement, noting that no losses resulted from significant control weaknesses.

The Board had received assurance from the Executive Director, Group Chief Executive Officer, and Group Financial Controller that the Group will continuously improve and maintain a sound and effective system of risk management and internal control.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

In accordance with Rule 15.23 of the AMLR of Bursa Securities, the external auditors are mandated to review this Statement on Risk Management and Internal Control ("Statement"). This review is guided by the Audit and Assurance Practice Guide 3 ("AAPG3") issued by the Malaysian Institute of Accountants.

Based on AAPG3, the external auditors have reviewed this Statement and have reported to the Board that nothing has come to their attention that causes them to believe that the explanation disclosed in this Statement is inconsistent with their understanding of the processes adopted by the Board and management in their risk management and internal control systems of the Group.

CONCLUSION

The Board remains committed to continuously strengthening the Group's internal control and risk management framework to ensure operational efficiency, compliance, and long-term sustainability. Recognising that risk management is an evolving process, the Board will implement ongoing enhancements to meet future challenges and improve governance structures.

This Statement is made in accordance with the resolution of the Board dated 21 April 2025.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING

In conjunction with and as an integral part of the listing of the Company on the ACE Market of Bursa Malaysia Securities Berhad, the Company undertook a public issuance of 273,200,000 new ordinary shares at an issue price of RM0.26 per ordinary share, raising a total gross proceeds of approximately RM71.03 million ("Listing Proceeds").

The status of the utilisation of the Listing Proceeds as at 31 December 2024 was as follows:-

Purposes	Proposed Utilisation RM'000	Actual Utilisation RM'000	Reallocation RM'000	Balance to be utilised RM'000	Estimated Timeframe for Utilisation from the Listing date
Part finance the construction of new manufacturing plant	40,000	(14,329)	663	26,334	Within 18 months
Part finance the purchase of new machinery and equipment	25,032	-	-	25,032	Within 18 months
Estimated listing expenses	6,000	(5,337)	(663) ⁽¹⁾	-	Within 3 months
Total	71,032	(19,666)	-	51,366	

Note:

(1) In view that the actual listing expenses were less than estimated, the surplus has been re-allocated to fund the construction of new manufacturing plant.

2. AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid and payable to the External Auditors, Crowe Malaysia PLT for services rendered by them to the Company and Group for the financial year ended 31 December 2024 are as follows:

Type of Services	Company RM'000	Group RM'000
Audit Fees		
- Financial audit	68	176
Non-Audit Fees		
- Review of Statement of Risk Management and Internal Control	8	8
Total	76	184

3. MATERIAL CONTRACTS

There were no material contracts entered into by the Group involving the interest of Directors and/or major shareholders, either still subsisting at the end of the FYE2024 or entered into since the end of the previous financial year.

4. RECURRENT RELATED PARTY TRANSACTION OF A REVENUE OR TRADING NATURE ("RRPTs")

The details of the Shareholders' Mandate for the RRPTs are set out in the Circular to Shareholders dated 30 April 2025 which is available on Bursa Malaysia Securities Berhad's website and the Company's website.

The details of the transactions with related parties undertaken by the Group during the financial year ended 31 December 2024 are disclosed in Note 29 to the audited financial statements for the financial year ended 31 December 2024.

STATEMENT OF DIRECTORS' RESPONSIBILITY

In connection with the preparation of the annual audited financial statements of Wentel Engineering Holdings Berhad ("the Company") and its subsidiaries ("the Group"), the Directors are required to ensure that the audited financial statements are drawn up in accordance with the provisions of the Companies Act 2016 ("Act") and the applicable approved accounting standards as prescribed by the Malaysian Accounting Standards Board so as to give a true and fair view of the state of affairs of the Group as at 31 December 2024 and of the results and cash flows of the Company and the Group for the financial year then ended.

In preparing the financial statements for the financial year ended 31 December 2024, the Directors are/have:-

- (a) responsible for ensuring proper accounting records are kept, which disclose with reasonable accuracy the financial positions of the Group and Company;
- (b) adopted and consistently applied suitable accounting policies;
- (c) made judgements and estimates that are prudent and reasonable;
- (d) ensured applicable financial reporting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- (e) prepared it on a going concern basis unless it is inappropriate to presume that the Company and the Group will continue to be in business.

The Board has ensured that the quarterly reports and annual audited financial statements of the Company are released to Bursa Malaysia Securities Berhad in a timely manner in order to keep our investing public informed of the Group's latest performance and developments.

The Board has also ensured that the Company and the Group maintain proper accounting records in accordance with the Act. The Board also has the overall responsibility of taking such steps as are reasonably open to them to safeguard the assets of the Company and of the Group and to prevent and detect fraud and other irregularities.



FINANCIAL REPORT

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DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding.

The information on the name, place of incorporation, principal activities, and percentage of issued share capital held by the holding company in each subsidiary company are set out in the "Subsidiaries" section of this report.

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

RESULTS

	The Group RM	The Company RM
Profit/(Loss) after taxation for the financial year	15,026,487	(4,761,818)
Attributable to:-		
Owners of the Company	15,026,487	(4,761,818)

DIVIDENDS

No dividend was recommended by the directors for the financial year.

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.

ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) the Company increased its issued and paid-up share capital from RM87,680,000 to RM157,467,174 by way of issuance of 273,200,000 new ordinary shares for a cash consideration of RM0.26 each in conjunction with the initial public offering ("IPO") of ACE Market of Bursa Malaysia Securities Berhad.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

- (b) there were no issues of debentures by the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

During the financial year, no options were granted by the Company to any person to take up any unissued shares in the Company.

DIRECTORS' REPORT

(cont'd)

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for impairment losses on receivables and satisfied themselves that there are no known bad debts and that adequate allowance had been made for impairment losses on receivables.

At the date of this report, the directors are not aware of any circumstances that would require the writing off of bad debts, or the additional allowance for impairment losses on receivables in the financial statements of the Group and of the Company.

CURRENT ASSETS

Before the financial statements of the Group and of the Company were made out, the directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business, including their value as shown in the accounting records of the Group and of the Company, have been written down to an amount which they might be expected so to realise.

At the date of this report, the directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements misleading.

VALUATION METHODS

At the date of this report, the directors are not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

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

- (a) 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; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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

CHANGE OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances 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 misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Group and of the Company during the financial year were not, in the opinion of the directors, substantially affected by any item, transaction or event of a material and unusual nature.

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, in the opinion of the directors, 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.

DIRECTORS' REPORT

(cont'd)

DIRECTORS

The names of directors of the Company who served during the financial year and up to the date of this report are as follows:-

Ban Kim Wah
Wong Chun Wei
Soo Wee Loon
Siow Chin How
Wang Sze Min

The names of directors of the Company's subsidiaries who served during the financial year and up to the date of this report, not including those directors mentioned above, are as follows:-

Tai Yuan Heng
Loo Juan Pang

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors holding office at the end of the financial year in shares or debentures of the Company and its related corporations during the financial year are as follows:-

	Number Of Ordinary Shares			
	At 1.1.2024	Bought/ Allotted	Sold	At 31.12.2024
The Company				
<i>Direct Interests</i>				
Ban Kim Wah	164,399,500	-	(12,000,000)	152,399,500
Siow Chin How	-	1,100,000	-	1,100,000
Soo Wee Loon	-	300,000	-	300,000
Wang Sze Min	-	300,000	-	300,000

The other director holding office at the end of the financial year had no interest in shares or debentures of the Company or its related corporations during the financial year.

DIRECTORS' REPORT

(cont'd)

DIRECTORS' BENEFITS

Since the end of the previous financial period, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" of this report) 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 except for any benefits which may be deemed to arise from transactions:-

	The Group RM	The Company RM
<u>Corporate shareholder</u>		
Factory rental paid	(1,550,562)	-
<u>Related Parties</u>		
Purchase	(175,344)	-
<u>A subsidiary</u>		
Advances to a subsidiary	-	56,891,011
Repayment to a subsidiary	-	(50,411)

Neither during nor at the end of the financial year was the Group or the Company a party to any arrangements whose object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

DIRECTORS' REMUNERATION

The details of the directors' remuneration paid or payable to the directors of the Group and of the Company during the financial year are as follows:-

	The Group RM	The Company RM
Fees	251,000	251,000
Salaries, bonuses and other benefits	369,847	12,000
Defined contribution benefits	44,344	-
	665,191	263,000

INDEMNITY AND INSURANCE COST

During the financial year, there was no indemnity given to or professional indemnity insurance effected for directors, officers or auditors of the Company.

DIRECTORS' REPORT

(cont'd)

SUBSIDIARIES

- (a) The details of the Company's subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent	Principal activities
<i>Subsidiaries of the Company</i>			
Wentel Engineering Sdn. Bhd.	Malaysia	100%	Fabrication of semifinished metal products, fabrication of metal parts and assembly of finished products.
Wentel Engineering Pte. Ltd.*	Singapore	100%	Sales, marketing and after sales support.

* The Subsidiary was audited by other firm of chartered accountants.

- (b) The available auditors' reports on the financial statements of the subsidiaries did not contain any qualification.

SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

Initial Public Offering ("IPO")

In conjunction with, and as an integral part of the listing of the Company's shares on the ACE Market of Bursa Malaysia Securities Berhad, the following listing scheme was undertaken by the Company:-

- (a) Public issue of 273,200,000 new ordinary shares in the Company at an issue price of RM0.26 per share ("IPO Price") allocated in the following manner:-
- (i) 57,500,000 new shares available for application by the Malaysian Public;
 - (ii) 33,000,000 new shares available for application by the eligible directors, employees and other persons who have contributed to the success of the Company;
 - (iii) 38,950,000 new shares by way of private placement to selected investors; and
 - (iv) 143,750,000 new shares by way of private placement to identified Bumiputera investors approved by Ministry of Investment, Trade and Industry of Malaysia.
- (b) Offer for sale of 46,000,000 existing shares by way of private placement to selected investors at the IPO Price.

The Company's entire enlarged issued and paid-up share capital comprising 1,150,000,000 ordinary shares were listed on the ACE Market of Bursa Malaysia Securities Berhad on 6 February 2024.

DIRECTORS' REPORT

(cont'd)

AUDITORS

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

The details of the auditors' remuneration for the financial year are as follows:-

	The Group RM	The Company RM
Audit fees	176,128	68,000
Non-audit fees	8,000	8,000
	184,128	76,000

Signed in accordance with a resolution of the Directors dated 21 April 2025.

Ban Kim Wah

Wong Chun Wei

STATEMENT BY DIRECTORS

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

We, Ban Kim Wah and Wong Chun Wei, being two of the directors of Wentel Engineering Holdings Berhad, state that, in the opinion of the directors, the financial statements set out on pages 98 to 142 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2024 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the Directors dated 21 April 2025.

Ban Kim Wah

Wong Chun Wei

STATUTORY DECLARATION

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

I, Yap Yew Wei, MIA Membership Number: 48847, being the officer primarily responsible for the financial management of Wentel Engineering Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 98 to 142 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned
Yap Yew Wei
at Kuala Lumpur
in the Federal Territory
on this 21 April 2025

Yap Yew Wei

Before me

Shaiful Hilmi Bin Halim
License No.: W 804
Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WENTEL ENGINEERING HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No.: 202301007290 (1501211-T)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Wentel Engineering Holdings Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 December 2024, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 98 to 142.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WENTEL ENGINEERING HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No.: 202301007290 (1501211-T)

(cont'd)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Revenue recognition Refer to Note 22 to the financial statements	
Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Revenue is one of the largest accounts in the financial statements and an important driver of the Group's operating results. We focus on this area as it involves significant management judgement and estimates in determining the revenue recognition when (or as) the Group satisfy a performance obligation either over time or at a point in time.	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> Conducted and understanding the internal control procedures by performing walkthrough test; Performed test of control as appropriate; Substantively test the various types of sales transactions before and after year end to check that they are recorded in the correct accounting period in accordance with the relevant terms of business; Assessed whether sales transactions either side of the balance sheet date as well as credit notes issued after year end are recognised in the correct period; and Considered the adequacy of the Group's disclosures in respect of revenue.

Recoverability of trade receivables Refer to Note 10 to the financial statements	
Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p>As at 31 December 2024, the carrying amount of trade receivables is RM26.93 million.</p> <p>The management recognised the allowance of impairment losses on trade receivables based on the following:-</p> <ol style="list-style-type: none"> Customers' payment and credit history; and Specific known facts or circumstances on customers' ability to pay. <p>We determined this to be a key audit matter due to the significant judgements and level of uncertainty involved in assessing the recoverability of trade receivables.</p>	<p>Our procedures included, amongst others:-</p> <ul style="list-style-type: none"> Reviewed the ageing analysis of receivables and tested its accuracy; Reviewed subsequent collections for major receivables and overdue amounts; Examined, where applicable, other evidence including customers' correspondences, proposed or existing settlement plans and repayment schedules; and Evaluated, where applicable, the reasonableness and tested the adequacy of the Group's impairment losses recognised for identified exposures on trade receivables by assessing the relevant assumptions and historical data from the Group's previous collection experience.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WENTEL ENGINEERING HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No.: 202301007290 (1501211-T)

(cont'd)

Information Other Than The Financial Statements And Auditors' Report Thereon

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

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

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

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

Responsibilities Of The Directors For The Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WENTEL ENGINEERING HOLDINGS BERHAD

(Incorporated in Malaysia)

Registration No.: 202301007290 (1501211-T)

(cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:- (Cont'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 the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiary of which we had not acted as auditors, is disclosed in Note 5 to the financial statements.

OTHER MATTERS

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.

Crowe Malaysia PLT
201906000005 (LLP0018817-LCA) & AF 1018
Chartered Accountants

Kuala Lumpur

21 April 2025

Lean Wei Ee
03827/05/2026 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

	Note	The Group		The Company	
		2024	2023	2024	2023
		RM	RM	RM	RM
ASSETS					
NON-CURRENT ASSETS					
Investments in subsidiaries	5	-	-	87,679,900	87,679,900
Property, plant and equipment	6	66,965,007	42,783,363	-	-
Right-of-use assets	7	4,935,699	1,535,109	-	-
Intangible assets	8	10	10	-	-
		71,900,716	44,318,482	87,679,900	87,679,900
CURRENT ASSETS					
Inventories	9	21,916,728	15,531,772	-	-
Trade receivables	10	26,934,035	20,815,480	-	-
Amount owing by a subsidiary	11	-	-	56,840,600	-
Other receivables, deposits and prepayments	12	1,620,270	3,842,901	95,648	39,500
Current tax assets		1,452,200	1,294,708	-	-
Fixed deposits with licensed banks	13	58,755,221	13,165,144	-	-
Cash and bank balances		31,546,833	18,648,414	8,221,547	5,095
		142,225,287	73,298,419	65,157,795	44,595
TOTAL ASSETS		214,126,003	117,616,901	152,837,695	87,724,495

The annexed notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

(cont'd)

		The Group		The Company	
		2024	2023	2024	2023
	Note	RM	RM	RM	RM
EQUITY AND LIABILITIES					
EQUITY					
Share capital	14	157,467,174	87,680,000	157,467,174	87,680,000
Merger deficit	15	(86,442,719)	(86,442,719)	-	-
Foreign exchange translation reserve	16	294,135	573,239	-	-
Retained profits/ (Accumulated losses)		115,145,330	100,118,843	(4,837,734)	(75,916)
TOTAL EQUITY		186,463,920	101,929,363	152,629,440	87,604,084
NON-CURRENT LIABILITIES					
Lease liabilities	17	3,516,901	171,928	-	-
Term loan	18	-	1,422,078	-	-
Deferred tax liabilities	19	879,065	-	-	-
		4,395,966	1,594,006	-	-
CURRENT LIABILITIES					
Trade payables	20	7,132,124	6,612,007	-	-
Other payables and accruals	21	13,276,651	4,547,444	178,255	70,000
Amount owing to a subsidiary	11	-	-	-	50,411
Lease liabilities	17	1,448,365	1,424,871	-	-
Term loan	18	1,408,977	1,509,210	-	-
Current tax liabilities		-	-	30,000	-
		23,266,117	14,093,532	208,255	120,411
TOTAL LIABILITIES		27,662,083	15,687,538	208,255	120,411
TOTAL EQUITY AND LIABILITIES		214,126,003	117,616,901	152,837,695	87,724,495

The annexed notes form an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		The Group		The Company	
		1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	1.1.2024 to 31.12.2024	1.3.2023 (date of incorporation) to 31.12.2023
	Note	RM	RM	RM	RM
REVENUE	22	112,428,811	98,751,534	-	-
COST OF SALES		(80,857,437)	(73,911,824)	-	-
GROSS PROFIT		31,571,374	24,839,710	-	-
OTHER INCOME		3,788,837	2,062,332	135,898	-
		35,360,211	26,902,042	135,898	-
SELLING AND DISTRIBUTION EXPENSES		(335,633)	(236,548)	-	-
ADMINISTRATIVE EXPENSES		(14,007,599)	(7,443,348)	(4,867,716)	(75,916)
FINANCE COSTS		(195,436)	(267,419)	-	-
IMPAIRMENT LOSSES ON FINANCIAL ASSETS	23	-	(132,291)	-	-
PROFIT/(LOSS) BEFORE TAXATION	24	20,821,543	18,822,436	(4,731,818)	(75,916)
INCOME TAX EXPENSE	25	(5,795,056)	(4,721,205)	(30,000)	-
PROFIT/(LOSS) AFTER TAXATION		15,026,487	14,101,231	(4,761,818)	(75,916)
<u>Items that Will be Reclassified Subsequently to Profit or Loss</u>					
Foreign currency translation differences		(279,104)	128,893	-	-
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) FOR THE FINANCIAL YEAR		14,747,383	14,230,124	(4,761,818)	(75,916)
PROFIT/(LOSS) AFTER TAXATION ATTRIBUTABLE TO:					
Owners of the Company		15,026,487	14,101,231	(4,761,818)	(75,916)
TOTAL COMPREHENSIVE INCOME/ (EXPENSES) ATTRIBUTABLE TO:					
Owners of the Company		14,747,383	14,230,124	(4,761,818)	(75,916)
EARNINGS PER SHARE (RM)	26				
Basic		0.01	0.05		
Diluted		0.01	0.05		

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

The Group	Note	Share Capital RM	Merger Deficit RM	Foreign Exchange Translation Reserve RM	Retained Profits RM	Attributable to the Owners of the Company RM	Total Equity RM
Balance at 1.1.2023		1,237,181	-	444,346	86,017,612	87,699,139	87,699,139
Profit after taxation for the financial year		-	-	-	14,101,231	14,101,231	14,101,231
Other comprehensive income for the financial year:		-	-	-	-	-	-
- Foreign currency translations difference		-	-	128,893	-	128,893	128,893
Total comprehensive income for the financial year		-	-	128,893	14,101,231	14,230,124	14,230,124
Issuance of shares by the Company	14	100	-	-	-	100	100
Issuance of shares pursuant to acquisition of subsidiaries	14	87,679,900	-	-	-	87,679,900	87,679,900
Adjustment on acquisition of subsidiaries		(1,237,181)	(86,442,719)	-	-	(87,679,900)	(87,679,900)
Total contributions by and distributions to owners		86,442,819	(86,442,719)	-	-	100	100
Balance at 31.12.2023/1.1.2024		87,680,000	(86,442,719)	573,239	100,118,843	101,929,363	101,929,363
Profit after taxation for the financial year		-	-	-	15,026,487	15,026,487	15,026,487
Other comprehensive income for the financial year:		-	-	-	-	-	-
- Foreign currency translations difference		-	-	(279,104)	-	(279,104)	(279,104)
Total comprehensive income for the financial year		-	-	(279,104)	15,026,487	14,747,383	14,747,383
Issuance of shares by the Company	14	71,032,000	-	-	-	71,032,000	71,032,000
Share issuance expenses	14	(1,244,826)	-	-	-	(1,244,826)	(1,244,826)
Total contributions by and distributions to owners		69,787,174	-	-	-	69,787,174	69,787,174
Balance at 31.12.2024		157,467,174	(86,442,719)	294,135	115,145,330	186,463,920	186,463,920

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(cont'd)

	Note	Share Capital RM	Accumulated Losses RM	Total Equity RM
The Company				
Balance at 1.3.2023 (date of incorporation)		100	-	100
Loss after taxation/Total comprehensive expenses for the financial period		-	(75,916)	(75,916)
Issuance of shares by the Company	14	87,679,900	-	87,679,900
Balance at 31.12.2023/1.1.2024		87,680,000	(75,916)	87,604,084
Loss after taxation/Total comprehensive expenses for the financial year		-	(4,761,818)	(4,761,818)
Issuance of shares by the Company	14	71,032,000	-	71,032,000
Share issuance expenses	14	(1,244,826)	-	(1,244,826)
Total contributions by and distributions to owners		69,787,174	-	69,787,174
Balance at 31.12.2024		157,467,174	(4,837,734)	152,629,440

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	The Group		The Company	
		1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	1.1.2024 to 31.12.2024	1.3.2023 (date of Incorporation) to 31.12.2023
		RM	RM	RM	RM
CASH FLOWS FROM/(FOR) OPERATING ACTIVITIES					
Profit/(Loss) before taxation		20,821,543	18,822,436	(4,731,818)	(75,916)
Adjustments for:-					
Depreciation of property, plant and equipment		2,749,333	3,295,387	-	-
Depreciation of right-of-use assets		1,727,711	1,949,520	-	-
Interest expenses on lease liabilities		100,075	113,003	-	-
Interest expenses on term loan		95,361	154,416	-	-
Impairment losses on trade receivables		-	132,291	-	-
Property, plant and equipment written off		13,048	7,193	-	-
Interest income		(2,788,190)	(437,673)	-	-
Gain on disposal of property, plant and equipment		(79,999)	(117,999)	-	-
Gain on modification of lease		(7,621)	-	-	-
Unrealised gain on foreign exchange		(445,591)	(331,413)	-	-
Operating profit/(loss) before working capital changes		22,185,670	23,587,161	(4,731,818)	(75,916)
Increase in inventories		(6,384,956)	(720,108)	-	-
(Increase)/Decrease in trade and other receivables		(4,307,353)	1,876,077	(56,148)	(39,500)
Increase/(Decrease) in trade and other payables		8,861,518	(1,495,980)	108,255	70,000
CASH FROM/(FOR) OPERATIONS		20,354,879	23,247,150	(4,679,711)	(45,416)
Income tax paid		(5,073,483)	(6,069,993)	-	-
NET CASH FROM/(FOR) OPERATING ACTIVITIES		15,281,396	17,177,157	(4,679,711)	(45,416)
CASH FLOWS FOR INVESTING ACTIVITIES					
Advances to a subsidiary		-	-	(58,085,426)	-
Additions of fixed deposits with tenure of more than 3 months		(50,580,970)	(4,110,555)	-	-
Interest income received		2,788,190	437,673	-	-
Proceeds from disposal of property, plant and equipment		80,000	118,000	-	-
Purchase of property, plant and equipment	27(a)	(26,944,742)	(19,153,732)	-	-
NET CASH FOR INVESTING ACTIVITIES		(74,657,522)	(22,708,614)	(58,085,426)	-

The annexed notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(cont'd)

		The Group		The Company	
		1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	1.1.2024 to 31.12.2024	1.3.2023 (date of Incorporation) to 31.12.2023
	Note	RM	RM	RM	RM
CASH FLOWS FROM/ (FOR) FINANCING ACTIVITIES					
(Repayment to)/Advances from a subsidiary		-	-	(50,411)	50,411
Interest paid	27(b)	(195,436)	(267,419)	-	-
Proceeds from issuance of ordinary shares	14	71,032,000	100	71,032,000	-
Repayment of lease liabilities	27(b)	(1,752,189)	(1,971,827)	-	-
Repayment of term loan	27(b)	(1,522,311)	(1,463,256)	-	-
NET CASH FROM/(FOR) FINANCING ACTIVITIES		67,562,064	(3,702,402)	70,981,589	50,411
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		8,185,938	(9,233,859)	8,216,452	4,995
EFFECTS OF FOREIGN EXCHANGE TRANSLATION		(278,412)	132,424	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/AT THE DATE OF INCORPORATION		26,660,595	35,762,030	5,095	100
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD	27(d)	34,568,121	26,660,595	8,221,547	5,095

The annexed notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the ACE Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business are as follows:-

Registered office : Third Floor, No. 77, & 79 & 81,
Jalan SS21/60, Damansara Utama,
47400 Petaling Jaya, Selangor,
Malaysia.

Principal place of business : No. 11, Jalan Gagah,
Kawasan Perindustrian Larkin,
80350 Johor Bahru, Johor,
Malaysia.

These financial statements comprise both separate and consolidated financial statements. The financial statements of the Company are separate financial statements, while the financial statements of the Group are consolidated financial statements that include those of the Company and its subsidiaries as of the end of the reporting period. The Company and its subsidiaries are collectively referred to as “the Group”.

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 21 April 2025.

2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 5 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

3. BASIS OF PREPARATION

The financial statements of the Group and of the Company are prepared under the historical cost convention and modified to include other bases of valuation as disclosed in other sections under material accounting policy information, and in compliance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

- 3.1 During the current financial year, the Group and the Company have adopted all the MFRSs that were effective on or before the date of incorporation. The Group has adopted the following new accounting standards and/or interpretations (including the consequential amendments, if any):-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)

Amendments to MFRS 16: Lease Liability in a Sale and Leaseback

Amendments to MFRS 101: Classification of Liabilities as Current or Non-current

Amendments to MFRS 101: Non-current Liabilities with Covenants

Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) did not have any material impact on the financial statements of the Group and of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

3. BASIS OF PREPARATION (CONT'D)

- 3.2 The Group and the Company have not applied in advance the following accounting standards and/or interpretations (including the consequential amendments, if any) that have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective for the current financial year:-

MFRSs and/or IC Interpretations (Including The Consequential Amendments)	Effective Date
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The adoption of the above accounting standards and/or interpretations (including the consequential amendments, if any) is expected to have no material impact on the financial statements of the Group and of the Company upon their initial application except as follow:-

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard sets out the new requirements for the presentation and disclosure of information in the primary financial statements and notes. The potential impact of the new standard on the financial statements of the Group and of the Company has yet to be assessed.

4. MATERIAL ACCOUNTING POLICY INFORMATION

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation of uncertainties 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 other than as disclosed below:-

(a) Depreciation of Property, Plant and Equipment and Right-of-use Assets

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment and right-of-use assets are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group and the Company anticipates that the residual values of its property, plant and equipment and right-of-use assets will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amounts of property, plant and equipment and right-of-use assets as at the reporting date are disclosed in Notes 6 and 7 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Key Sources of Estimation Uncertainty (Cont'd)

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation of uncertainties 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 other than as disclosed below:- (Cont'd)

(b) Impairment of Property, Plant and Equipment and Right-of-use Assets

The Group and the Company determines whether an item of its property, plant and equipment and right-of-use assets are impaired by evaluating the extent to which the recoverable amount of the asset is less than its carrying amount. This evaluation is subject to changes such as market performance, economic and political situation of the country. A variety of methods are used to determine the recoverable amount, such as valuation reports and discounted cash flows. For discounted cash flows, significant judgement is required in the estimation of the present value of future cash flows generated by the assets, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rates. The carrying amounts of property, plant and equipment and right-of-use assets as at the reporting date are disclosed in Notes 6 and 7 to the financial statements respectively.

(c) Write-down of Inventories

Reviews are made periodically by management on damaged, obsolete and slow-moving inventories. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories. The carrying amount of inventories as at the reporting date is disclosed in Note 9 to the financial statements.

(d) Impairment of Trade Receivables

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops the expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts for qualitative and quantitative reasonable and supportable forward-looking information. If the expectation is different from the estimation, such difference will impact the carrying amount of trade receivables. The carrying amount of trade receivables as at the reporting date is disclosed in Note 10 to the financial statements.

(e) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises 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 expense and deferred tax balances in the period in which such determination is made. The carrying amount of current tax assets of the Group as at the reporting date is RM1,452,200 (2023 - RM1,294,708).

(f) Discount Rates used in Leases

Where the interest rate implicit in the lease cannot be readily determined, the Group uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(cont'd)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements.

4.2 FINANCIAL INSTRUMENTS

(a) Financial Assets

Financial Assets Through Profit or Loss

The financial assets are initially measured at fair value. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest and dividend income.

Financial Assets at Amortised Cost

The financial assets are initially measured at fair value plus transaction costs except for trade receivables without significant financing component which are measured at transaction price only. Subsequent to the initial recognition, all financial assets are measured at amortised cost less any impairment losses.

Financial Assets Through Other Comprehensive Income

The Group has elected to designate the equity instruments as financial assets through other comprehensive income at initial recognition.

The financial assets are initially measured at fair value plus transaction costs. Subsequent to the initial recognition, the financial assets are remeasured to their fair values at the reporting date with fair value changes taken up in other comprehensive income and accumulated in the fair value reserve, except for the recognition of impairment, interest income and foreign exchange difference of a debt instrument which are recognised directly in profit or loss. The fair value changes do not include interest and dividend income.

(b) Financial Liabilities

Financial Liabilities Through Profit or Loss

The financial liabilities are initially measured at fair value. Subsequent to the initial recognition, the financial liabilities are remeasured to their fair values at the reporting date with fair value changes recognised in profit or loss. The fair value changes do not include interest expense.

Financial Liabilities at Amortised Cost

The financial liabilities are initially measured at fair value less transaction costs. Subsequent to the initial recognition, the financial liabilities are measured at amortised cost.

(c) Equity

Ordinary Shares

Ordinary shares are recorded on initial recognition at the proceeds received less directly attributable transaction costs incurred. The ordinary shares are not remeasured subsequently.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.3 BASIS OF CONSOLIDATION

The Group applies the acquisition method of accounting for those business combinations which business combinations which were accounted for using merger method of accounting.

Under the merger method of accounting, the assets and liabilities of the merger entities are reflected in the consolidated financial statements at their carrying amounts reported in the individual financial statements. The consolidated statement of profit or loss and other comprehensive income reflect the results of the merger entities for the full reporting period (irrespective of when the combination takes place) and comparatives are presented as if the entities had always been combined since the date for which the entities had come under common control.

The difference between the cost of the merger and the share capital and capital reserves of the merger entities is reflected within equity as merger reserve or merger deficit, as appropriate.

4.4 INVESTMENTS IN SUBSIDIARIES

Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any.

4.5 PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially measured at cost.

Subsequent to initial recognition, all property, plant and equipment, other than freehold land, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on other property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Single-storey terrace house	1%
Motor vehicles	20%
Plant and machinery	20%
Other property, plant and equipment	20%

Capital work-in-progress represent factory buildings under construction. They are not depreciated until such time when the asset is available for use.

4.6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Short-term Leases and Leases of Low-value Assets

The Group and the Company apply the "short-term lease" and "lease of low-value assets" recognition exemption. For these leases, the Group and the Company recognise the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

(b) Right-of-use Assets

Right-of-use assets are initially measured at cost. Subsequent to the initial recognition, the right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities.

The right-of-use assets are depreciated using the straight-line method from the commencement date to the earlier of the end of the estimated useful lives of the right-of-use assets or the end of the lease term.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(cont'd)

4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

4.6 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

(c) Lease Liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the lease liabilities are measured at amortised cost and adjusted for any lease reassessment or modifications.

4.7 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average cost method and comprises all costs of purchase plus other costs incurred in bringing the inventories to their present location and condition.

5. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2024	2023
	RM	RM
Unquoted shares, at cost	87,679,900	87,679,900

The details of the subsidiaries are as follows:-

Name of Subsidiary	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal activities
		2024	2023	
Subsidiaries of the Company				
Wentel Engineering Sdn. Bhd.	Malaysia	100%	100%	Fabrication of semifinished metal products, fabrication of metal parts and assembly of finished products.
Wentel Engineering Pte. Ltd.*	Singapore	100%	100%	Sales, marketing and after sales support.

* The Subsidiary was audited by other firm of chartered accountants.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(cont'd)

6. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
The Group			
2024			
Freehold industrial land	36,838,073	-	36,838,073
Single-storey terrace house	138,000	(20,125)	117,875
Motor vehicles	2,990,779	(1,806,816)	1,183,963
Other property, plant and equipment	8,506,626	(6,205,051)	2,301,575
Plant and machinery	44,908,364	(39,717,661)	5,190,703
Capital work in progress	21,332,818	-	21,332,818
	114,714,660	(47,749,653)	66,965,007
2023			
Freehold industrial land	36,798,733	-	36,798,733
Single-storey terrace house	138,000	(18,745)	119,255
Motor vehicles	2,485,512	(1,422,962)	1,062,550
Other property, plant and equipment	7,738,716	(5,486,584)	2,252,132
Plant and machinery	42,811,327	(40,773,950)	2,037,377
Capital work in progress	513,316	-	513,316
	90,485,604	(47,702,241)	42,783,363

The freehold industrial land of the Group has been pledged to a licensed bank as security for banking facilities granted to the Group as disclosed in Note 18 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

7. RIGHT-OF-USE ASSETS

	At 1.1.2024 RM	Modification of Lease Liabilities RM	Derecognition due to Lease Modification RM	Depreciation Charges (Note 24) RM	Effect of Movements in Exchange Rates RM	At 31.12.2024 RM
The Group						
2024						
<i>Carrying Amount</i>						
Factory buildings	1,495,017	5,365,612	(235,947)	(1,706,208)	-	4,918,474
Office space	40,092	-	-	(21,503)	(1,364)	17,225
	1,535,109	5,365,612	(235,947)	(1,727,711)	(1,364)	4,935,699

	At 1.1.2023 RM	Modification of Lease Liabilities RM	Derecognition due to Lease Modification RM	Depreciation Charges (Note 24) RM	Effect of Movements in Exchange Rates RM	At 31.12.2023 RM
The Group						
2023						
<i>Carrying Amount</i>						
Factory buildings	2,465,940	707,839	-	(1,678,762)	-	1,495,017
Office space	257,431	42,726	-	(270,758)	10,693	40,092
	2,723,371	750,565	-	(1,949,520)	10,693	1,535,109

The Group leases certain factory buildings and an office space of which the leasing activities are summarised below:-

- (i) **Factory buildings** The Group has leased 1 factory building (2023 - 2 factory buildings) that run 3 (2023 - between 2 and 3) years, with an option to renew the lease after that date. The Group is not allowed to sublease the factory buildings.
- (ii) **Office space** The Group has leased an office that run 2 (2023 - 2) years, with an option to renew the lease after that date. The Group is not allowed to sublease the office.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(cont'd)

8. INTANGIBLE ASSETS

	The Group	
	2024 RM	2023 RM
Trademarks		
Cost:-		
At 1 January/31 December	10	10
Accumulated Amortisation:-		
At 1 January/31 December	-	-
Carrying amount:-		
At 31 December	10	10

9. INVENTORIES

	The Group	
	2024 RM	2023 RM
Raw materials	11,423,932	8,498,584
Work-in-progress	4,893,134	2,891,978
Finished goods	5,599,662	4,141,210
	21,916,728	15,531,772
Recognised in profit or loss:-		
Inventories recognised as cost of sales	47,645,599	43,553,549

10. TRADE RECEIVABLES

	The Group	
	2024 RM	2023 RM
Third parties	27,143,208	21,024,653
Allowance for impairment losses	(209,173)	(209,173)
	26,934,035	20,815,480
Allowance for impairment losses:-		
At 1 January	(209,173)	(76,882)
Addition during the financial year (Note 23)	-	(132,291)
At 31 December	(209,173)	(209,173)

The Group's normal trade credit terms range from 30 to 60 (2023 - 30 to 60) days.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

11. AMOUNTS OWING BY/(TO) A SUBSIDIARY

The amount owing by a subsidiary is non-trade in nature, which represented unsecured interest-free advances. The amount owing is repayable on demand and is to be settled in cash.

In the previous financial year, the amount owing to a subsidiary is non-trade in nature, which represented unsecured interest-free advances to the Company. The amount owing is settled in cash.

12. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Other receivables:-				
Third parties	7,256	4,602	-	-
Advances to suppliers	277,239	134,647	-	-
	284,495	139,249	-	-
Deposits	661,144	533,139	1,300	300
Prepayments	674,631	3,170,513	94,348	39,200
	1,620,270	3,842,901	95,648	39,500

- (a) The advances to suppliers are unsecured and interest-free. The amount owing will be offset against future purchases from the suppliers; and
- (b) In the previous financial year, included in prepayments was an amount of RM2,820,883 represents payment made in relation to the Initial Public Offering exercise.

13. FIXED DEPOSITS WITH LICENSED BANKS

The fixed deposits with licensed banks of the Group at the end of the reporting period bore effective interest rates ranging from 3.70% to 3.80% (2023 - 3.90%) per annum. The fixed deposits have maturity periods ranging from 3 to 6 (2023 - 3 to 6) months for the Group.

14. SHARE CAPITAL

	The Group/The Company			
	2024	2023	2024	2023
	Number of Shares		RM	RM
Issued and Fully Paid-Up				
Ordinary Shares				
At 1 January	876,800,000	1,100,000	87,680,000	1,237,181
Issuance of shares by the Company	273,200,000	1,000	71,032,000	100
Issuance of shares pursuant to acquisition of subsidiaries	-	876,799,000	-	87,679,900
Adjustment on acquisition of subsidiaries	-	(1,100,000)	-	(1,237,181)
Share issuance expenses	-	-	(1,244,826)	-
At 31 December	1,150,000,000	876,800,000	157,467,174	87,680,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

14. SHARE CAPITAL (CONT'D)

- (a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.
- (b) In the previous financial period/year, the Company was incorporated with a total paid-up share capital of RM100 comprising 1,000 ordinary shares and the Company increased its issued and paid-up share capital from RM100 to RM87,680,000 by way of issuance of 876,799,000 new ordinary shares pursuant to acquisition of subsidiaries.
- (c) During the financial year, the Company increased its issued and paid-up share capital from RM87,680,000 to RM157,467,174 by way of issuance of 273,200,000 new ordinary shares for a cash consideration of RM0.26 each in conjunction with the initial public offering ("IPO") of ACE Market of Bursa Malaysia Securities Berhad.
- (d) The listing expenses arising from the issuance of new shares amounting to RM1,244,826 were offset against the share capital and the remaining listing expenses of RM4,092,058 were expensed off to profit or loss.

The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the Company.

15. MERGER DEFICIT

The merger deficit represents the difference between the carrying value of the investment in subsidiaries and the share capital of the Company's subsidiaries upon consolidation under the merger accounting principle.

16. FOREIGN EXCHANGE TRANSLATION RESERVE

The foreign exchange translation reserve arose from the translation of the financial statements of Wentel Engineering Pte. Ltd. whose functional currency is different from the Group's presentation currency.

17. LEASE LIABILITIES

	The Group	
	2024	2023
	RM	RM
At 1 January	1,596,799	2,807,043
Interest expense recognised in profit or loss (Note 24)	100,075	113,003
Changes due to lease modification (Note 27(b))	5,365,612	750,565
Derecognition due to lease modification	(243,568)	-
Repayment of principal	(1,752,189)	(1,971,827)
Repayment of interest expense	(100,075)	(113,003)
Effect of movements in exchange rates	(1,388)	11,018
At 31 December	4,965,266	1,596,799
Analysed by:-		
Current liabilities	1,448,365	1,424,871
Non-current liabilities	3,516,901	171,928
	4,965,266	1,596,799

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

18. TERM LOAN (SECURED)

	The Group	
	2024	2023
	RM	RM
Current liabilities	1,408,977	1,509,210
Non-current liabilities	-	1,422,078
	1,408,977	2,931,288

(a) The term loan is secured by:-

- (i) The property, plant and equipment of the Group as disclosed in Note 6 to the financial statements; and
- (ii) Corporate guarantee by the Company.

(b) The Group's adjusted leverage ratio shall not exceed 1.5 times and the Group has complied with the loan covenants.

(c) The interest rate profile of the term loan summarised below:-

	Effective Interest Rate	
	2024	2023
	%	%
Floating rate term loan	4.83	4.83

19. DEFERRED TAX LIABILITIES

	The Group	
	2024	2023
	RM	RM
At 1 January	-	-
Recognised in profit or loss (Note 25)	879,065	-
At 31 December	879,065	-

Movement in deferred tax liabilities/(assets):-

	At 1.1.2024	Recognised in Profit or Loss (Note 25)	At 31.12.2024
The Group	RM	RM	RM
2024			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	-	929,267	929,267
<i>Deferred Tax Assets</i>			
Provision	-	(50,202)	(50,202)
	-	879,065	879,065

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(cont'd)

20. TRADE PAYABLES

	The Group	
	2024	2023
	RM	RM
Trade payables:-		
Third parties	7,132,124	6,608,044
Related parties	-	3,963
	7,132,124	6,612,007

The normal trade credit terms granted to the Group range from 30 to 90 (2023 - 30 to 90) days.

21. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Other payables:-				
Third parties	9,336,518	996,873	-	-
Accruals	3,940,133	3,550,571	178,255	70,000
	13,276,651	4,547,444	178,255	70,000

22. REVENUE

	The Group	
	2024	2023
	RM	RM
Revenue from Contracts with Customers		
<u>Revenue recognised at a point in time</u>		
Sales of goods	112,428,811	98,751,534

23. IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	The Group	
	2024	2023
	RM	RM
Impairment losses:		
- trade receivables (Note 10)	-	132,291

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

24. PROFIT/(LOSS) BEFORE TAXATION

	The Group		The Company	
	1.1.2024 to 31.12.2024 RM	1.1.2023 to 31.12.2023 RM	1.1.2024 to 31.12.2024 RM	1.3.2023 (date of incorporation) to 31.12.2023 RM
Profit/(Loss) before taxation is arrived at after charging/ (crediting):-				
Auditors' remuneration:				
- Audit fees:				
- auditor of the Company	132,000	122,000	68,000	62,000
- underprovision in the previous financial year/period	-	1,110	-	-
- other auditor	44,128	39,419	-	-
- Non-audit fees:				
- auditor of the Company	8,000	8,000	8,000	8,000
Directors' non-fee emoluments (Note 28):				
- fees	251,000	-	251,000	-
- salaries, bonuses and other benefits	369,847	311,447	12,000	-
- defined contribution benefits	44,344	34,103	-	-
Material Expenses/(Income)				
Depreciation:				
- property, plant and equipment (Note 6)	2,749,333	3,295,387	-	-
- right-of-use assets (Note 7)	1,727,711	1,949,520	-	-
Interest expenses on financial liabilities that are not at fair value through profit or loss:				
- term loan	95,361	154,416	-	-
Interest expense on lease liabilities (Note 17)	100,075	113,003	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(cont'd)

24. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

	The Group		The Company	
	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	1.1.2024 to 31.12.2024	1.3.2023 (date of incorporation) to 31.12.2023
	RM	RM	RM	RM
Profit/(Loss) before taxation is arrived at after charging/ (crediting) (Cont'd):-				
Material Expenses/(Income) (Cont'd)				
Interest income on financial assets measured at amortised cost:				
- fixed deposits with licensed banks	(2,599,896)	(366,974)	-	-
- current accounts	(188,294)	(70,699)	-	-
Gain on modification of leases	(7,621)	-	-	-
Gain on disposal of property, plant and equipment	(79,999)	(117,999)	-	-
Loss/(Gain) on foreign exchange:				
- realised	1,624,157	(797,767)	-	-
- unrealised	(445,591)	(331,413)	-	-
Property, plant and equipment written off (Note 6)	13,048	7,193	-	-
Short-term lease expenses	258,900	223,819	-	-
Staff costs (including other key management personnel as disclosed in Note 28):				
- short-term employee benefits	19,251,109	18,567,409	-	-
- defined contribution benefits	1,308,807	1,245,403	-	-
- others	-	2,158	-	-

25. INCOME TAX EXPENSE

	The Group		The Company	
	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	1.1.2024 to 31.12.2024	1.3.2023 (date of incorporation) to 31.12.2023
	RM	RM	RM	RM
Current tax expense	5,254,025	4,652,257	30,000	-
(Over)/Underprovision in the previous financial year/period	(338,034)	68,948	-	-
	4,915,991	4,721,205	30,000	-
Deferred tax (Note 19)				
- origination and reversal of temporary differences	879,065	-	-	-
	5,795,056	4,721,205	30,000	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

25. INCOME TAX EXPENSE (CONT'D)

A reconciliation of income tax expense applicable to the profit before taxation at the statutory tax rate to income tax expense at the effective tax rate of the Group and of the Company is as follows:-

	The Group		The Company	
	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	1.1.2024 to 31.12.2024	1.3.2023 (date of incorporation) to 31.12.2023
	RM	RM	RM	RM
Profit/(Loss) before taxation	20,821,543	18,822,436	(4,731,818)	(75,916)
Tax at the statutory tax rate of 24% (2023 - 24%)	4,997,170	4,517,385	(1,135,636)	(18,220)
Tax effects of:-				
Non-deductible expenses	1,430,997	506,008	1,165,636	18,220
Non-taxable income	(180,423)	(267,469)	-	-
Differential in tax rate	(114,654)	(63,397)	-	-
Utilisation of deferred tax assets previously not recognised	-	(40,270)	-	-
(Over)/Under provision of current tax in the previous financial year/period	(338,034)	68,948	-	-
	5,795,056	4,721,205	30,000	-

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023 - 24%) of the estimated assessable profit for the financial year/period. The taxation of other jurisdictions is calculated at the rates prevailing in the respective jurisdiction.

26. EARNINGS PER SHARE

(a) Basic Earnings Per Share

The basic earnings per share is calculated by dividing the consolidated profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	The Group	
	2024	2023
Profit after taxation attributable to owners of the Company (Basic) (RM)	15,026,487	14,101,231
Weighted average number of ordinary shares in issue (Basic) (Number)	1,126,113,661	260,211,233
Basic earnings per share (RM)	0.01	0.05

(b) Diluted Earnings Per Share

The diluted earnings per share is equal to the basic earnings per share because there were no potential ordinary shares as at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(cont'd)

27. CASH FLOW INFORMATION

- (a) The cash disbursed for the purchase of property, plant and equipment and the addition of right-of-use assets are as follows:-

	The Group	
	2024	2023
	RM	RM
Property, plant and equipment		
Cost of property, plant and equipment purchased (Note 6)	26,944,742	19,153,732

- (b) The reconciliations of liabilities arising from financing activities are as follows:-

The Group	Lease Liabilities RM	Term Loan RM	Total RM
2024			
At 1 January	1,596,799	2,931,288	4,528,087
<u>Changes in Financing Cash Flows</u>			
Repayment of principal	(1,752,189)	(1,522,311)	(3,274,500)
Repayment of interests	(100,075)	(95,361)	(195,436)
	(1,852,264)	(1,617,672)	(3,469,936)
<u>Other Changes</u>			
Modifications of leases (Note 17)	5,365,612	-	5,365,612
Derecognition due to lease modifications	(243,568)	-	(243,568)
Foreign exchange adjustments (Note 17)	(1,388)	-	(1,388)
Interest expense recognised in profit or loss (Note 24)	100,075	95,361	195,436
	5,220,731	95,361	5,316,092
At 31 December	4,965,266	1,408,977	6,374,243
2023			
At 1 January	2,807,043	4,394,544	7,201,587
<u>Changes in Financing Cash Flows</u>			
Repayment of principal	(1,971,827)	(1,463,256)	(3,435,083)
Repayment of interests	(113,003)	(154,416)	(267,419)
	(2,084,830)	(1,617,672)	(3,702,502)
<u>Other Changes</u>			
Modifications of leases (Note 17)	750,565	-	750,565
Foreign exchange adjustments (Note 17)	11,018	-	11,018
Interest expense recognised in profit or loss (Note 24)	113,003	154,416	267,419
	874,586	154,416	1,029,002
At 31 December	1,596,799	2,931,288	4,528,087

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

27. CASH FLOW INFORMATION (CONT'D)

(c) The total cash outflows for leases as a lessee are as follows:-

	The Group	
	2024	2023
	RM	RM
Payment of short-term leases	258,900	223,819
Interest paid on lease liabilities	100,075	113,003
Payment of lease liabilities	1,752,189	1,971,827
	2,111,164	2,308,649

(d) The cash and cash equivalents comprise the following:-

	The Group		The Company	
	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	1.1.2024 to 31.12.2024	1.3.2023 (date of incorporation) to 31.12.2023
	RM	RM	RM	RM
Fixed deposits with licensed banks	58,755,221	13,165,144	-	-
Cash and bank balances	31,546,833	18,648,414	8,221,547	5,095
	90,302,054	31,813,558	8,221,547	5,095
Less: Fixed deposits with tenure of more than 3 months	(55,733,933)	(5,152,963)	-	-
	34,568,121	26,660,595	8,221,547	5,095

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(cont'd)

28. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel of the Group include executive directors and non-executive directors and certain members of senior management of the Group.

The key management personnel compensation during the financial year are as follows:-

	The Group		The Company	
	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	1.1.2024 to 31.12.2024	1.3.2023 (date of incorporation) to 31.12.2023
	RM	RM	RM	RM
(a) Directors of the Company				
<u>Directors of the Company</u>				
Short-term employee benefits:				
- fees	251,000	-	251,000	-
- salaries, bonuses and other benefits	369,847	311,447	12,000	-
	620,847	311,447	263,000	-
Defined contribution benefits	44,344	34,103	-	-
Total directors' remuneration (Note 24)	665,191	345,550	263,000	-
(b) Other Key Management Personnel				
Short-term employee benefits	1,313,731	1,275,653	-	-
Defined contribution benefits	163,545	141,170	-	-
Total compensation for other key management personnel	1,477,276	1,416,823	-	-

29. RELATED PARTY DISCLOSURES

(a) Subsidiaries

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

29. RELATED PARTY DISCLOSURES (CONT'D)

(b) Significant Related Party Transactions and Balances

Other than those disclosed elsewhere in the financial statements, the Group and the Company also carried out the following significant transactions with the related parties during the financial year/period:-

	The Group		The Company	
	1.1.2024 to 31.12.2024	1.1.2023 to 31.12.2023	1.1.2024 to 31.12.2024	1.3.2023 (date of incorporation) to 31.12.2023
	RM	RM	RM	RM
<u>Corporate shareholder</u>				
Factory rental paid	(1,550,562)	(1,425,804)	-	-
Trademark	-	(1)	-	-
<u>Related Parties</u>				
Sales	-	13,049	-	-
Purchase	(175,344)	(2,587,918)	-	-
<u>A subsidiary</u>				
Advances to a subsidiary	-	-	56,891,011	-
(Repayment to) /Advance from a subsidiary	-	-	(50,411)	50,411

The significant outstanding balances of the related parties together with their terms and conditions are disclosed in the respective notes to the financial statements.

30. OPERATING SEGMENTS

Operating segments are prepared in a manner consistent with the internal reporting provided to the Board of Directors as its chief operating decision maker in order to allocate resources to segments and to assess their performance. For management purposes, the Group is organised into business units based on their products and services provided. In addition, the businesses are also considered from a geographical perspective.

The Group is organised into 3 main reportable segments as follows:-

- (i) Fabrication of semi-finished products - products such as machine bodies and modules that are not finished products.
- (ii) Fabrication of metal parts - other products such as components and parts.
- (iii) Assembly of finished products - products that are complete, finished and ready to use.

Chief operating decision maker monitors the segment results of its business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis but exclude tax assets and liabilities.

Segment assets and liabilities information are not provided to the chief operating decision maker. Hence, no disclosure is made on segment assets and liabilities.

Transaction between reportable segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on combination.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(cont'd)

30. OPERATING SEGMENTS (CONT'D)

30.1 BUSINESS SEGMENTS

The Group	Fabrication of semi-finished products RM	Fabrication of metal parts RM	Assembly of finished products RM	Total RM
2024				
Revenue				
External revenue	83,532,571	22,938,593	5,957,647	112,428,811
Results				
Segments profit				21,016,979
Finance costs				(195,436)
Profit before taxation				20,821,543
<u>Other information</u>				
Depreciation				
- property, plant and equipment				2,749,333
- right-of-use assets				1,727,711
Property, plant and equipment written off				13,048
Gain on modification of lease				(7,621)
Gain on disposal of property, plant and equipment				(79,999)
Interest income				(2,788,190)
Interest expenses				195,436
Unrealised foreign exchange gains				(445,591)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

30. OPERATING SEGMENTS (CONT'D)

30.1 BUSINESS SEGMENTS (CONT'D)

The Group	Fabrication of semi-finished products RM	Fabrication of metal parts RM	Assembly of finished products RM	Total RM
2023				
Revenue				
External revenue	75,365,164	16,072,631	7,313,739	98,751,534
Results				
Segments profit				19,089,855
Finance costs				(267,419)
Profit before taxation				18,822,436
<u>Other information</u>				
Depreciation				
- property, plant and equipment				3,295,387
- right-of-use assets				1,949,520
Gain on disposal of property, plant and equipment				(117,999)
Impairment losses on trade receivables				132,291
Property, plant and equipment written off				7,193
Interest income				(437,673)
Interest expenses				267,419
Unrealised foreign exchange gains				(331,413)

30.2 GEOGRAPHICAL INFORMATION

Revenue is based on the country in which the customers are located.

	The Group	
	2024 RM	2023 RM
United States	823,838	493,383
Singapore	30,918,644	28,529,837
Malaysia	80,686,329	69,728,314
	112,428,811	98,751,534

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(cont'd)

30. OPERATING SEGMENTS (CONT'D)

30.3 MAJOR CUSTOMERS

The following are major customers with revenue equal to or more than 10% of the Group's total revenue.

	The Group	
	2024	2023
	RM	RM
Customer #1	11,821,413	15,452,284
Customer #2	39,635,712	33,666,591
Customer #3	38,113,045	33,625,043

31. CAPITAL COMMITMENTS

	The Group	
	2024	2023
	RM	RM
Construction of property, plant and equipment	47,965,696	624,000

32. FINANCIAL INSTRUMENTS

The Group's activities are exposed to a variety of market risk (including foreign currency risk, interest rate risk and equity price risk), credit risk and liquidity risk. The Group's overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

32.1 FINANCIAL RISK MANAGEMENT POLICIES

The Group's policies in respect of the major areas of treasury activity are as follows:-

(a) Market Risk

(i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than the functional currency of entities within the Group. The currencies giving rise to this risk are primarily Euro ("EUR"), Pound Sterling ("GBP"), United States Dollar ("USD"), Singapore Dollar ("SGD") and Japanese Yen ("JPY"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The Group's exposure to foreign currency risk (a currency which is other than the functional currency of the entities within the Group) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure

The Group	EUR RM	GBP RM	USD RM	SGD RM	JPY RM	MYR RM	Total RM
2024							
<u>Financial Assets</u>							
Trade receivables	-	-	9,578,159	2,958,441	-	14,397,435	26,934,035
Other receivables	-	-	-	-	-	7,256	7,256
Fixed deposits with licensed banks	-	-	-	-	-	58,755,221	58,755,221
Cash and bank balances	3,407,496	591,256	8,067,452	4,888,026	721,730	13,870,873	31,546,833
	3,407,496	591,256	17,645,611	7,846,467	721,730	87,030,785	117,243,345
<u>Financial Liabilities</u>							
Term loan	-	-	-	-	-	(1,408,977)	(1,408,977)
Trade payables	(395,902)	-	(116,313)	(926,595)	-	(5,693,314)	(7,132,124)
Other payables and accruals	-	-	-	(1,158,986)	(1,938,193)	(10,179,472)	(13,276,651)
	(395,902)	-	(116,313)	(2,085,581)	(1,938,193)	(17,281,763)	(21,817,752)
Net financial assets/(liabilities)	3,011,594	591,256	17,529,298	5,760,886	(1,216,463)	69,749,022	95,425,593
Less: Net financial asset denominated in the respective entities' functional currencies	-	-	-	-	-	(69,749,022)	(69,749,022)
Currency Exposure	3,011,594	591,256	17,529,298	5,760,886	(1,216,463)	-	25,676,571

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Exposure (Cont'd)

The Group	EUR RM	GBP RM	USD RM	SGD RM	MYR RM	Total RM
2023						
<u>Financial Assets</u>						
Trade receivables	-	-	7,969,707	2,098,930	10,746,843	20,815,480
Other receivables	-	-	-	-	4,602	4,602
Fixed deposits with licensed banks	-	-	-	-	13,165,144	13,165,144
Cash and bank balances	406,640	308,260	6,682,885	3,178,628	8,072,001	18,648,414
	406,640	308,260	14,652,592	5,277,558	31,988,590	52,633,640
<u>Financial Liabilities</u>						
Term loan	-	-	-	-	(2,931,288)	(2,931,288)
Trade payables	(653,492)	-	(90,820)	(726,120)	(5,141,575)	(6,612,007)
Other payables and accruals	-	-	-	(269,555)	(4,277,889)	(4,547,444)
	(653,492)	-	(90,820)	(995,675)	(12,350,752)	(14,090,739)
Net financial (liabilities)/ assets	(246,852)	308,260	14,561,772	4,281,883	19,637,838	38,542,901
Less: Net financial asset denominated in the respective entities' functional currencies	-	-	-	-	(19,637,838)	(19,637,838)
Currency Exposure	(246,852)	308,260	14,561,772	4,281,883	-	18,905,063

NOTES TO THE FINANCIAL STATEMENTS

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(cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(i) Foreign Currency Risk (Cont'd)

Foreign Currency Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the foreign currencies at the end of the reporting period, with all other variables held constant:-

	The Group	
	2024 RM	2023 RM
Effects on Profit After Taxation/ Other Comprehensive Income		
EUR/RM		
- strengthened by 10%	228,881	(18,761)
- weakened by 10%	(228,881)	18,761
GBP/RM		
- strengthened by 10%	44,935	23,428
- weakened by 10%	(44,935)	(23,428)
USD/RM		
- strengthened by 10%	1,332,227	1,106,695
- weakened by 10%	(1,332,227)	(1,106,695)
SGD/RM		
- strengthened by 10%	437,827	325,423
- weakened by 10%	(437,827)	(325,423)
JPY/RM		
- strengthened by 10%	(92,451)	-
- weakened by 10%	92,451	-

There is no impact on the Group's equity.

The Company do not have any transactions or balances denominated in foreign currencies and hence, are not exposed to foreign currency risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(a) Market Risk (Cont'd)

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises mainly from long-term borrowings with variable rates. The Group adopts a policy of obtaining the most favourable interest rates available and by maintaining a balanced portfolio mix of fixed and floating rate borrowings.

The fixed rate debt instruments of the Group are not subject to interest rate risk since neither carrying amounts nor the future cash flows will fluctuate because of a change in market interest rates.

The Group's exposure to interest rate risk based on the carrying amounts of the financial instruments at the end of the reporting period are disclosed in Note 18 to the financial statements.

Interest Rate Risk Sensitivity Analysis

The following table details the sensitivity analysis to a reasonably possible change in the interest rates at the end of the reporting period, with all other variables held constant:-

	The Group	
	2024	2023
	RM	RM
Effects on Profit After Taxation/ Other Comprehensive Income		
Increase of 100 basis points	(11,000)	(22,000)
Decrease of 100 basis points	11,000	22,000

There is no impact on the Group's equity.

(iii) Equity Price Risk

The Group and the Company do not have any quoted investments and hence, is not exposed to equity price risk.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk

The exposure to credit risk, or the risk of counterparties defaulting, arises mainly from trade and other receivables. The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis. For other financial assets (including quoted investments, cash and bank balances), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Also, the Company's exposure to credit risk includes loans and advances to subsidiaries, and corporate guarantee given to financial institutions for credit facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to serve their loans on an individual basis.

(i) Credit Risk Concentration Profile

At the end of the reporting period, the Group's major concentration of credit risk relates to the amounts owing by 2 (2023 - 2) customers which constituted approximately 76% (2023 - 85%) of its trade receivables, net of loss allowance.

(ii) Maximum Exposure to Credit Risk

At the end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position of the Group after deducting any allowance for impairment losses (where applicable).

These corporate guarantees have not been recognised in the Company's financial statements since their fair values on initial recognition were not material.

(iii) Assessment of Impairment Losses

The Group has an informal credit policy in place and the exposure to credit risk is monitored on an on-going basis through periodic review of the ageing of the receivables. The Group closely monitors the receivables' financial strength to reduce the risk of loss.

At each reporting date, the Group evaluates whether any of the financial assets at amortised cost are credit impaired.

The gross carrying amounts of financial assets are written off against the associated impairment, if any, when there is no reasonable expectation of recovery despite the fact that they are still subject to enforcement activities.

A financial asset is credit impaired when any of following events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred:

- Significant financial difficulty of the receivable;
- A breach of contract, such as a default or past due event;
- Restructuring of a debt in relation to the receivable's financial difficulty; or
- It is becoming probable that the receivable will enter bankruptcy or other financial reorganisation.

The Group uses a more lagging past due criterion for certain trade receivables when it is more appropriate to reflect their loss patterns.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables

The Group applies the simplified approach to measure expected credit losses using a lifetime expected credit loss allowance for all trade receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The Group measures the expected credit losses of certain major customers, trade receivables that are credit impaired and trade receivables with a high risk of default on individual basis.

The expected loss rates are based on the payment profiles of sales over 12 (2023 - 12) months before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Allowance for Impairment Losses

	Gross Amount	Lifetime Collective Allowance	Carrying Amount
The Group	RM	RM	RM
2024			
Current (not past due)	13,361,833	(91,581)	13,270,252
1 to 30 days past due	8,060,152	(44,328)	8,015,824
31 to 60 days past due	2,949,604	(37,585)	2,912,019
61 to 90 days past due	2,738,630	(35,534)	2,703,096
Over 90 days past due	32,989	(145)	32,844
	27,143,208	(209,173)	26,934,035

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Trade Receivables (Cont'd)

Allowance for Impairment Losses (Cont'd)

The Group	Gross Amount RM	Lifetime Collective Allowance RM	Carrying Amount RM
2023			
Current (not past due)	11,153,407	(82,533)	11,070,874
1 to 30 days past due	7,652,649	(110,750)	7,541,899
31 to 60 days past due	1,920,279	(10,196)	1,910,083
61 to 90 days past due	271,226	(4,087)	267,139
Over 90 days past due	27,092	(1,607)	25,485
	21,024,653	(209,173)	20,815,480

The movements in the loss allowances in respect of trade receivables is disclosed in Note 10 to the financial statements.

Other Receivables

The Group applies the 3-stage general approach to measuring expected credit losses for its other receivables.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

Under this approach, the Group assesses whether there is a significant increase in credit risk for receivables by comparing the risk of default as at the reporting date with the risk of default as at the date of initial recognition. The Group considers there has been a significant increase in credit risk when there are changes in contractual terms or delay in payment. Regardless of the assessment, a significant increase in credit risk is presumed if a receivable is more than 30 days past due in making a contractual payment.

The Group uses 3 categories to reflect their credit risk and how the loss allowance is determined for each category:-

Category	Definition of category	Loss Allowance
Performing:	Receivables have a low risk of default and a strong capacity to meet contractual cash flows	12-months expected credit losses
Underperforming:	Receivables for which there is a significant increase in credit risk	Lifetime expected credit losses
Not performing:	There is evidence indicating the receivable is credit impaired or more than 90 days past due	Lifetime expected credit losses

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Other Receivables (Cont'd)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)

The Group measures the expected credit losses of receivables having significant balances, receivables that are credit impaired and receivables with a high risk of default on individual basis. Other receivables are grouped based on shared credit risk characteristics and assessed on collective basis.

Loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group considers the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group and the Company consider the licensed bank has low credit risk. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and hence, it is not provided for.

Amount Owed by A Subsidiary (Non-trade Balances)

The Company also applies the 3-stage general approach (see information in other receivables above) to measuring expected credit losses for all inter-company balance.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company measures the expected credit losses on an individual basis, which is aligned with its credit risk management practices on the inter-company balances.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(b) Credit Risk (Cont'd)

(iii) Assessment of Impairment Losses (Cont'd)

Amount Owing by A Subsidiary (Non-trade Balances) (Cont'd)

Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)

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

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

Based on the assessment performed, the identified impairment loss was immaterial and hence, it is not provided for.

Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to subsidiaries are financial guarantee contract.

Inputs, Assumptions and Techniques used for Estimating Impairment Losses

The Company closely monitors the subsidiaries' financial strength to reduce the risk of loss.

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

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

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

Allowance for Impairment Losses

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Group and the Company practise prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

Maturity Analysis

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Contractual Interest Rate	Carrying Amount	Contractual Undiscounted Cash Flows	Within 1 Year	1 - 5 Years
The Group	%	RM	RM	RM	RM
2024					
<u>Non-derivative Financial Liabilities</u>					
Lease liabilities	4.83 - 5.25	4,965,266	5,311,481	1,943,018	3,368,463
Term loan	4.83	1,408,977	1,442,425	1,442,425	-
Trade payables	-	7,132,124	7,132,124	7,132,124	-
Other payables and accruals	-	13,276,651	13,276,651	13,276,651	-
		26,783,018	27,162,681	23,794,218	3,368,463
2023					
<u>Non-derivative Financial Liabilities</u>					
Lease liabilities	4.83 - 5.25	1,596,799	1,638,675	1,464,438	174,237
Term loan	4.83	2,931,288	3,073,789	1,617,672	1,456,117
Trade payables	-	6,612,007	6,612,007	6,612,007	-
Other payables and accruals	-	4,547,444	4,547,444	4,547,444	-
		15,687,538	15,871,915	14,241,561	1,630,354

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Maturity Analysis (Cont'd)

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Company	Contractual Interest Rate	Carrying Amount	Contractual Undiscounted Cash Flows	Within 1 Year
	%	RM	RM	RM
2024				
<u>Non-derivative Financial Liabilities</u>				
Accruals	-	178,255	178,255	178,255
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	-	-	1,442,425	1,442,425
		178,255	1,620,680	1,620,680
2023				
<u>Non-derivative Financial Liabilities</u>				
Accruals	-	70,000	70,000	70,000
Amount owing to a subsidiary	-	50,411	50,411	50,411
		120,411	120,411	120,411

The contractual undiscounted cash flows represent the outstanding credit facilities of a subsidiary at the end of the reporting period.

32.2 CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities within the Group will be able to maintain an optimal capital structure so as to support its businesses and maximise shareholders value. To achieve this objective, the Group may make adjustments to the capital structure in view of changes in economic conditions, such as adjusting the amount of dividend payment, returning of capital to shareholders or issuing new shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.2 CAPITAL RISK MANAGEMENT (CONT'D)

The Group manages its capital based on debt-to-equity ratio that complies with debt covenants and regulatory, if any. The debt-to-equity ratio is calculated as net debt divided by total equity. The Group includes within net debt, loans and borrowings from financial institutions less cash and cash equivalents. Capital includes equity attributable to the owners of the parent. The debt-to-equity ratio of the Group at the end of the reporting period was as follows:-

	The Group	
	2024	2023
	RM	RM
Term loan	1,408,977	2,931,288
Less: Cash and cash equivalents (Note 27(d))	(34,568,121)	(26,660,595)
Net cash	(33,159,144)	(23,729,307)
Total equity attributable to owners of the Group	186,463,920	101,929,363
Debt-to-equity ratio	*	*

* Not applicable as the Group's cash equivalents exceed its borrowings.

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

32.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	The Group		The Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Financial Assets				
<u>Amortised Cost</u>				
Trade receivables	26,934,035	20,815,480	-	-
Other receivables	7,256	4,602	-	-
Amount owing by a subsidiary	-	-	56,840,600	-
Fixed deposits with licensed banks	58,755,221	13,165,144	-	-
Cash and bank balances	31,546,833	18,648,414	8,221,547	5,095
	117,243,345	52,633,640	65,062,147	5,095
Financial Liabilities				
<u>Amortised Cost</u>				
Term loan	1,408,977	2,931,288	-	-
Trade payables	7,132,124	6,612,007	-	-
Other payables and accruals	13,276,651	4,547,444	178,255	70,000
Amount owing to a subsidiary	-	-	-	50,411
	21,817,752	14,090,739	178,255	120,411

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

32. FINANCIAL INSTRUMENTS (CONT'D)

32.4 GAINS OR (LOSSES) ARISING FROM FINANCIAL INSTRUMENTS

	The Group	
	2024	2023
	RM	RM
Financial Assets		
<u>Amortised Cost</u>		
Net gains recognised in profit or loss	2,788,190	305,382
Financial Liability		
<u>Amortised Cost</u>		
Net losses recognised in profit or loss	(95,361)	(154,416)

32.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

	Fair Value of Financial Instruments Carried at Fair Value			Fair Value of Financial Instruments not Carried at Fair Value			Total Fair Value	Carrying Amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3		
The Group	RM	RM	RM	RM	RM	RM	RM	RM
2024								
<u>Financial Liability</u>								
Term loan:								
- floating rate	-	-	-	-	1,408,977	-	1,408,977	1,408,977
2023								
<u>Financial Liability</u>								
Term loan:								
- floating rate	-	-	-	-	2,931,288	-	2,931,288	2,931,288

Fair Value of Financial Instruments Not Carried at Fair Value

The fair value of the term loan that carry floating interest rate approximated their carrying amount as it is repriced to market interest rate on or near the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(cont'd)

33. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

Initial Public Offering ("IPO")

In conjunction with, and as an integral part of the listing of the Company's shares on the ACE Market of Bursa Malaysia Securities Berhad, the following listing scheme was undertaken by the Company:-

- (a) Public issue of 273,200,000 new ordinary shares in the Company at an issue price of RM0.26 per share ("IPO Price") allocated in the following manner:-
 - (i) 57,500,000 new shares available for application by the Malaysian Public;
 - (ii) 33,000,000 new shares available for application by the eligible directors, employees and other persons who have contributed to the success of the Company;
 - (iii) 38,950,000 new shares by way of private placement to selected investors; and
 - (iv) 143,750,000 new shares by way of private placement to identified Bumiputera investors approved by Ministry of Investment, Trade and Industry of Malaysia.
- (b) Offer for sale of 46,000,000 existing shares by way of private placement to selected investors at the IPO Price.

The Company's entire enlarged issued and paid-up share capital comprising 1,150,000,000 ordinary shares were listed on the ACE Market of Bursa Malaysia Securities Berhad on 6 February 2024.

34. COMPARATIVE FIGURES

The comparative figures covered for the financial period from 1 March 2023 (date of incorporation) to 31 December 2023. Consequently, the comparative figures for the statements of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and their related notes are not comparable to that for the current 12-month period ended 31 December 2024.

LIST OF PROPERTIES

AS AT 31 DECEMBER 2024

Title Details/ Property Address	Description and Existing use	Date of Acquisition or Revaluation (if any)	Tenure	Approximate Age of Building	Area (sq. ft)	Net Book Value as at 31 December 2024 (RM)
HSD 605719, PTD 204073 Mukim of Tebrau, District of Johor Bahru, State of Johor	Description: Industrial zoned land Existing use: Vacant	08/12/2018	Freehold	N/A	426,074	19,189,016.43
Geran 66782, Lot 36706, Mukim Tebrau, District of Johor Bahru, State of Johor	Description: Single storey terrace house Existing use: Vacant	24/05/2010	Freehold	37	1,540	117,875.00
1) HSD 529923, PTD 172995, 2) HSD 529924, PTD 172996, 3) HSD 529928, PTD 173004, 4) HSD 529929, PTD 173005, 5) HSD 529930, PTD 173006, 6) HSD 529931, PTD 173007, 7) HSD 529936, PTD 173012, 8) HSD 529937, PTD 173013, 9) HSD 529944, PTD 173023, 10) HSD 529946, PTD 173025, 11) HSD 529925, PTD 172997, 12) HSD 529926, PTD 172998, 13) HSD 529927, PTD 172999, 14) HSD 529932, PTD 173008, 15) HSD 529933, PTD 173009, 16) HSD 529934, PTD 173010, 17) HSD 529935, PTD 173011, 18) HSD 529938, PTD 173014, 19) HSD 529939, PTD 173015, 20) HSD 529940, PTD 173016, 21) HSD 529941, PTD 173017, 22) HSD 529942, PTD 173018, 23) HSD 529943, PTD 173019, 24) HSD 529945, PTD 173024, 25) HSD 529947, PTD 173026, Mukim Tebrau, Daerah Johor Bahru, Negeri Johor;	Description: 25 pieces of adjoining freehold vacant industry land comprising 24 vacant semi-detached industry lots and 1 vacant detached industry lot Existing use: Vacant	15/05/2023	Freehold	N/A	405,368	17,649,056.60

ANALYSIS OF SHAREHOLDINGS

AS AT 3 APRIL 2025

Class of equity securities : Ordinary Shares ("Shares")
 Total number of issued Shares : 1,150,000,000 Shares
 Voting rights : One (1) vote for every Share held

DISTRIBUTION SCHEDULE OF SHAREHOLDERS

Size of Holdings	No. of Holders	%	No. of Shares	%
Less than 100	6	0.35	102	0.00
100 - 1,000	194	11.16	75,598	0.01
1,001 - 10,000	613	35.25	4,189,900	0.36
10,001 - 100,000	692	39.79	26,512,000	2.31
100,001 - less than 5% of issued Shares	231	13.28	350,089,900	30.44
5% and above of issued Shares	3	0.17	769,132,500	66.88
Total	1,739	100.00	1,150,000,000	100.00

DIRECTORS' SHAREHOLDINGS

(As per the Register of Directors' Shareholdings)

Name of Directors	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Ban Kim Wah	152,399,500	13.25	-	-
Wong Chun Wei	-	-	-	-
Siow Chin How	1,700,100	0.15	-	-
Soo Wee Loon	300,000	0.03	-	-
Wang Sze Min	300,000	0.03	-	-

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS

(As per the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Ban Kim Wah	152,399,500	13.25	-	-
Wong Kim Fatt	426,320,000	37.07	197,280,000 ⁽¹⁾	17.16
Loo Sok Ching	6,867,000	0.60	616,733,000 ⁽²⁾	53.63
Wencor (M) Sdn. Bhd. ("Wencor")	190,413,000	16.56	-	-

Notes:

- (1) Deemed interested by virtue of his spouse's interest as well as his shareholding in Wencor pursuant to Section 8 of the Companies Act 2016 ("Act").
- (2) Deemed interested by virtue of her spouse's interest as well as her shareholding in Wencor pursuant to Section 8 of the Act.

ANALYSIS OF SHAREHOLDINGS

AS AT 3 APRIL 2025

(cont'd)

30 LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS

(without aggregating securities from different securities accounts belonging to the same registered holder)

No	Name	No. of Shares held	%
1	Wong Kim Fatt	426,320,000	37.07
2	Wencor (M) Sdn. Bhd.	190,413,000	16.56
3	Ban Kim Wah	152,399,500	13.25
4	Citigroup Nominees (Tempatan) Sdn Bhd <i>Lembaga Tabung Haji (AIIMAN)</i>	38,886,800	3.38
5	Universal Trustee (Malaysia) Berhad <i>KAF Core Income Fund</i>	30,500,000	2.65
6	Tai Yuan Heng	30,000,000	2.61
7	Citigroup Nominees (Tempatan) Sdn Bhd <i>Urusharta Jamaah Sdn. Bhd. (AHAM AM 2)</i>	23,147,600	2.01
8	Tai Yuan Heng	18,800,000	1.63
9	Citigroup Nominees (Tempatan) Sdn Bhd <i>Lembaga Tabung Haji (UOB)</i>	14,000,000	1.22
10	Maybank Nominees (Tempatan) Sdn Bhd <i>National Trust Fund (IFM KAF) (446190)</i>	12,000,000	1.04
11	RHB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Ng Sooi Sheng</i>	7,995,900	0.70
12	Loo Sok Ching	6,867,000	0.60
13	Citigroup Nominees (Tempatan) Sdn Bhd <i>Employees Provident Fund Board (UOBESGSCEQ)</i>	6,343,400	0.55
14	RHB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tai Yuan Heng</i>	6,040,200	0.53
15	CIMB Group Nominees (Tempatan) Sdn Bhd <i>CIMB Commerce Trustee Berhad for Kenanga Growth Opportunities Fund (50154 TR01)</i>	5,999,800	0.52
16	Wang Han Lin	5,500,000	0.48
17	DB (Malaysia) Nominee (Tempatan) Sendirian Berhad <i>Exempt AN for AHAM Asset Management Berhad (TSTAC/CLNTT)</i>	5,163,100	0.45
18	Amanahraya Trustees Berhad <i>PMB Shariah Aggressive Fund</i>	5,000,000	0.43
19	HLIB Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Chan Kok San</i>	4,000,000	0.35
20	Public Nominees (Tempatan) Sdn Bhd <i>Pledged Securities Account for Tai Choon Keat (E-TAI/KMT)</i>	3,600,000	0.31
21	CIMB Islamic Nominees (Tempatan) Sdn Bhd <i>AIIMAN Asset Management Sdn Bhd for Lembaga Air Perak (ACC2)</i>	3,566,600	0.31

ANALYSIS OF SHAREHOLDINGS

AS AT 3 APRIL 2025
(cont'd)

30 LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS (CONT'D)

(without aggregating securities from different securities accounts belonging to the same registered holder)

No	Name	No. of Shares held	%
22	CIMB Group Nominees (Tempatan) Sdn Bhd <i>CIMB Commerce Trustee Berhad for KAF Jade Fund</i>	3,500,000	0.30
23	Maybank Nominees (Tempatan) Sdn Bhd <i>Exempt AN for Tradeview Capital Sdn. Bhd.</i>	3,445,800	0.30
24	Maybank Nominees (Tempatan) Sdn Bhd <i>Maybank Trustees Berhad for KAF Islamic Dividend Income Fund (290411)</i>	2,741,900	0.24
25	Tay Ah Heng	2,517,000	0.22
26	TA Nominees (Asing) Sdn Bhd <i>Pledged Securities Account for Boon Kim Peng</i>	2,323,300	0.20
27	Chang Choon Wee	2,241,600	0.19
28	CIMB Group Nominees (Tempatan) Sdn Bhd <i>AIIMAN Asset Management Sdn Bhd for Kerajaan Negeri Perak</i>	2,017,900	0.18
29	Universal Trustee (Malaysia) Berhad <i>KAF Dana Adib</i>	2,000,000	0.17
30	Maybank Nominees (Tempatan) Sdn Bhd <i>Exempt AN for AHAM Asset Management Berhad (TSTAC/CLT-MB-T/I)</i>	1,921,900	0.17

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Second Annual General Meeting (“2nd AGM” or “Meeting”) of Wentel Engineering Holdings Berhad (“Wentel” or “the Company”) will be held at Emerald 2, Level 3, Grand Paragon Hotel Johor Bahru of No. 18, Jalan Harimau, Taman Century, 80250 Johor Bahru, Johor on Friday, 30 May 2025 at 2:30 p.m. or at any adjournment thereof, to transact the following businesses:-

AGENDA

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of Directors’ fees and/or benefits of up to RM500,000.00 for the period commencing from the date immediately after the 2nd AGM until the next Annual General Meeting (“AGM”) of the Company.
3. To re-elect the following Directors who retire by rotation pursuant to Clause 95 of the Company’s Constitution:
 - i. Wong Chun Wei
 - ii. Siow Chin How
4. To re-appoint Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next AGM of the Company and to authorise the Directors to fix their remuneration.

**PLEASE REFER TO
EXPLANATORY NOTE 1**

ORDINARY RESOLUTION 1

**ORDINARY RESOLUTION 2
ORDINARY RESOLUTION 3**

ORDINARY RESOLUTION 4

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without any modifications, the following resolutions:

5. **GENERAL AUTHORITY FOR THE DIRECTORS TO ISSUE AND ALLOT SHARES PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016 (“ACT”)**

ORDINARY RESOLUTION 5

“THAT subject always to the Constitution of the Company, the Act, the ACE Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”) and the approvals of the relevant governmental/regulatory authorities, where required, the Directors of the Company, be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot new ordinary shares in the Company (“Shares”) to such persons, at any time, and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) at any point of time (“Mandate”) AND the Directors be and also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND such authority shall continue in force until the conclusion of the next Annual General Meeting (“AGM”) of the Company held after the approval was given or at the expiry of the period within which the next AGM is required to be held after the approval was given, whichever is the earlier.

AND THAT the new Shares to be issued pursuant to the Mandate, shall, upon issuance and allotment, rank pari passu in all respects with the existing shares of the Company, save and except that they shall not be entitled to any dividends, rights, allotments and/or any other forms of distribution that which may be declared, made or paid before the date of allotment of such new Shares.”

NOTICE OF ANNUAL GENERAL MEETING

(cont'd)

6. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE ("PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE")

ORDINARY RESOLUTION 6

"THAT authority be and is hereby given in line with Rule 10.09 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad, for the Company and/or its subsidiaries ("the Group") to enter into any of the recurrent related party transactions with the related parties as set out in Section 2.7 of the Circular to Shareholders dated 30 April 2025 in relation to the Proposed Renewal of Shareholders' Mandate which are necessary for the day-to-day operations of the Group within the ordinary course of business of the Group, to be made on an arm's length basis and on normal commercial terms which are not more favourable than those generally available to the public and are not detrimental to the minority shareholders of the Company;

AND THAT such authority shall commence immediately upon the passing of this resolution and shall continue to be in force until:

- (i) the conclusion of the Company's next Annual General Meeting ("AGM") following the general meeting at which the ordinary resolution for the Proposed Renewal of Shareholders' Mandate was passed, at which time it shall lapse, unless the authority is renewed by a resolution passed at the next AGM; or
- (ii) the expiration of the period within which the next AGM after that date it is required by law to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by an ordinary resolution passed by the shareholders of the Company at a general meeting,

whichever is earlier.

AND FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds and things as they may deem fit, necessary, expedient and/or appropriate in order to implement the Proposed Renewal of Shareholders' Mandate with full power to assent to all or any conditions, variations, modifications and/or amendments in any manner as may be required by any relevant authorities or otherwise and to deal with all matters relating thereto and to take all such steps and to execute, sign and deliver for and on behalf of the Company all such documents, agreements, arrangements and/ or undertakings, with any party or parties and to carry out any other matters as may be required to implement, finalise and complete, and give full effect to the Proposed Renewal of Shareholders' Mandate in the best interest of the Company."

7. To transact any other business of which due notice shall have been given.

By order of the Board

TEA SOR HUA (MACS 01324) (SSM PC No.: 201908001272)
LIM KEE SAN (MAICSA 7067348) (SSM PC No.: 202308000295)
 Company Secretaries

Petaling Jaya, Selangor Darul Ehsan
 30 April 2025

NOTICE OF ANNUAL GENERAL MEETING

(cont'd)

Notes:

- a) A member who is entitled to present, participate, speak and to vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- b) A proxy may, but need not, be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak and vote at the Meeting.
- c) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised.
- d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- e) Where a member of the Company is an exempt authorised nominee which holds 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. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- f) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 71(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 23 May 2025. Only members whose names appear in the General Meeting Record of Depositors as at 23 May 2025 shall be regarded as members and entitled to attend, speak and vote at the Meeting.
- g) To be valid, the instrument appointing a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the Meeting or adjourned meeting:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited at the office of the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or the drop box located at Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan.
 - (ii) By electronic form
The proxy form can be electronically lodged via TIIH Online website at <https://tiih.online>. Please refer to the Administrative Guide for the 2nd AGM on the procedure for electronic lodgement of the proxy form via TIIH Online.
- h) All the resolutions set out in this Notice of Meeting will be put to vote by poll.
- i) The members are advised to refer to the Administrative Guide on the registration process for the Meeting.
- j) Kindly check Bursa Securities' website and the Company's website at www.wenteleng.com for the latest updates on the status of the Meeting.

EXPLANATORY NOTES TO ORDINARY AND SPECIAL BUSINESS**1. Item 1 of the Agenda – Audited Financial Statements for the financial year ended 31 December 2024**

The Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Act does not require a formal approval of members for the Audited Financial Statements. Hence, this Agenda is not put forward for voting.

NOTICE OF ANNUAL GENERAL MEETING

(cont'd)

2. Item 2 of the Agenda – Directors' Fees and Benefits

Pursuant to Section 230(1) of the Act, the directors' fees and any benefits payable to the directors of a listed company and its subsidiaries shall be approved by the shareholders at a general meeting. This resolution is to facilitate payment of Directors' fees and benefits for the period commencing from the date immediately after this 2nd AGM until the next AGM of the Company. In the event the proposed amount is insufficient due to more meetings or an enlarged Board size, approval will be sought at the next AGM for the shortfall.

3. Item 3 of the Agenda – Re-election of Directors

Clause 95 of the Company's Constitution provides that one-third (1/3) of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office and be eligible for re-election PROVIDED ALWAYS that all Directors shall retire from office at least once every three (3) years but shall be eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he retires.

Following thereto, Mr. Wong Chun Wei and Mr. Siow Chin How will retire by rotation pursuant to Clause 95 of the Company's Constitution (collectively referred to as "Retiring Directors"). The Retiring Directors being eligible, have offered themselves for re-election at the 2nd AGM.

The Board has endorsed the Nomination Committee's recommendation to seek for shareholders' approval to re-elect the abovementioned Retiring Directors as they possess the required skill sets to facilitate and contribute to the Board's effectiveness and value.

The Retiring Directors had abstained from all deliberations and decisions on their own eligibility to stand for re-election at the Board meeting.

The details and profiles of the Retiring Directors are provided in the Profile of Board of Directors section of the Company's Annual Report 2024.

4. Item 5 of the Agenda – General Authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Act

The Ordinary Resolution 5 proposed under item 5 of the Agenda, is to seek a general mandate for issuance and allotment of Shares by the Company pursuant to Sections 75 and 76 of the Act. This Ordinary Resolution, if passed, is to empower the Directors to issue and allot new Shares in the Company up to an amount not exceeding in total ten per centum (10%) of the total number of issued shares of the Company for such purposes as the Directors consider would be in the interest of the Company. This would avoid any delay and cost involved in convening a general meeting to approve the issuance and allotment of such new Shares. This authority, unless revoked or varied by the Company at a general meeting, will expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

This general mandate will provide flexibility to the Company for issuance and allotment of new Shares for any possible fund raising activities, including but not limited to further placing of shares, for the purpose of funding future investment project(s), working capital and/or acquisition(s).

The Company had at its First AGM held on 31 May 2024 ("1st AGM"), obtained a general mandate pursuant to Sections 75 and 76 of the Act from its shareholders, to empower the Directors to issue and allot Shares in the Company to such persons, at any time, and upon such terms and conditions and for such purposes, as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed 10% of the total number of issued shares of the Company (excluding treasury shares) at any point of time ("General Mandate"). This General Mandate will expire at the conclusion of the 2nd AGM.

As at the date of this notice, no new Shares were issued and allotted pursuant to the General Mandate granted to the Directors at the 1st AGM which will lapse at the conclusion of the 2nd AGM.

NOTICE OF ANNUAL GENERAL MEETING

(cont'd)

5. Item 6 of the Agenda – Proposed Renewal of Shareholders' Mandate

The Ordinary Resolution 6 proposed under item 6 of the Agenda, if passed, will renew the mandate for the Group to enter into recurrent related party transactions of a revenue and/or trading nature in accordance with Rule 10.09 of the Listing Requirements of Bursa Securities. This mandate, unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

Please refer to the Circular to Shareholders dated 30 April 2025 for further information.

ADMINISTRATIVE GUIDE

FOR THE SECOND ANNUAL GENERAL MEETING OF WENTEL ENGINEERING HOLDINGS BERHAD ("WENTEL" OR "THE COMPANY") ("2ND AGM" OR "MEETING")

Day and Date : Friday, 30 May 2025

Time : 2:30 p.m. or at any adjournment thereof

Meeting Venue : Emerald 2, Level 3, Grand Paragon Hotel Johor Bahru of No. 18, Jalan Harimau, Taman Century, 80250 Johor Bahru, Johor

A. REGISTRATION ON THE DAY OF 2ND AGM

1. The registration will commence at 1:30 p.m., on Friday, 30 May 2025 and will open until the conclusion of the 2nd AGM or such time may be determined by the Chairman of the meeting.
2. Please read the signage as to where you should register yourself for the meeting and join the queue accordingly.
3. Please present your original National Registration Identity Card (NRIC) or Passport (for non-Malaysians) to the registration staff for verification.
4. Registration must be done in person. No person is allowed to register on behalf of another.
5. The registration counter will handle verification of identity, registration and revocation of proxy/proxies.
6. An identification wristband will be given to you thereafter for voting purposes. No one will be allowed to enter the meeting room without an identification wristband.

B. APPOINTMENT OF PROXY OR ATTORNEY OR CORPORATE REPRESENTATIVE

Shareholders who appoint proxy(ies) to participate at the 2nd AGM must ensure that the duly executed proxy forms are deposited in a hard copy form or by electronic means to Tricor Investor & Issuing House Services Sdn. Bhd. not later than forty-eight (48) hours before the time appointed for holding the 2nd AGM.

The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner:-

- (i) *In hard copy form*
In the case of an appointment made in hard copy form, the proxy form must be deposited at the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or the drop box located at the Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan.
- (ii) *By electronic form*
The proxy form can be electronically lodged via TIIH Online website at <https://tiih.online>. Please refer to the Administrative Guide for the 2nd AGM on the procedure for electronic lodgement of the proxy form via TIIH Online.

Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or the drop box located at the Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan not later than Wednesday, 28 May 2025 at 2:30 p.m. to participate in the 2nd AGM. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

ADMINISTRATIVE GUIDE

FOR THE SECOND ANNUAL GENERAL MEETING OF WENTEL ENGINEERING HOLDINGS BERHAD ("WENTEL" OR "THE COMPANY") ("2ND AGM" OR "MEETING")

(cont'd)

For a corporate member who has appointed a representative, please deposit the ORIGINAL certificate of appointment with the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or the drop box located at the Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan on/or before the 2nd AGM. The certificate of appointment should be executed in the following manner:-

- (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
- (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:-
 - (a) at least two (2) authorised officers, of whom one shall be a director; or
 - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

C. PROCEDURES FOR ELECTRONIC SUBMISSION OF PROXY FORM

The procedures to submit your Proxy Form electronically via Tricor's TIH Online website are summarised below:

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIH Online	<ul style="list-style-type: none"> Using your computer, please access the website at https://tiah.online. Register as a user under the "e-Services Login" by selecting "Create Account by Individual Holder". Please refer to the tutorial guide posted on the homepage for assistance. If you are already a user with TIH Online, you are not required to register again.
Proceed with submission of form of proxy	<ul style="list-style-type: none"> After the release of the Notice of Meeting by the Company, login with your username (i.e. email address) and password. Select the corporate event: "WENTEL ENGINEERING HOLDINGS BERHAD 2ND AGM 2024 - SUBMISSION OF PROXY FORM". Read and agree to the Terms and Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint the Chairman as your proxy. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy(ies) will decide your votes. Review and confirm your proxy(ies) appointment. Print the proxy form for your record.
ii. Steps for Corporation or Institutional Shareholders	
Register as a User with TIH Online	<ul style="list-style-type: none"> Access TIH Online at https://tiah.online Under e-Services Login, the authorised or nominated representative of the corporation or institutional shareholder selects "Create Account by Representative of Corporate Holder". Complete the registration form and upload the required documents. Registration will be verified, and you will be notified by email within one (1) to two (2) working days. Proceed to activate your account with the temporary password given in the email and re-set your own password. <p>Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact the persons stated under "ENQUIRY" section below if you need clarifications on the user registration.</p>

ADMINISTRATIVE GUIDE

FOR THE SECOND ANNUAL GENERAL MEETING OF WENTEL ENGINEERING HOLDINGS BERHAD ("WENTEL" OR "THE COMPANY") ("2ND AGM" OR "MEETING")
(cont'd)

Procedure	Action
ii. Steps for Corporation or Institutional Shareholders (Cont'd)	
Proceed with submission of form of proxy	<ul style="list-style-type: none"> ● Login to TIH Online at https://tiih.online ● Select the corporate event: "WENTEL ENGINEERING HOLDINGS BERHAD 2ND AGM 2024 – SUBMISSION OF PROXY FORM" ● Read and agree to the Terms & Conditions and Declaration. ● Proceed to download the file format for "SUBMISSION OF FORM OF PROXY" in accordance with the Guidance Note set therein. ● Prepare the file for the appointment of proxy(ies) by inserting the required data. ● Submit the proxy appointment file. ● Login to TIH Online, select corporate event: "WENTEL ENGINEERING HOLDINGS BERHAD 2ND AGM 2024 – SUBMISSION OF PROXY FORM". ● Proceed to upload the duly completed proxy appointment file. ● Select "Submit" to complete your submission. ● Print the confirmation report of your submission for your record.

D. GENERAL MEETING RECORD OF DEPOSITORS

For the purpose of determining who shall be entitled to attend the 2nd AGM, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. to issue a General Meeting Record of Depositors as at 23 May 2025 and only a depositor whose name appears on such Record of Depositors shall be eligible to attend the 2nd AGM.

E. NO RECORDING OR PHOTOGRAPHY

Unauthorised recording or photography of the proceedings of the 2nd AGM is **strictly not allowed**. The Company reserves the rights to take appropriate legal actions against anyone who violates this rule.

F. ENQUIRY

If you have any enquiries on the above, please contact our Share Registrar during office hours on Mondays to Fridays from 9:00 a.m. to 5:30 p.m. (except on public holidays):-

Tricor Investor & Issuing House Services Sdn. Bhd.		
Telephone Number	General Line	+603-2783 9299
Contact Person	Ms. Nur Qaisara Naaila	+603-2783 9272 nur.qaisara.naaila@vistra.com
	Mr. Mohammad Amirul Iskandar	+603-2783 9279 mohammad.amirul@vistra.com
	Mr. Syafiquel Hafidz	603-2783 9024 syafiquel.hafidz@vistra.com
Email	is.enquiry@vistra.com	

**WENTEL ENGINEERING HOLDINGS BERHAD**

202301007290 (1501211-T)]

(Incorporated in Malaysia)

No. of shares held	:	
CDS Account No.	:	

PROXY FORM

(Before completing this form please refer to the notes below)

I/We _____ *NRIC/Passport/Registration No.* _____
(Full name in block)of _____
(Address)

with email address _____ mobile phone no. _____

being a member/members* of **WENTEL ENGINEERING HOLDINGS BERHAD** ("the Company") hereby appoint(s):-

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

and/or* (delete as appropriate)

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

or failing him/her*, the Chairman of the Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Second Annual General Meeting ("2nd AGM" or "Meeting") of the Company to be held at Emerald 2, Level 3, Grand Paragon Hotel Johor Bahru of No. 18, Jalan Harimau, Taman Century, 80250 Johor Bahru, Johor on Friday, 30 May 2025 at 2:30 p.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. If no specific direction as to vote is given, the Proxy will vote or abstain from voting at his/her* discretion.

No.	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' fees and/or benefits of up to RM500,000.00 for the period commencing from the date immediately after the 2 nd AGM until the next Annual General Meeting of the Company.		
2.	To re-elect Wong Chun Wei as a Director of the Company.		
3.	To re-elect Siow Chin How as a Director of the Company.		
4.	To re-appoint Crowe Malaysia PLT as Auditors of the Company.		
5.	To approve the general authority for the Directors to issue and allot shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
6.	To approve the Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature.		

*delete whichever is not applicable

Dated this _____ day of _____ 2025

Signature of Member(s) / Common Seal

Notes:

- a) A member who is entitled to present, participate, speak and to vote at the Meeting shall be entitled to appoint more than one (1) proxy to attend and vote in his/her stead. Where a member appoints more than one (1) proxy, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
- b) A proxy may, but need not, be a member of the Company. A member may appoint any person to be his proxy. A proxy appointed to attend and vote at the Meeting shall have the same rights as the member to speak and vote at the Meeting.
- c) The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under its common seal or signed by an officer or attorney so authorised.
- d) Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- e) Where a member of the Company is an exempt authorised nominee which holds 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. The appointment of multiple proxies shall not be valid unless the proportion of its shareholdings represented by each proxy is specified.
- f) For the purpose of determining a member who shall be entitled to attend the Meeting, the Company will be requesting Bursa Malaysia Depository Sdn. Bhd. in accordance with Clause 71(b) of the Company's Constitution to issue a General Meeting Record of Depositors as at 23 May 2025. Only members whose names appear in the General Meeting Record of Depositors as at 23 May 2025 shall be regarded as members and entitled to attend, speak and vote at the Meeting.

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AFFIX
STAMP

The Share Registrar

WENTEL ENGINEERING HOLDINGS BERHAD
[Registration No. 202301007290 (1501211-T)]

c/o Tricor Investor & Issuing House Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A, Vertical Business Suite,
Avenue 3, Bangsar South, No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.

1st Fold Here

- g) To be valid, the instrument appointing a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the Meeting or adjourned meeting:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited at the office of the Share Registrar of the Company situated at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan or the drop box located at the Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Wilayah Persekutuan.
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- h) All the resolutions set out in this Notice of Meeting will be put to vote by poll.
- i) The members are advised to refer to the Administrative Guide on the registration process for the Meeting.
- j) Kindly check Bursa Securities' website and the Company's website at www.wenteleng.com for the latest updates on the status of the Meeting.

www.wenteleng.com

WENTEL ENGINEERING HOLDINGS BERHAD

(Registration No. 202301007290 (1501211-T))

NO. 11, JALAN GAGAH,
KAWASAN PERINDUSTRIAN LARKIN,
80350 JOHOR BAHRU,
JOHOR, MALAYSIA.

TEL: +607 2381128 FAX: +607 2380688