

2024 ANNUAL REPORT



CORPORATE VISION

WE view

... ourselves as a diversified corporate entity that creates value, wealth and technological advancement for our Customers, Shareholders, Business Partners, Employees and the Community in general wherever we operate, locally, regionally and globally.

CORPORATE MISSION

WE want

... to be one step ahead in all technologies we are in.

WE

are Limitless

In scaling new heights and
going beyond expectations

WE

are Innovative

In creating opportunities for
performance and value
enhancement through
innovation

WE

are Courageous

In undertaking new
business ventures and
persevering in facing
challenges

WE

are Agile

In responding to dynamic
environments and adapting
to best deliver our promise
of quality

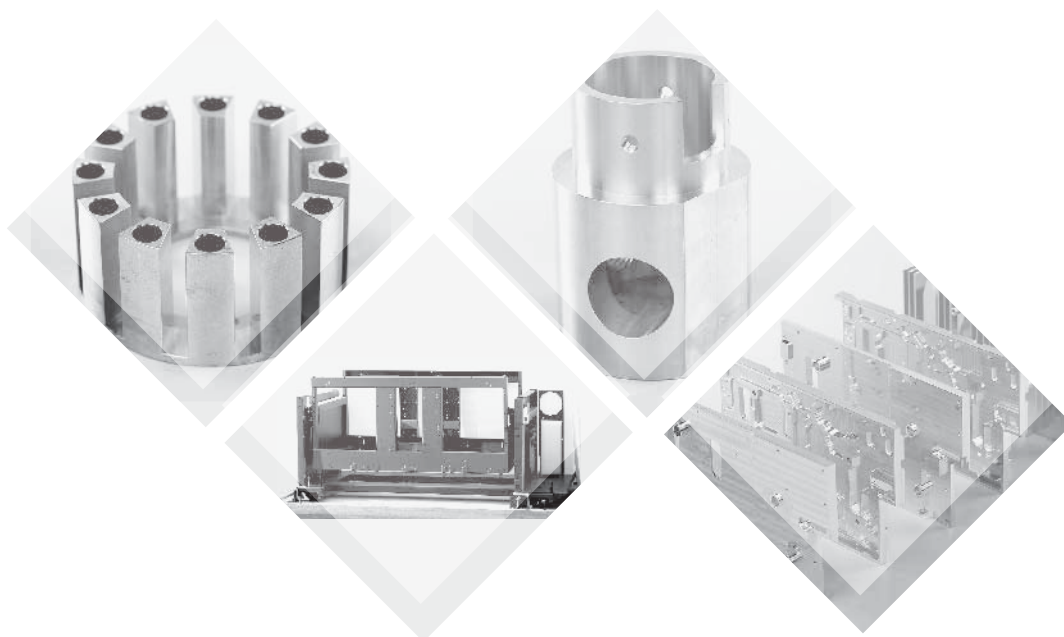
The way **WE** *are*

WE *build tomorrow*

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Proxy Form



Spot welding is a resistance welding process that joins metal surfaces together using an electrical current. Typically used to join sheet metal together, it uses the conductive properties of a metal combined with pressure to create a bond between the metal surfaces.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Eighth (28th) Annual General Meeting ("**AGM**") of **WONG ENGINEERING CORPORATION BERHAD** ("**WEC**" or "**the Company**") will be held at Auditorium Room, Level 1, Lot 204, Jalan Bukit Belimbing 26/38, Off Persiaran Tengku Ampuan, Lion Industrial Park Seksyen 26, 40400 Shah Alam, Selangor on Tuesday, 25 March 2025 at 10.00 a.m. for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this notice:

AGENDA

As Ordinary Business

- | | |
|--|------------------------------|
| 1. To receive the Audited Financial Statements for the financial year ended 31 October 2024 together with the Reports of the Directors and Auditors thereon. | |
| 2. To approve the payment of Directors' fees of up to RM300,000 for the period from the next day of the 28th AGM until the conclusion of the next AGM in 2026. | Ordinary Resolution 1 |
| 3. To approve the payment of benefits payable to the Directors of the Company of up to RM50,000 for the period from the next day of the 28th AGM until the conclusion of the next AGM in 2026. | Ordinary Resolution 2 |
| 4. To re-elect the following Directors who are retiring in accordance with Clause 103 of the Company's Constitution and who, being eligible, offer themselves for re-election: | |
| (a) Low Seong Chuan | Ordinary Resolution 3 |
| (b) Anstey Yong Lee Teen | Ordinary Resolution 4 |
| 5. To re-elect Dato' Sri Dr. Hou Kok Chung who is retiring in accordance with Clause 110 of the Company's Constitution and who, being eligible, offers himself for re-election. | Ordinary Resolution 5 |
| 6. To re-appoint KPMG PLT as auditors of the Company for the financial year ending 31 October 2025 and to authorise the Directors to fix their remuneration. | Ordinary Resolution 6 |

As Special Business

To consider and if thought fit, to pass the following resolutions, with or without modifications:

- | | |
|---|------------------------------|
| 7. Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016 | Ordinary Resolution 7 |
| <p>"THAT subject to the Companies Act 2016 ("the Act"), the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approvals of the relevant government or regulatory authorities, 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 from time to time such number of ordinary shares of the Company upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, PROVIDED ALWAYS THAT the aggregate number of ordinary shares to be issued pursuant to this resolution does not exceed ten per centum (10%) of the total number of issued share capital (excluding treasury shares) of the Company for the time being.</p> | |

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

As Special Business (Cont'd)

To consider and if thought fit, to pass the following resolutions, with or without modifications: (Cont'd)

7. **Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016 (Cont'd)** **Ordinary Resolution 7**

THAT the Directors are also empowered to obtain the approval for the listing and quotation for the additional shares so issued on the Bursa Securities AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting ("**AGM**") of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting whichever is the earlier.

THAT pursuant to Section 85(1) of the Act to be read together with Clause 65 of the Constitution of the Company, all new shares or other convertible securities in the Company shall, before they are issued, be first offered to such persons who are entitled to receive notices from the Company of general meetings as at the date of the offer in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled ("**Pre-emptive Rights**").

THAT should this resolution be passed by the shareholders, this resolution shall have the effect of the shareholders having agreed to irrevocably waive their Pre-emptive Rights pursuant to Section 85(1) of the Act and Clause 65 of the Constitution of the Company in respect of the new shares to be issued and allotted by the Company and the issuance of such new shares of the Company will result in a dilution to their shareholding percentage in the Company. Subsequent to the passing of this resolution, if this paragraph is or is found to be in any way void, invalid or unenforceable, then this paragraph shall be ineffective to the extent of such voidness, invalidity or unenforceability and the remaining provisions of this resolution shall remain in full force and effect.

AND THAT the new shares to be issued shall, upon issuance and allotment, rank equally 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)

As Special Business (Cont'd)

To consider and if thought fit, to pass the following resolutions, with or without modifications: (Cont'd)

8. Proposed Renewal of Authority for the Company to Buy-Back its Own Ordinary Shares ("Proposed Share Buy-Back") **Ordinary Resolution 8**

"THAT subject to the Companies Act 2016 ("**the Act**"), the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("**Bursa Securities**") ("**Listing Requirements**") and the approvals of the relevant government or regulatory authorities, the Directors of the Company be and are hereby authorised to make purchases of the Company's shares as may be determined by the Directors of the Company from time to time through Bursa Securities upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company, provided that:

- (a) the aggregate number of ordinary shares which may be purchased by the Company shall not exceed ten percent (10%) of the total number of issued shares (excluding treasury shares) of the Company at any point in time of the said purchase(s);
- (b) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained earnings of the Company at the time of purchase; and
- (c) the authority conferred by this resolution will be effective immediately upon the passing of this Resolution and shall continue to be in force until:
 - (i) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following the general meeting at which such resolution was passed at which time the said authority shall lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions; or
 - (ii) the expiration of the period within which the next AGM of the Company is required by law to be held; or
 - (iii) revoked or varied by ordinary resolution passed by the shareholders in general meeting,

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

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

As Special Business (Cont'd)

To consider and if thought fit, to pass the following resolutions, with or without modifications: (Cont'd)

8. Proposed Renewal of Authority for the Company to Buy-Back its Own Ordinary Shares ("Proposed Share Buy-Back") (Cont'd) Ordinary Resolution 8

THAT upon completion of the purchase by the Company of its own ordinary shares, the Directors of the Company be and are hereby authorised to deal with the ordinary shares purchased in their absolute discretion in the following manner:

- (a) to cancel all the ordinary shares so purchased; or
- (b) to retain the ordinary shares so purchased as treasury shares for distribution as dividend to the shareholders and/or resale on the market of Bursa Securities and/or for cancellation subsequently; or
- (c) to retain part thereof as treasury shares and cancel the remainder; or
- (d) in such other manner as Bursa Securities and such other relevant authorities may allow from time to time.

AND THAT the Directors of the Company be and are hereby authorised to take all such steps as are necessary (including executing all such documents as may be required) and enter into any agreements, arrangements and guarantees with any party or parties to implement, finalise and give full effect to the Proposed Share Buy-Back with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities from time to time or as the Directors may in their discretion deem necessary and to do all such acts and things as the Directors may deem fit and expedient in the best interests of the Company."

9. Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate") Ordinary Resolution 9

"THAT subject to the Companies Act 2016 ("the Act"), the Company's Constitution, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements") and the approvals of the relevant government or regulatory authorities, approval be and is hereby given to the Company and/or its subsidiaries ("the Group") to enter into recurrent related party transactions with the Mandated Related Parties, particulars of which are set out in Section 2.4 of the Circular date 24 February 2025, provided that such transactions are:-

- a) recurrent transaction of a revenue or trading nature;
- b) necessary for the day-to-day operations of the Company and/or its subsidiaries;
- c) carried out in the ordinary course of business of the Company and/or its subsidiaries, made on an arm's length basis and on normal commercial terms of the Group and on terms not more favourable to those related parties than those generally available to the public; and
- d) not detrimental to the interests of the minority shareholders of the Company;

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

As Special Business (Cont'd)

To consider and if thought fit, to pass the following resolutions, with or without modifications: (Cont'd)

9. **Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature ("Proposed Shareholders' Mandate") (Cont'd)** **Ordinary Resolution 9**

AND THAT such authority shall continue to be in force until:-

- a) the conclusion of the next Annual General Meeting ("**AGM**") of the Company following this AGM where the authority is approved, at which time the authority will lapse unless renewed by a resolution passed in the general meeting; or
- b) the expiration of the period within which the next AGM after that date is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extensions as may be allowed pursuant to Section 340(4) of the Act); or
- c) revoked or varied by a resolution passed by the shareholders of the Company in a general meeting;

whichever is earlier;

AND THAT the Directors of the Company be and are hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities to give full effect to the Proposed Shareholders' Mandate.

10. To transact any other business of which due notice shall have been given.

By Order of the Board

TAI YIT CHAN (MAICSA 7009143) (SSM PC NO. 202008001023)
ONG TZE-EN (MAICSA 7026537) (SSM PC NO. 202008003397)
LAU YOKE LENG (MAICSA 7034778) (SSM PC NO. 202008003368)
Joint Company Secretaries

Penang, 24 February 2025

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Notes:

Appointment of Proxy

1. A proxy must be of full age. A proxy may but need not be a member. For a proxy to be valid, the Proxy Form duly completed must be deposited at the Registered Office of the Company, 170-09-01 Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia not less than forty-eight (48) hours before the time for holding the meeting, PROVIDED that in the event a member duly executes the Proxy Form but does not name any proxy, such member shall be deemed to have appointed the Chairman of the meeting as his/her proxy, PROVIDED ALWAYS that the rest of the Proxy Form, other than the particulars of the proxy have been duly completed by the member.
2. A member entitled to attend, participate, speak and vote is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote instead of him/her. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member 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. An Exempt Authorised Nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
5. If the appointor is a corporation, the Proxy Form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
6. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors ("ROD") as at 17 March 2025 and only a Depositor whose name appears on such ROD shall be eligible to attend this meeting or appoint proxy to attend and/or vote on his/her behalf.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes:

1. Under the proposed **Ordinary Resolutions 1 and 2**, Directors' fees and benefits payable to the Directors had been reviewed by the Remuneration Committee and the Board of Directors ("Board") of the Company, which recognise that the Directors' fees and benefits payable are in the best interest of the Company. The Ordinary Resolutions 1 and 2, if passed, will facilitate the payment of Directors' fees and benefits payable to the Directors for the period from the next day of the 28th AGM until the conclusion of the next AGM of the Company in 2026. The amount of Directors' fees and benefits payable includes amount payable to Directors as members of Board and Board Committees. The amount also includes a contingency sum to cater to unforeseen circumstances such as the appointment of any additional Director and/or for the formation of additional Board Committees. Details of Directors' fees and benefits payable for the financial year ended 31 October 2024 are enumerated under the Corporate Governance Overview Statement in the Annual Report 2024.
2. Under the proposed **Ordinary Resolutions 3, 4 and 5**, profiles of the retiring Directors are set out under Profile of Directors in the Annual Report 2024. The Board approved the recommendations from the Nominating Committee and is supportive of the re-election of the retiring Directors based on the justifications below. The retiring Directors had abstained from deliberation and decision making on their own eligibility to stand for re-election:
 - 2.1 **Low Seong Chuan** is an Executive Director of the Company. He has been involved in the civil engineering industry for 26 years inclusive of 22 years in professional consulting environment.
 - 2.2 **Anstey Yong Lee Teen** is an Executive Director of the Company. Ms Anstey oversees the Group's administrative and support departments to ensure smooth running of daily operations. Prior to joining WEC, she was a Finance Analyst with Intel Malaysia for 2 years.
 - 2.3 **Dato' Sri Dr. Hou Kok Chung** is an Independent Non-Executive Director ("INED") of the Company. Dato' Sri Dr. Hou fulfils the requirements on independence as set out in the Listing Requirements of Bursa Securities and has demonstrated objectivity and commitment through proactive engagements at meetings of the Board and Board Committees (as applicable) held during the financial year by sharing valuable, relevant, independent and impartial insights, views and opinions on issues tabled for discussion. He has exercised due care and carried out his professional duties proficiently and effectively throughout his tenure as INED of the Company.

The retiring Directors do not have any conflict of interest with the Group other than as disclosed in the notes to the financial statements.

3. The proposed **Ordinary Resolution 7**, is for the purpose of granting a renewed general mandate ("General Mandate") and if passed, will give authority to the Board to issue and allot ordinary shares up to a maximum of ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company at any time in their absolute discretion and that such authority shall continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the shareholders in general meeting, whichever is the earlier.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the last AGM held on 26 March 2024 and which will lapse at the conclusion of the 28th AGM.

The General Mandate will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for purpose of funding future investment projects, working capital and/or acquisitions as well as to avoid any delay and cost in convening general meeting to specifically approve such an issuance of shares.

The waiver of pre-emptive rights pursuant to Section 85(1) of the Act and Clause 65 of the Company's Constitution will allow the Directors of the Company to issue new shares of the Company which rank equally to existing issued shares of the Company, to any person without having to offer the new shares to all existing shareholders of the Company prior to issuance of new shares in the Company under the General Mandate.

At this juncture, there is no decision to issue new shares but the Directors consider it desirable to have the flexibility permitted to respond to market developments and to enable allotments to take place to finance business opportunities without making a pre-emptive offer to existing shareholders. If there should be a decision to issue new shares after the general mandate is obtained, the Company will make announcement in respect thereof.

NOTICE OF ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes (Cont'd):

4. The proposed **Ordinary Resolution 8**, if passed, will empower the Directors of the Company to exercise the power of the Company to purchase its own shares. The total number of shares purchased shall not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares, if any) of the Company for the time being. This authority unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required to be held, whichever occurs first.
5. The proposed **Ordinary Resolution 9**, if passed, will allow the Company and/or its subsidiaries to enter into the existing recurrent related party transactions under the Proposed Shareholders' Mandate pursuant to the provisions of the Listing Requirements without the necessity to convene separate general meetings from time to time to seek shareholders' approval as and when such recurrent related party transactions occur. This would reduce substantial administrative time and expenses associated with the convening of such meetings without compromising the corporate objectives of the Group or affecting the business opportunities available to the Group. The Proposed Shareholders' Mandate is subject to renewal on an annual basis.

Please refer to the Circular to Shareholders dated 24 February 2025 for further information.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING (PURSUANT TO PARAGRAPH 8.27(2) OF THE LISTING REQUIREMENTS OF BURSA SECURITIES)

No individual is standing for election as a Director at the forthcoming 28th AGM of the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Independent Non-Executive Chairman

Dato' Sri Dr. Hou Kok Chung

Executive Director & Chief Executive Officer

Yong Loy Huat

Executive Director

Low Seong Chuan

Executive Director

Anstey Yong Lee Teen

Non-Independent Non-Executive Director

Eng Teik Hiang

Independent Non-Executive Director

Lau Chia En

Company Secretaries

Tai Yit Chan

(MAICSA 7009143)
(SSM PC NO. 202008001023)

Ong Tze-En

(MAICSA 7026537)
(SSM PC NO. 202008003397)

Lau Yoke Leng

(MAICSA 7034778)
(SSM PC NO. 202008003368)

Audit Committee

Chairman

Lau Chia En

Members

Dato' Sri Dr. Hou Kok Chung

Eng Teik Hiang

Remuneration Committee

Chairman

Lau Chia En

Members

Dato' Sri Dr. Hou Kok Chung

Eng Teik Hiang

Nominating Committee

Chairman

Dato' Sri Dr. Hou Kok Chung

Members

Eng Teik Hiang

Lau Chia En

Risk Management Committee

Chairman

Anstey Yong Lee Teen

Members

Low Seong Chuan

Eng Teik Hiang

Registered Office

170-09-01,
Livingston Tower,
Jalan Argyll,
10050 George Town,
Pulau Pinang, Malaysia.
Tel : 04-229 4390/04-227 7762
Fax : 04-226 5860/04-227 5901
Email : boardroom-kl@
boardroomlimited.com

Principal Place of Business

Lot 24, Jalan Hi-Tech 4,
Kulim Hi-Tech Park (Phase 1),
09000 Kulim, Kedah Darul Aman,
Malaysia.
Tel : 04-427 1788
Email : info@wec.com.my
Website : www.wec.com.my

Auditors

KPMG PLT
Chartered Accountants
Level 18, Hunza Tower,
163E, Jalan Kelawai,
10250 Penang, Malaysia.
Tel : 04-375 1800
Fax : 04-238 2222

Share Registrar

Tricor Investor & Issuing House
Services Sdn. Bhd.
Unit 32-01, Level 32, Tower A,
Vertical Business Suite, Avenue 3,
Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur,
Malaysia.
Tel : 03-2783 9299
Fax : 03-2783 9222
Email : is.enquiry@vistra.com

Legal Form and Domicile

Public Limited Company
Incorporated and domiciled in
Malaysia

Principal Bankers

CIMB Bank Berhad
Malayan Banking Berhad
United Overseas Bank (Malaysia) Bhd
Ambank (M) Berhad

Stock Exchange Listing

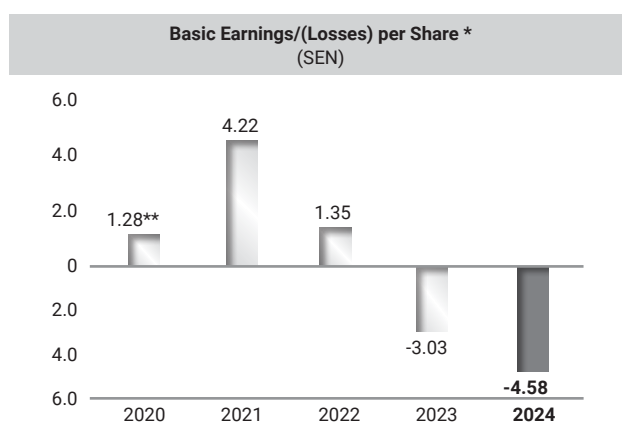
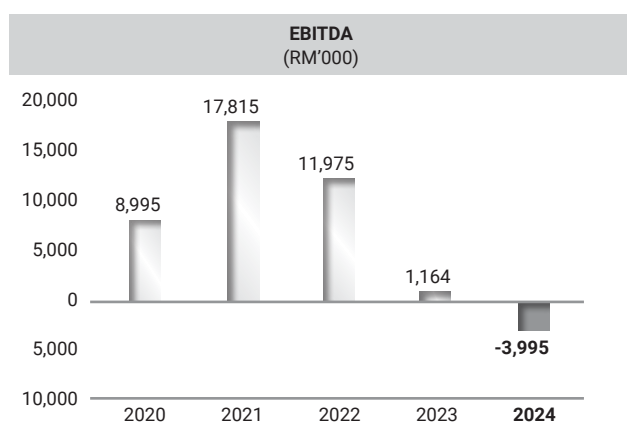
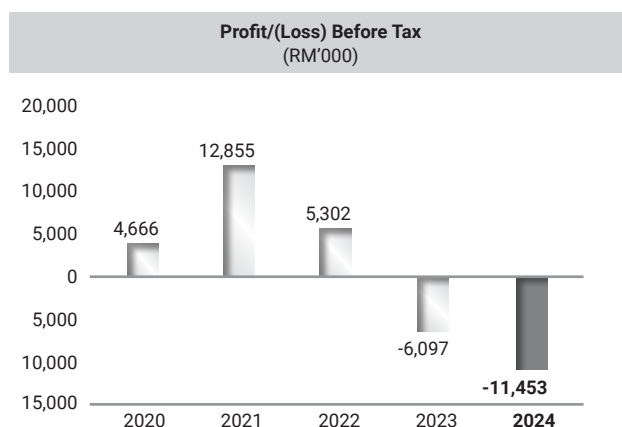
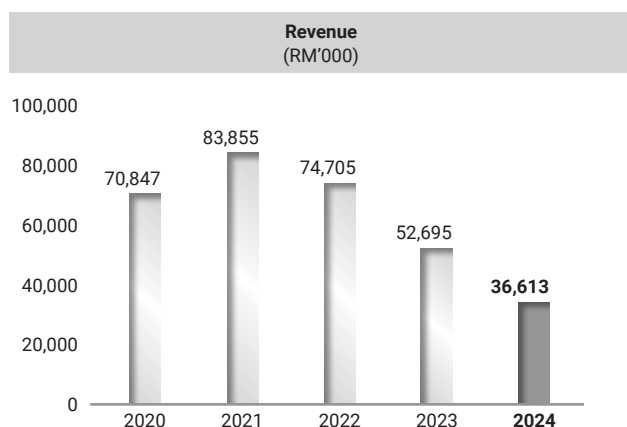
Main Market of Bursa Malaysia
Securities Berhad
Stock Name : WONG
Stock Code : 7050

FIVE-YEAR FINANCIAL HIGHLIGHTS

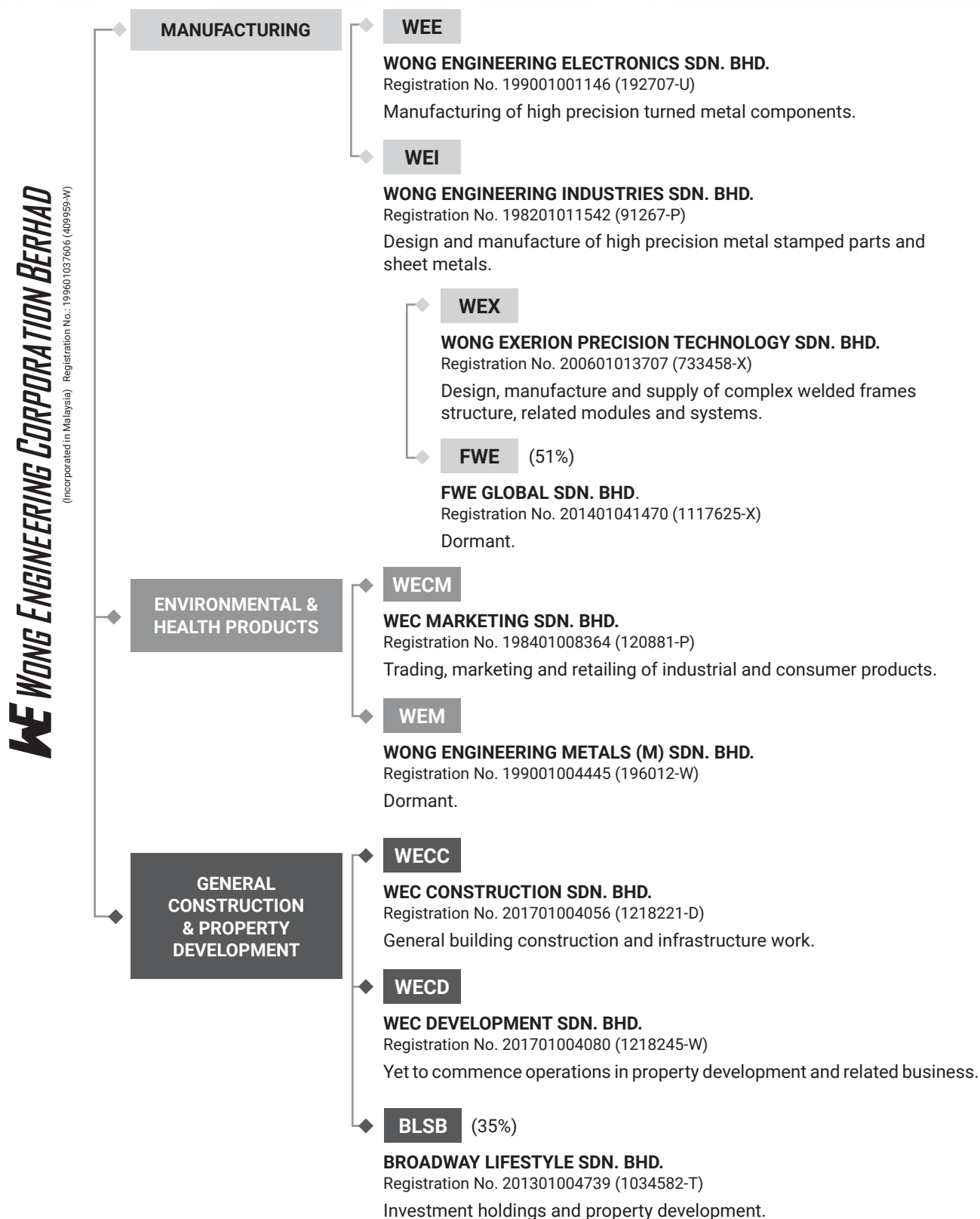
		2024	2023	2022	2021	2020
Revenue	RM'000	36,613	52,695	74,705	83,855	70,847
Profit/(Loss) Before Tax	RM'000	-11,453	-6,097	5,302	12,855	4,666
Profit/(Loss) After Tax	RM'000	-11,462	-7,584	3,336	10,208	3,152
Profit/(Loss) Attributable to Owners of The Company	RM'000	-11,456	-7,578	3,341	10,213	3,158
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	RM'000	-3,995	1,164	11,975	17,815	8,995
No. of Shares in Issue *	RM'000	249,952	249,952	246,776	241,866	245,802**
Total Equity Attributable to Owners of The Company	RM'000	64,561	76,016	84,469	78,135	69,172
Total Assets	RM'000	111,608	124,941	116,262	106,255	103,291
Total Liabilities	RM'000	47,307	48,909	31,770	28,092	34,085
Cash & Cash Equivalents (CCE)	RM'000	18,910	24,186	14,931	19,092	20,189
Basic Earnings/(Losses) per Share *	SEN	-4.58	-3.03	1.35	4.22	1.28**
Net Assets per Share *	RM	0.26	0.30	0.34	0.32	0.28**
Return on Equity (ROE)	%	-17.7	-10.0	4.0	13.1	4.6
Return on Assets (ROA)	%	-10.3	-6.1	2.9	9.6	3.1

* Based on weighted average number of ordinary shares (excluding treasury shares) as at 31 October

** The comparative figures for No. of shares in issue, Basic earnings per share and Net assets per share have been restated to reflect the adjustments arising from the bonus issue completed in December 2021



GROUP STRUCTURE AND ACTIVITIES



PROFILE OF DIRECTORS

The Board of Directors of Wong Engineering Corporation Berhad ("WEC") comprises an Independent Non-Executive Chairman, an Executive Director and Chief Executive Officer, two Executive Directors, a Non-Independent Non-Executive Director and an Independent Non-Executive Director. The profile of each of the Directors of the Company is described as follows :

Dato' Sri Dr. Hou Kok Chung

Independent Non-Executive Chairman

62 | Malaysian | Male

Dato' Sri Dr. Hou Kok Chung, aged 62, Malaysian, male, was appointed to the Board of Director ("Board") on 26 March 2024. Dato' Sri Dr. Hou served at the University of Malaya from 1991 to 2008 as a lecturer and lastly as an Associate Professor. During his tenure in the university, he had been appointed and held a position as Head of the Department of East Asian Studies and Director of the Institute of China Studies. He was a Member of Parliament and the Deputy Minister of Higher Education in Malaysia from 2008 to 2013. He was a member of the Senate in the Parliament of Malaysia from 2014 to 2018. He was the Chairman of the Institute of Strategic Analysis & Policy Research from 2014 to 2018 focusing on political-economic research. He was the Chairman of Melaka Port Authority from 2017 to 2018.

Presently, Dato' Sri Dr. Hou is a Non-Executive Director of Parkson Retail Group Limited and Independent Non-Executive Director of Furniweb Holdings Limited, both are public listed company on the Hong Kong Stock Exchange. He is also the Deputy Chairman of the Board of Governors of Tunku Abdul Rahman University of Management and Technology since 2014. Other than as stated, he does not hold any directorship in other public companies and listed issuers.

Dato' Sri Dr. Hou Kok Chung is the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. He attended two (2) Board meetings following his appointment as Independent Non-Executive Chairman.

Yong Loy Huat

Executive Director & Chief Executive Officer / Key Senior Management

71 | Malaysian | Male

Mr Yong Loy Huat, aged 71, Malaysian, male, was appointed as Group Managing Director on 16 November 2016. On 25 March 2017, Mr Yong was re-designated as the Chief Executive Officer.

Mr Yong graduated from Tunku Abdul Rahman College in 1978 with a Diploma in Technology (Building).

Mr Yong has at least 41 years of professional experience in general construction and property development. As the Managing Director of Tajukon Sdn. Bhd., he has led projects for the industrial, commercial and residential markets throughout Malaysia. Amongst his notable projects is a RM100 million project involving the conversion and addition of the existing 23-storey Plaza Artium into 163 units of serviced apartments in Kuala Lumpur.

He does not hold any directorship in other public companies and listed issuers.

Mr Yong attended all four (4) Board meetings held during the financial year ended 31 October 2024.

Low Seong Chuan

Executive Director / Key Senior Management

49 | Malaysian | Male

Mr Low Seong Chuan, aged 49, Malaysian, male, was appointed to the Board on 16 November 2016.

Mr Low graduated from Hertfordshire University with a B. Eng (Hons) in Civil Engineering.

He has been involved in the civil engineering industry for 26 years inclusive of 22 years in professional consulting environment.

He does not hold any directorship in other public companies and listed issuers.

Mr Low is a member of the Risk Management Committee. He attended all four (4) Board meetings held during the financial year ended 31 October 2024.

PROFILE OF DIRECTORS (CONT'D)

Anstey Yong Lee Teen

Executive Director / Key Senior Management

36 | Malaysian | Female

Ms Anstey Yong Lee Teen, aged 36, Malaysian, female, was appointed as a Senior Manager in WEC Group in 2017. She was appointed as Executive Director on 2 January 2019.

Ms Anstey holds a Bachelor of Science from the Australian National University and a Master of Business in Risk Management from Monash University, Australia.

Ms Anstey oversees the Group's administrative and support departments to ensure smooth running of daily operations. Prior to joining WEC, she was a Finance Analyst with Intel Malaysia for 2 years.

She does not hold any directorships in public companies and listed issuers.

She is the Chairman of the Risk Management Committee. She attended all four (4) Board meetings held during the financial year ended 31 October 2024.

Eng Teik Hiang

Non-Independent Non-Executive Director

61 | Malaysian | Male

Mr Eng Teik Hiang, aged 61, Malaysian, male, was appointed to the Board on 16 November 2016.

Mr Eng graduated from Tunku Abdul Rahman College with a Diploma in Financial Accounting. He commenced his career in audit and left after 5 years as Audit Manager to work in internal audit with a listed company for 4 years. He then joined a construction company as the Finance Manager and spent the next 24 years assuming greater responsibilities and wider scope of duties before assuming his current role as Chief Operating Officer.

Mr Eng does not hold any directorship in other public companies and listed issuers.

Mr Eng is a member of the Audit, Nominating, Remuneration and Risk Management Committees. He attended all four (4) Board meetings held during the financial year ended 31 October 2024.

Lau Chia En

Independent Non-Executive Director

53 | Malaysian | Male

Mr Lau Chia En, aged 53, Malaysian, male, was appointed to the Board on 16 November 2016.

Mr Lau graduated from Michigan Technological University with a Bachelor of Science in Electrical Engineering in 1993 and obtained his Master of Science in Business Administration (Finance) from the University of Wisconsin in 1995.

Mr Lau has been involved in the corporate sector for about 29 years with at least 18 years spent in corporate finance in investment banking and stock broking environment in Malaysia. His longest stint in investment banking was with MIMB Investment Bank Berhad (now known as Hong Leong Investment Bank Berhad) and Aseambankers Malaysia Bhd (now known as Maybank Investment Bank Berhad). His area of expertise is mergers and acquisitions (M&A), initial public offerings, reverse takeover, and general offer. His last position in a formal outfit was as Head of Corporate Finance at SJ Securities Sdn. Bhd., a securities firm in Malaysia.

He is an Independent Non-Executive Director of B.I.G. Industries Berhad, a public company listed on the Main Market of Bursa Securities. He is also director of Tomei Signature Sdn. Bhd., Leyo Holdings Sdn. Bhd., and LY Unity Sdn. Bhd.. He is also as a Managing Partner at Censuria Capital Sdn. Bhd..

Other than as stated, he does not hold any other directorships in other public companies and listed issuers.

Mr Lau is the Chairman of the Audit and Remuneration Committees. He is also a member of the Nominating Committee. He attended all four (4) Board meetings held during the financial year ended 31 October 2024.

Notes:

1. Family Relationships with any Director and/or Major Shareholder:

Name of Director	Family Relationships
1. Dato' Sri Dr. Hou Kok Chung	None
2. Yong Loy Huat	Brother in-law of Mr Low Seong Chuan and Mr Ong Yoong Nyock# Brother of Ms Yong Kwee Lian#
3. Low Seong Chuan	Brother in-law of Mr Yong Loy Huat
4. Anstey Yong Lee Teen	Daughter of Mr Yong Loy Huat
5. Eng Teik Hiang	None
6. Lau Chia En	None

Mr Ong Yoong Nyock and Ms Yong Kwee Lian are major shareholders of the Company.

2. None of the Directors has any conflict of interest with the Company and its subsidiaries ("WEC Group" or "the Group") other than as disclosed in the notes to the financial statements.
3. There were no convictions for offences other than traffic offences (if any) within the past 5 years.
4. There were no public sanction or penalty imposed by relevant regulatory bodies during the financial year.

PROFILE OF KEY SENIOR MANAGEMENT

Narayanamoorthy A/L Arjunan Senior Operations Manager

46 | Malaysian | Male

Mr Narayanamoorthy, aged 46, Malaysian, male, has been working with WEC Group since 2002. He was appointed as Production Manager in 2008 and in 2022, he was promoted as Senior Operations Manager.

He graduated from TAFE College with a Diploma in Electro Mechanical Engineering. After graduating, he worked in Quality Assurance with Astec for two (2) years before joining the WEC Group.

He is a member of The Institution of Engineers, Malaysia (IEM).

Mr Narayanamoorthy does not hold any directorships in public companies and listed issuers.

Ong Chong Khim Financial Controller

36 | Malaysian | Male

Mr Ong, aged 36, a Malaysian joined WEC as Finance Manager since 2017. He was promoted to Senior Finance Manager in 2019 and in 2021, he was appointed as Financial Controller.

He graduated from Curtin University with a Bachelor of Commerce in Accounting and Finance in 2011 and obtained his professional accountancy qualification from CPA Australia in 2016. He is also a member with the Malaysian Institute of Accountants ("MIA") since 2017.

Prior to joining WEC, he spent 5 years at Intel Malaysia and his final role there was as Senior Financial Analyst supporting the Assembly, Test & Manufacturing (ATM) operation finance, budgets and planning as well as driving cost improvement strategies and initiatives across virtual factories.

Mr Ong does not hold any directorships in public companies and listed issuers.

Notes:

None of the Key Senior Management:

1. has any family relationship with any Director and/or Major Shareholder of the Company and the Group.
2. has any conflict of interest with the Company and the Group.
3. has any conviction for offences others than traffic offences (if any) within the past 5 years.
4. has any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

Established since 1982, Wong Engineering Corporation Berhad ("WEC" or "the Company") and its subsidiaries ("WEC Group" or "the Group") are principally engaged in manufacturing of high precision stamped and turned metal parts and components, complex welded frame structure, related modules and systems as well as trading, marketing and retailing of industrial and consumer products.

With more than 40 years of precision engineering experience, our capabilities include design, development and production of high precision metal fabricated parts with superior quality assurance. We support a wide range of prominent multi-national customers all over the globe coming from a wide spectrum of industries including electrical and electronics ("E&E"), Semiconductor, Test Instruments, Telecommunication, Digital Imaging, Healthcare and Oil & Gas. WEC and our manufacturing subsidiaries are ISO9001:2015 and ISO14001:2015 certified. We have also been awarded with ISO13485:2016 certification for medical devices in 2021.

WEC offers its customers one-stop value added mechanical solutions that encompasses the whole supply chain till the final assembly and delivers them at the right timing, pricing and quality. Our products range from Industrial Frames, Rack, Chassis & Cabinets, Faceplates & Mount Brackets, Valves, Couplings & Machining Components, Shields & Heatsinks, Precision Sleeving and Bushing & Turned Components.

As part of our long-term plan to mitigate the risk of sole dependency on the highly competitive and cyclical manufacturing business, we have also ventured into construction and property development ("PD"). This strategy has diversified and expanded our revenue stream in the pursuit towards growth and maximising our shareholders' value.

FINANCIAL AND OPERATIONAL REVIEW

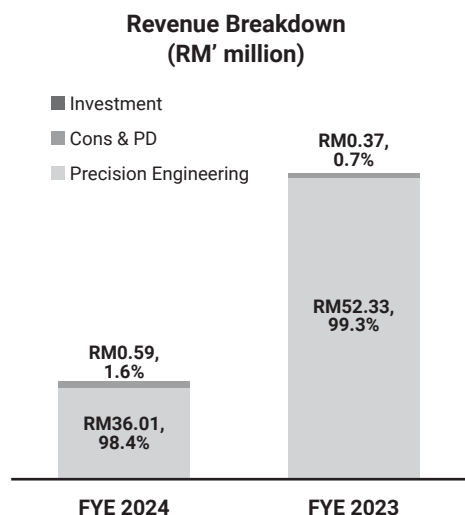
During the year under review, the Group posted revenue of RM36.61 million, RM16.08 million (30.5%) lower year on year ("YoY") compared to RM52.69 million in FYE 2023. This was largely driven by revenue contraction from Precision Engineering as demand from customers in the semiconductor and electrical and electronics (E&E) sectors remain muted throughout the year coupled with minimal revenue contribution from Construction & PD. Nonetheless, Precision Engineering stands as the main contributor to the Group's revenue, recorded at RM36.01 million (98.4%) followed by Construction & PD at RM0.59 million (1.6%) and others at RM0.01 million.

Due to the contraction of revenue, the Group's profitability and earnings were impacted as our loss before tax widened to RM11.45 million, RM5.36 million (87.9%) higher compared to RM6.09 million FYE 2023. Precision Engineering sustained loss before tax of RM10.36 million due to lower revenue and factory utilization, higher inventory reserve, unfavourable product mix and foreign exchange rate. Construction & PD losses narrowed from the year before to RM1.65 million but this was offset by lower profit from other investment due to the absence of a one-off gain from disposal of investment property in FYE 2023.

During the year, construction for the Group's new manufacturing facility on Lot 25 Kulim Hi-Tech Park was completed in March 2024 and the facility was rented out which enable the Group to monetize its investment and earn rental income. Operationally, the team has also embarked on a project to upgrade its enterprise resource planning ("ERP") and shopfloor system and transition to cloud deployment for the systems as we look forward to having improved capabilities in managing and fulfilling customer orders as well as striving for better operational efficiency via enhanced data analytics.

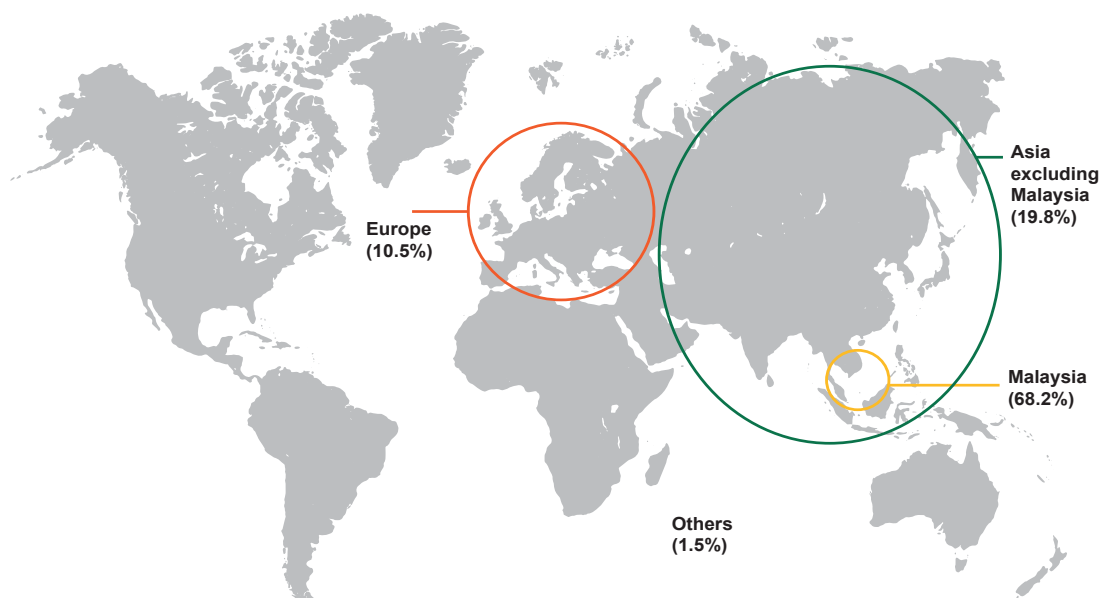
MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL AND OPERATIONAL REVIEW (CONT'D)



Segment	Revenue (RM' million)	PBT/(LBT) (RM' million)
Precision Engineering	36.01	(10.36)
Construction & PD	0.59	(1.65)
Investment	0.01	0.56
Total	36.61	(11.45)

Breakdown by geographical location



The Group's revenue is largely derived domestically as Malaysia contributed approximately 68.2% to the Group's revenue. The remaining 31.8% of revenue was contributed from sales to export market, with 19.8% coming from other countries within Asia, followed by 10.5% from Europe and the balance of 1.5% from other regions.

Our customer base remains well diversified and our Precision Engineering segment are not significantly dependent on any single customer as our top 5 customers contributed no more than 55% of our FYE2024 revenue.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL AND OPERATIONAL REVIEW (CONT'D)

Financial position and liquidity

As at 31 October 2024, the Group's financial position remains strong with total assets of RM 111.61 million. We sustained a current ratio of 2.15 while we maintained our cash and cash equivalents at RM18.91 million. Total equity attributable to shareholders stood at RM64.56 million due to losses sustained during the year. The Group's treasury shares remain unchanged as it held 2.19 million treasury shares at a cost of RM0.91 million. Net asset per share stood at RM0.26.

ANTICIPATED OR KNOWN RISK

Operation, competition and business risks

The Group operating segments constantly faces generic business risks owing to pressure of intense competition over costing and pricing, labour and material shortages and fluctuation of market demand which may impact our cost and bottom line. To date, the risk of fluctuation of raw material prices as well as scarcity of talent has worsened and will continue to pose challenges to the operation. The risks are closely monitored and alternative strategies are implemented to minimise the impact, including investments towards machines with higher efficiency as well as training and growing our human capital to better contend with competition.

Political, economic and regulatory risk

The Group could also be affected by impacts due to global economic uncertainty and geopolitical events such as trade tension which may affect our multi-national customers' demand for metal fabricated parts which ultimately dampens our revenue growth. Besides, shifts in the political landscape may also bring changes in policies and regulations which may drive higher cost of operation and compliance cost.

Foreign exchange risk

Our core Precision Engineering segment is exposed to foreign currency exchange fluctuation as it has transactions in, amongst others in United States Dollars ("USD"), Euro, Japanese Yen and Singapore Dollar. The USD/RM rate is the primary driver of the Group's currency risk as its exposure to other currencies is minimal. As a countermeasure providing a natural hedge, parts of the Group's purchases is denominated in USD thus minimising any impact from sudden fluctuations in foreign currencies.

Credit Risk

Uncertainties in the economic conditions might result in slow payment and bad debt from our customers. As at 31 October 2024, the Group's trade receivable aging profile remains healthy with less than 2% of our trade receivables aging past due more than 30 days. The Group also does not have any major concentration of credit risk except for 3 customers who collectively contributed 56% of the Group's trade receivables. Management will continue to actively monitor the outstanding trade receivables and take appropriate actions to mitigate the risk of bad debts.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

DIVIDEND

The Group is mindful of its need to maintain a balance between creation of long-term value for its shareholders and preservation of adequate liquidity and financial reserves to meet future working capital commitments and investment plans. The Board decides or recommends any dividend payments by carefully examining the profitability, liquidity and cash-flow position of the Group. In FYE2024, the Group did not declare or propose any dividend.

PROSPECT

Looking ahead based on forecast by the World Semiconductor Trade Statistics (WSTS), the global semiconductor market is predicted to experience broad based growth of 11.2% in 2025. This is largely fueled by healthy growth of 17% for Logic and 13% for Memory sectors while others are experiencing a more modest, single digit growth. Semiconductor Equipment Manufacturers Industry (SEMI) has also published in its Year-End Total Semiconductor Equipment Forecast – OEM Perspective that the global sales of total semiconductor manufacturing equipment in 2024 expanded by 6.5% YoY, with the growth continuing into following years driven by both front-end and back-end segments. The back-end segment growth is expected to accelerate supported by higher complexity of semiconductor devices for high-performance computing and demand in mobile, automotive, and industrial end-market. Test equipment sales are forecast to surge 14.7% in 2025 and 18.6% in 2026, respectively, while assembly and packaging sales are forecast to grow 16% in 2025 followed by 23.5% expansion in 2026.

The International Monetary Fund (IMF) projects global economy to grow 3.3% while domestically, Malaysia's economy is forecasted by the Ministry of Finance (MOF) to expand within the range of 4.5% to 5.5% in 2025 supported by a resilient external sector, benefitting from improved global trade and stronger demand for E&E goods, leveraging the country's strategic position within the semiconductor supply chain. The manufacturing sector is poised to strengthen by 4.5% mainly driven by implementation of major policies such as the NIMP 2030 and National Semiconductor Strategy (NSS). On the other hand, growth remains resilient in the construction sector with a growth of 9.4% in 2025 driven by acceleration of strategic infrastructure projects. Non-residential building subsector is also primed for expansion and growth attributed to strong demand for industrial facilities arising from realization of approved investments.

Premised on the above, the Group remain optimistic of demand recovery for precision metal fabricated components from customers in the E&E and semiconductor sectors as we also strive to expand and diversify our customer base particularly into those in life science and medical devices sector. The Group has committed to new capital investments for new machines in laser cutting and multi axis CNC machining to fortify our production capability and capacity in anticipation to better serve the ever-increasing complexity, needs and requirements in the Precision Engineering segment.

CONCLUSION

Taking into account market volatilities and uncertainties affecting both global and domestic economy, the Group remains cautiously optimistic that we shall turnaround and yield better results and maximise the wealth for all our loyal shareholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("Board") of Wong Engineering Corporation Berhad ("WEC" or "the Company") fully appreciates the importance of adopting and continuously maintaining high standards of corporate governance throughout WEC and its subsidiaries ("WEC Group" or "the Group") so that the affairs of the Group are conducted with integrity, transparency and professionalism with the objective of enhancing business success, safeguarding shareholders' investment, enhancing shareholders' value as well as the interests of other stakeholders. The main focus is to adopt the substance behind good corporate governance practices with the ultimate aim to ensure Board effectiveness and efficacy in enhancing shareholders' value.

This Corporate Governance Overview Statement ("CG Statement") provides the summary of the Company's corporate governance practices during the financial year ended 31 October 2024 ("FYE2024") with reference to the following three (3) principles set out in the Malaysian Code on Corporate Governance 2021 ("MCCG"):

Principle A: Board leadership and effectiveness;

Principle B: Effective audit and risk management; and

Principle C: Integrity in corporate reporting and meaningful relationship with stakeholders

The application for each Practice as set out in the MCCG is disclosed in the Corporate Governance Report ("CG Report") which is available on the Company's website: www.wec.com.my as well as through an announcement on the website of Bursa Malaysia Securities Berhad ("Bursa Securities"). This CG Statement is to be read together with CG Report, based on a prescribed format as outlined under paragraph 15.25(2) of Main Market Listing Requirements of Bursa Securities ("MMLR").

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

1. Board of Directors

The Board comprised of six (6) members. There are three (3) Executive Directors, one (1) Non-Independent Non-Executive Director and two (2) Independent Non-Executive Directors as at the date of this Annual Report as follows:

Directorate	Director(s)
Executive Director & Chief Executive Officer ("CEO")	Yong Loy Huat
Executive Director ("ED")	Low Seong Chuan Anstey Yong Lee Teen
Non-Independent Non-Executive Director ("NINED")	Eng Teik Hiang
Independent Non-Executive Chairman	Dato' Sri Dr. Hou Kok Chung (appointed w.e.f 26 March 2024)
Independent Non-Executive Director ("INED")	Lau Chia En

Brief profile of each Director is detailed under Profile of Directors in this Annual Report.

All concerns regarding the Group can be conveyed to any one of the Directors and/or will be deliberated by all Directors during board meetings. As such, the Board had not appointed a Senior Independent Director to whom concerns regarding the Group may be conveyed.

The Board is scheduled to meet at least four (4) times a year at quarterly intervals with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings with sufficient notice. During FYE2024, the Board held four (4) meetings to deliberate and decide on various issues including the Group's operations, financial results, strategic decisions, business plan and the direction of the Group.

The major deliberation, in terms of issues discussed and the conclusion arrived by the Board during the meetings, are recorded by the Company Secretary with the minutes signed by the Chairman of the meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

1. Board of Directors (Cont'd)

Meetings are also organised for the Board Committees which are the Audit Committee ("AC"), Nominating Committee("NC") and Remuneration Committee ("RC").

Detail of attendance of each Director at the meetings of the Board and Board Committees held during FYE2024 is as follows:

Directors	Board	AC	NC	RC
Datuk Haji Muhamad Shapiae Bin Mat Ali (resigned w.e.f. 06 February 2024)	1/1	1/1	1/1	1/1
Dato' Sri Dr. Hou Kok Chung (appointed w.e.f 26 March 2024)	2/2	2/2	–	–
Yong Loy Huat	4/4	–	–	–
Low Seong Chuan	4/4	–	–	–
Anstey Yong Lee Teen	4/4	–	–	–
Eng Teik Hiang	4/4	3/3	2/2	1/1
Lau Chia En	4/4	3/3	2/2	1/1

Board meetings are scheduled ahead to enable the Directors to plan and adjust their schedule to ensure good attendance and the expected degree of attention to the meeting agenda. Management personnel and external consultants are also invited to attend the Board meetings as and when required in order to present and advise the members with information and provide clarification on certain meeting agenda to facilitate informed decision making.

The Board is satisfied with the time commitment given by the Directors as demonstrated by their full attendance at the meetings of the Board and Board Committees.

In addition, all of the Directors do not hold more than 5 directorships in other public listed companies as required under para 15.06 of the MMLR to enable the Directors to discharge their duties effectively by ensuring that their commitment, resources and time are more focused. In compliance with para 15.08 of the MMLR, the Directors had attended the following trainings during FYE2024:

Directors	Training, Conferences or Seminars
Dato' Sri Dr. Hou Kok Chung (appointed w.e.f 26 March 2024)	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part I: Leading for Impact (LIP)
Yong Loy Huat	<ul style="list-style-type: none"> Mandatory Accreditation Programme Part II: Leading for Impact (LIP)

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

1. Board of Directors (Cont'd)

In addition, all of the Directors do not hold more than 5 directorships in other public listed companies as required under para 15.06 of the MMLR to enable the Directors to discharge their duties effectively by ensuring that their commitment, resources and time are more focused. In compliance with para 15.08 of the MMLR, the Directors had attended the following trainings during FYE2024: (Cont'd)

Directors	Training, Conferences or Seminars
Low Seong Chuan	<ul style="list-style-type: none"> • Webinar Talk on Nonmetallic Reinforcement In Concrete Construction - What Engineers Should Know? • Webinar Talk on "Challenges of Bored Tunnels and Pipe Box Tunnel For Circle Line MRT Singapore" • Webinar Talk on Transportation Policy in Malaysia • Webinar Talk on The Potential of Hydrogen as Energy Carrier and its Integration in Primary Energy Mix • Webinar Talk on Introduction to Small Module Reactors and its Contribution to Lower Carbon Emissions Future • Webinar Talk on Creativity and AI Technology in Engineering Education • Webinar Talk on Turnaround-Project Scope Selection and Optimization • Webinar Talk on "Introduction to 5G for Industrial IoT" • Webinar on Nature-Based Solutions (NBS) and LiDAR Technology: Advanced Techniques for Slope Stability Analysis and Geohazard Assessment • Webinar Talk on Geophysical Methods in Geotechnical Engineering Applications: Tunnel Look-Ahead and Deep Soil Mixing
Anstey Yong Lee Teen	<ul style="list-style-type: none"> • Meet Up: Women's Business Network- Cultivating Conscious Leadership for Sustainable Future-August 2024 • Healthcare in Asia- At the Crossroad of Innovation, Business, & Technology
Eng Teik Hiang	<ul style="list-style-type: none"> • Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
Lau Chia En	<ul style="list-style-type: none"> • Director's Dilemma: Mastering Conflict of Interest Prevention In Boardroom Leadership

Board Responsibilities

The Board is entrusted with the stewardship role of the Group. It is responsible for providing oversight of the Group's strategic direction, overseeing the Group's business operations, as well as identifying key risk factors that have significant impact on the Group's operations and performance. In achieving these goals, the Board performs regular reviews over the risk management and internal control system to ensure its integrity and adequacy in providing reasonable assurance of risk mitigation. Its overall objective is to enhance the value of its shareholders by achieving the strategic objectives of the Group.

As part of the Board's effort to ensure that its duties and responsibilities are effectively discharged, the Board delegates certain functions to Board Committees, the CEO and the management. The Board has established Board Committees to perform certain of its functions and to provide recommendations and advice.

The Board Committees operates under clearly defined Terms of Reference ("TOR") as approved by the Board and which are periodically reviewed for relevance and improvement. The Chairman of the respective Board Committees will report to the Board on the outcome of any discussions and make recommendations thereon to the Board. The ultimate responsibility for the final decision on all matters, however, lies with the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

1. Board of Directors (Cont'd)

Board Responsibilities (Cont'd)

At Board meetings, the Directors receive regular updates on the prospects of the Group and its plan moving forward from the executive leadership; identify and manage principal risks affecting the Group including establishing and approving relevant policies, reviewing the adequacy and integrity of the Group's internal control systems, overseeing the performance of the Group's businesses, reviewing succession planning and talent management, reviewing of Group strategies and promoting sustainability, enforcing compliance with legal and statutory requirements within the Group, approval of major capital expenditure, consideration of significant financial matters and review of the financial and operating performance of the Group.

The Board has established clear functions reserved for the Board and those delegated to management. The Board is responsible for the overall business framework within which the Group operates which include determining overall group strategy and direction to approve acquisitions and divestments, business plan, budgets, capital expenditures, quarterly and annual financial results as well as monitoring financial and operational performance against targets. Management is responsible for the execution of activities to meet corporate plans as well as instituting various measures to ensure due compliance with various governing legislations.

The Board delegates the responsibility of implementing Group strategies, business plans, policies and decisions to the management, which is led by the CEO.

Chairman of the Board

The Chairman of the Board is an INED.

The key duties and responsibilities of the Chairman are to provide leadership to the Board, instill good corporate governance practices, chairing the meetings of the Board and shareholders, ensuring that the Board fully discharges its responsibilities and acting as liaison person between the Board and the management. He provides leadership and governance on the Board and creates a conducive situation geared towards building and growing Directors' effectiveness and ensure that appropriate issues are discussed by the Board in a timely manner. As part of that role, Chairman ensures that no member dominates any discussion and appropriate discussions are taken place with relevant participation among Board members.

Other roles of the Chairman include leading the Board in the oversight of management, ensuring adequacy and integrity of the governance process and issues, maintaining regular dialogues with CEO over operational matters and seek opinion of fellow Board members over any matters that may give cause for major concerns.

Separation of Position of Chairman and CEO

The position of Chairman and the CEO are held by different individuals. There is a clear division of responsibility between the Chairman and the CEO to ensure that there is a balance of power and authority, promotion of accountability and facilitation of division of responsibilities between them.

The CEO is responsible for managing the overall business and day to day operations of the Group and implementation of Board policies and decisions. He also ensures that the Group's corporate identity, products and services are of high standard and reflective of market expectations, business practices and are in compliance with governmental regulations.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

1. Board of Directors (Cont'd)

Qualified and Competent Company Secretaries

The Company Secretaries are capable of carrying out their duties to ensure the effective functioning of the Board. The Board is satisfied with the performance and support rendered as the Directors are able to seek advice and service of the Company Secretaries. The Company Secretaries, who are competent, qualified and experienced, advise the Board on any updates relating to any new statutory and regulatory requirements pertaining to the duties and responsibilities of Directors and the potential impact and implications arising there from.

The Company Secretaries, or their representatives, attend and ensure that all Board and its Committees meetings are properly convened. The decisions made and/or resolutions passed thereof are recorded in minutes of meetings and kept at the registered office of the Company together with its statutory registers. The Company Secretaries also facilitate the communication of key decisions and policies between the Board, Board Committees and Management. The Board is also regularly updated and kept informed of the latest developments in the legislation and regulatory framework affecting the Group and are advised on the proposed contents and timing of material announcements to be made to regulatory authorities.

Other roles of the Company Secretaries included coordinating with Management on the preparation of Board papers, ensuring Board procedures and applicable rules are observed and maintaining records of the Board as well as provide timely dissemination of information relevant to the Directors' roles and functions and keeping them updated on evolving regulatory requirements.

Access to Information and Advice

All the Directors have access to all information within the Group and may seek the advice of management on matters under discussion or request further information on the Group's business activities. Management and Company Secretaries ensure that all Directors have full and timely access to information with Board papers distributed in advance for meetings of the Board and Board Committees.

The Directors, whether as full Board or in their personal capacity, may seek independent professional advice, where necessary and under appropriate circumstances, in furtherance of their duties and to enable them to discharge their duties, at the Group's expense.

All Board and Board Committees are provided with agenda and relevant board papers, reports including matters arising, financial, operational and regulatory compliance matter, at least 7 days prior to meetings to ensure that they have sufficient time to review and evaluate the matters to be deliberated and obtain further information, if needed, prior to meeting to expedite decision-making during meetings. Actions on all matters arising from any previous meeting are reported at the following meeting.

2. Demarcation of responsibilities

Board Charter

The Board Charter provides guidance to the Board in the fulfilment of its roles, duties and responsibilities which are in line with the principles of good corporate governance. The Board Charter outlined the responsibilities of the Board, Board Committees and requirements of Directors and it is subject to periodical review to ensure consistency with the Board's strategic intent, roles and responsibilities, changing needs as well as relevant standards of corporate governance and development in prevailing legislation and practices. The Board Charter is available on the Company's website at www.wec.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

3. Good business conduct and corporate culture

Code of Conduct, Ethics Policy and Anti-Bribery and Corruption Policy

The Board is committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. The Code of Conduct and Ethics Policy set out the standard of ethics and conduct expected from the Directors, management and employees to enhance the standards of corporate governance and corporate behaviour.

The Code of Conduct is based on principles in relation to trust, integrity, responsibility, excellence, loyalty, commitment, dedication, discipline, diligence and professionalism while the Ethics Policy is based on the principles of sincerity, integrity, responsibility and corporate social responsibility. These codes cover a wide range of business practices and procedures; and sets out the basic principles to guide the Group's Directors, management and employees in performing their duties so as to improve work quality, productivity and self-discipline in order to provide effective, good and quality services.

The Code of Conduct also governs the standards for Labor, Health and Safety, Environment, Business Ethics and Management Systems to manage conformity to the Code of Conduct. The policies, practices and procedures of the Code of Conduct for employees are clearly outlined in the Employee Handbook of respective subsidiary under the Group. The Code of Conduct for employees is integrated into the Group management practices and reviewed periodically. These codes provide guidance to all so that right choices can be made in response to any ethical dilemmas in daily work.

The Company has in place an Anti-Bribery and Corruption Policy ("ABC Policy") as in compliance with the Section 17A of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 ("MACC Act"). The adoption of the ABC Policy signalled commitment by the Board and the Group to conduct all businesses in an honest and ethical manner requiring all Directors and employees to act professionally, fairly and with integrity in all our business dealings and relationships.

The ABC Policy sets out adequate procedures designed to prevent situations in which bribery and corrupt practices may take root.

Both codes and ABC policy are available on the Company's website at www.wec.com.my.

Whistle Blowing Policy

The Company has always advocated for openness and transparency in its commitment to the highest standard of integrity and accountability. The Whistle Blowing Policy states that all malpractices or wrongdoings reported by the whistle-blower are made to the immediate superior, Human Resource Manager, CEO or INED and shall be set forth in writing or verbally. The Whistle Blowing Policy is available on the Company's website at www.wec.com.my.

Directors' Fit and Proper Policy

The Board had on 23 June 2022 adopted the Directors' Fit and Proper Policy in line with the new rule of the MMLR to ensure a formal, rigorous and transparent process for the appointment and re-election of directors of the Group. The Directors' Fit and Proper Policy is available at the Company's corporate website at www.wec.com.my.

Conflict of Interest Policy

The Board had on 24 September 2024 adopted the Conflict of Interest Policy to ensure that its Directors and Key Senior Management always act in the best interests of the Group and that they are not influenced by any personal, financial, non-financial, or other conflicts that could impair their judgment or impartiality. The Conflict of Interest Policy is available at the Company's corporate website at www.wec.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

4. Sustainable Practice

Material Sustainability Matters

The Board recognises that sustainable development is an important and integral part of the Group's pursuit of its long-term business success. The Board is responsible for the development of the Group's sustainability strategies.

Sustainability Strategies

The Group have Sustainability Strategy in place for financial year 2025 covering all three pillars of Environmental, Social and Governance. Implementation strategy is defined and execution is on track. These strategies and status will be shared with the Board at least once per year via the Sustainability Committee. Sustainability Strategy was designed according to inputs from the outcome of the materiality assessment exercise with internal and external stakeholders. Details of our sustainability efforts and compliance to various regulatory frameworks are included in the Annual Report.

Sustainability targets will be formulated in FY25.

Periodic Updates

The Board is appraised, and they provide their views and opinions on any of the Group's sustainability issues during the Board meetings.

Performance Evaluation

The Board recognises the importance of sustainability in all its business operation and have include sustainability as one of the criteria in the performance evaluations its board members. Please refer to the Sustainability Statement which outlined sustainability activities by the Group.

Sustainability Leadership

Ms Anstey Yong Lee Teen is the designated person leading the Group's sustainability initiatives.

5. Board Composition

The present NC comprises of one (1) NINED and two (2) INEDs:

Name	Position
Dato' Sri Dr. Hou Kok Chung (appointed w.e.f 26 March 2024)	Chairman
Eng Teik Hiang	Member
Lau Chia En	Member

The NC met twice (2) during the financial year to deliberate on the following matters:

- (a) assessed the effectiveness of the Board, the Board Committees and the contribution of each individual Director;
- (b) reviewed the mix of skills and experience and other qualities, including core competence of the members of the Board;
- (c) reviewed the level of independence of INEDs;
- (d) assessed the training needs of the Directors and collated training information from all Directors;
- (e) reviewed the size and composition of the Board of Directors as well as the Audit, Nominating and Remuneration Committees;
- (f) discussed the character, experience, integrity and competence of the Directors, chief executive or chief financial officer and to ensure they have the time to discharge their respective roles;
- (g) discussed the annual retirement by rotation and recommend the re-election of Directors at the forthcoming Annual General Meeting ("AGM"); and
- (h) reviewed the term of office and performance of the AC and its members pursuant to paragraph 15.20 of the MMLR.
- (i) Assessed and recommended the appointment of new Independent Non-Executive Director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

5. Board Composition (Cont'd)

Review of Board Composition

NC reviewed the size and composition of the Board, and the skills and core competencies of its members, to ensure an appropriate balance and diversity of skills and experience. The Board, through its NC, have upon their annual assessment, concluded that the current Board comprises of a balanced mix of skills, knowledge and experience in the relevant areas to enable the Board to carry out its responsibilities in an effective and efficient manner.

Independent Directors

The current Board composition had met the provision of para 15.02 of MMLR, which requires that at least two (2) Directors or one-third (1/3) of the Board of the Company, whichever is the higher, are INEDs.

The concept of independence as adopted by the Board is consistent with definition of INEDs outlined in para 1.01 and Practice Note 13 of the MMLR. The key elements for fulfilling the criteria are the appointment of Directors who are not members of Management and who are free of any relationship which could interfere with the exercise of independent judgment or the ability to act in the best interest of the Company and the Group.

The INEDs are not involved in the day-to-day management of the Group's business operations. Therefore, they remain free from conflict of interest and thus enable them to carry out their duties and responsibilities effectively. They provide impartial views and insight to the CEO in matters relating to financial management, corporate governance, risk management and internal control. Strategies proposed by the CEO and management are deliberated from both quantitative and qualitative aspects, taking into account the interest of various stakeholders as well as the impact of risk factors that exist in the operating environment. Presence of the INEDs complements the Board by ensuring there is an effective check and balance in the functioning of the Board.

The Board does not meet the recommended composition for INEDs to comprise at least half (50%) of the board composition. The presence of two (2) INEDs with breadth of knowledge and professional background has enabled the Board to exercise objective judgement on various issues through their sharing of impartial, objective and unbiased opinion and viewpoints. The NC and the Board will review its composition from time to time to ensure that such level of independence is not in any way compromised.

Tenure of Independent Directors

The Board recognises the MCGG's recommendation that service tenure of an INED should not exceed a cumulative or consecutive term of nine (9) years. Upon completion of the nine (9) years, an INED may continue to serve on the Board subject to the Director's re-designation as a Non-INED or the Board shall justify and seek annual shareholders' approval.

None of our Directors has served the Board as an INED of the Company for a cumulative term of more than nine (9) years. Further, based on the independence assessment carried out during the financial year under review, the Board is satisfied with the level of independence demonstrated by all the INEDs and their abilities to act in the best interest of the Company.

Policy on Tenure of Independent Directors

The Board has yet to adopt any policy which limits the tenure of its INED to nine (9) years without further extension.

Diversification of Board and Senior Management

The Board is supportive of diversity on the Board and in Senior Management team. The appointment of Board and Senior Management team are based on objective criteria, merit and takes into consideration for diversity in experience, skills set, age and cultural background. The present Directors, with their diverse background and professional specialisation, collectively bring with them a wealth of experience and expertise in areas such as general construction, property development, logistics, advertising, life and general insurance, manufacturing (specializing in automation), research & development, project engineering, civil engineering, professional consulting, audit and accounting, corporate finance and corporate restructuring.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

5. Board Composition (Cont'd)

Sources to identify candidate for Directorship

The Board relies on a few sources to identify candidate for directorship, including recommendation from Directors, management and independent sources. When a vacancy arises, the NC will deliberate on the profile of the position to be filled and will ensure that the procedures for evaluating and selecting new Director are transparent and formal with the appointment made on merit basis.

Directors' Information

The profiles of Directors are published in the Annual Report. Information contained therein included age, gender, tenure of service, directorship in other companies, working experience and any conflict of interest. To ensure shareholders have the information they require to make an informed decision on the appointment and reappointment of a director, a brief profile of director concerned together with statement from the Board (on whether it supports the appointment or reappointment) will be included in the agenda of meeting when such appointment or reappointment will be considered.

Chairman of NC

Dato' Sri Dr. Hou Kok Chung, the Independent Non-Executive Chairman of the Board, is the current Chairman of the NC.

Female Board Representation

The ED, Anstey Yong Lee Teen is the sole female Director on board. Her presence complies with MMLR which mandates presence of at least one (1) female Director on board.

Gender Diversity

Whilst acknowledging the recommendation of the MCCG on gender diversity, the Board is of the collective opinion that there was no necessity to adopt a formal gender diversity policy as the Group is committed to provide fair and equal opportunities and nurturing diversity within the Group. The current composition of one (1) female Director testifies to the Group's commitment to gender diversity.

6. Board Effectiveness

Effectiveness of the Board and individual Directors

The NC conducts annual review of the effectiveness of the Board and Board Committees as well as performance of each individual Director. The assessment is administered via customised questionnaires, using a self and peer-rating model for continuous improvement.

The NC reviews annually the required mix of skills, experience and other qualities, including core competencies of the members in discharging their duties. The skills and experience of each Director is analysed, inter-alia, in the areas of business operations technical and governmental affairs and legislation. Furthermore, the NC reviews size and composition of the Board with consideration on the impact on the effective functioning of the Board.

The NC (with each INED member abstaining from deliberation on his independence) had also reviewed and assessed the independence of the INEDs based on the Directors' professionalism and integrity in the decision-making process, ability to form independence judgements, as well as objectivity and clarity in deliberations in addition to the specific criteria of independence as set out in the MMLR.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

6. Board Effectiveness (Cont'd)

Effectiveness of the Board and individual Directors (Cont'd)

The results of all assessments and comments by Directors are summarised before being tabled for review and discussion at the NC meeting. Thereafter, the Chairman of NC would report on the results and deliberations to the Board.

Based on the outcome of evaluation for FYE2024, the NC and the Board were satisfied that the Board and Board Committees have discharged their duties and responsibilities effectively and the contribution and performance of each individual Director is satisfactory. The NC believes that the current Board composition is well balanced with the right mix of high-calibre individuals with the necessary skills, qualification, experience, knowledge, credibility, independence and core competencies. At the same time, the NC recommended and the Board noted that the Board composition should be revisited to address additional independence and female representation.

The Company's Constitution provides that an election of Directors shall take place each year and, at the AGM, one third of the Directors for the time being or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third shall retire from office and be eligible for re-election. All the Directors shall retire from office once at least in three (3) years but shall be eligible for re-election. The Directors to retire in each year shall be those who have been longest in office since their appointment or re-appointment. A retiring Director is eligible for reappointment. This provides an opportunity for shareholders to renew their mandates. The re-election of each Director is voted on separately.

The Director who is subject to re-election and/or re-appointment at next AGM is assessed by the NC before recommendation is made to the Board and shareholders for re-election and/or re-appointment. Appropriate assessment and recommendation by the NC is based on the annual assessment conducted.

The Company Secretaries will ensure that all appointments are properly effected with the necessary legal and regulatory obligations duly met.

7. Level and composition of Remuneration

Remuneration policy

The objective of the Group's Directors' Remuneration Policy is to determine the level of remuneration package of Executive Directors and key senior management, attract, develop and retain high performing and motivated Executive Directors and Key Senior Management, to provide remuneration that commensurate with the responsibilities of their position and encourage of value creation for the Company and its stakeholders.

As for INEDs, the level of fee and other benefits is reflective of their experience, expertise, contribution to the Group, duty and level of responsibilities undertaken by them including the number of Board meetings attended. The determination of Directors' fees and benefits payable for the IDs shall be a matter for the Board as a whole.

The RC is responsible for, inter-alia, recommending to the Board the policy framework and remuneration structure for Directors as well as the remuneration packages of Executive Directors.

In the case of the executive Board members, the components of the remuneration package are linked to scope of the duty and responsibilities, conditions and experiences required, ethical values, internal balances and strategic targets of the Group as well as the corporate and individual performance. The executive Board members played no part in deciding their own remuneration and the respective Board members shall abstain from all discussion pertaining to their remuneration.

During FYE2024, the RC met once, attended by all the members, to consider the remuneration package for the executive Board members, senior management as well as Directors' fees and benefits for the INEDs. All deliberations of the RC are properly documented in the minutes of RC meetings and recommendations are reported by the RC Chairman at Board meetings.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

7. Level and composition of Remuneration (Cont'd)

Remuneration Committee

The present RC comprises of one (1) NINED and two (2) INEDs:

Name	Position
Lau Chia En	Chairman
Dato' Sri Dr. Hou Kok Chung (appointed w.e.f 26 March 2024)	Member
Eng Teik Hiang	Member

The RC is empowered by the Board and its TOR to appraise performance of each individual Executive Director in proposing salary increment as well as annual bonus, considering and reviewing fringe benefits issues and to evaluate different remuneration methods and philosophies as well conducting studies of current industry practice.

The TOR of the RC is available on the Company's website at www.wec.com.my.

8. Remuneration of Directors and Senior Management

Details of Directors' Remuneration

The remuneration payable in respect of Directors' fees for FYE2024 are categorised as follows:

Type of fees	(RM)
Executive Board members (per pax)	30,000
Non-Executive Board members (per pax)	35,000
Non-executive Board member & Chairman of the Audit Committee	40,000
Non-Executive Board member & Chairman of the Board	60,000

The fees and benefits payable for the Directors are endorsed by the Board for approval by the shareholders at the AGM prior to payment. The remuneration received / receivable by the Directors of the Company for FYE2024 is as disclosed in the CG Report.

Detailed Disclosure of Top 5 Senior Management's Remuneration

The Board acknowledged the need for transparency in the disclosure of remuneration as recommended under the MCCG.

Nonetheless, The Board takes the view that there is no necessity for the Group to disclose the remuneration package of top 5 Senior Management as such disclosure could be detrimental to its business interests given the highly competitive human capital environment in which the Group operates where intense headhunting for personnel with the right expertise, knowledge and relevant working experience is the norm. As such, disclosure of specific remuneration information could rise to recruitment and talent retention issues going forward.

The Board will ensure that the remuneration of the Senior Management personnel commensurate with the level of responsibilities, with due consideration in attracting, retaining and motivating Senior Management to lead and run the Company successfully. Excessive remuneration pay-out is not made to the Senior Management personnel in any instance.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

9. Effective and Independent AC

Chairman of the AC

Mr Lau Chia En, an INED, is the present Chairman of the AC and he is not the Chairman of the Board. Details on the composition and other pertinent facts of the AC is outlined under the AC Report in this Annual Report.

Appointment of Former Key Audit Partner

None of the members of the Board were former key audit partners of the external auditors. Hence, no former key audit partner is appointed to the AC. As such, there was no need to establish such policy presently. Such a policy would be established when the need arises in future. The Board will observe a cooling-off period of at least three (3) years in the event any potential candidate to be appointed as a member of the AC was a key audit partner.

External Auditors

The Group maintains a transparent and professional relationship with the external auditors in seeking professional advice towards ensuring compliance with accounting standards. The Company's independent external auditors play a critical role for the stakeholders by enhancing the reliability of the Company's financial statements and giving assurance of that reliability to users of these financial information.

The AC reviews the suitability, objectivity and independence of the external auditor of the Company on an annual basis. The review process covers the assessment of the independence of the external auditor, the evaluation of the external auditor's performance, competency, quality of work, audit fees and the adequacy of resources.

The AC has assessed the suitability and independence of the external auditors and is satisfied with the technical competency and independence of the external auditors. The AC meets with the external auditors at least twice (2) a year to discuss their audit plan and audit findings. The AC discusses the nature and scope of audit and reporting obligations with the external auditors before commencement of audit engagement. It is also the practice of the AC to respond to auditors' enquiries and recommendations, if any, to ensure compliance with the various approved accounting standards in the preparation of the Group's financial statements.

The AC has considered the non-audit services provided by the external auditors during FYE2024 and concluded that the provision of these services did not compromise the external auditors' independence and objectivity. The amount of fees paid for these services was not significant when compared to the total audit fees paid to the external auditors. The details of the fees paid/ payable in respect of the financial year under review to the external auditors or an affiliated firm of the external auditors are set out in the Additional Compliance Information of this Annual Report.

The external auditors have confirmed to the AC that they are, and have been, independent throughout the conduct of the audit engagement in accordance with the independence rules of the Malaysian Institute of Accountants.

The Board place great emphasis on the objectivity and independence of the auditors, namely KPMG PLT, in providing relevant and transparent reports to the shareholders. To ensure full disclosure of matters, the external auditors are invited to attend the AC meetings as well as the general meetings. During the financial year, the external auditors had met twice (2) with the AC without the presence of the executive Board members and senior management.

The Board, having considered the recommendations by the AC, is satisfied with the level of independence and performance of the external auditors including quality of audit review procedures, adequacy of audit firm's expertise and its resources to carry out the audit work according to the audit plan. Accordingly, the Board had recommended the re-appointment of KPMG PLT for shareholders' approval at the forthcoming AGM.

Composition of the AC

The AC comprised of 2 INEDs and 1 NINED.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

9. Effective and Independent AC (Cont'd)

Diversity in skills of the AC

The AC currently comprised of members with professional experience in finance, business and economic environment. All members are financially literate and are able to read, interpret and understand the financial statements. The diversity in skills set coupled with their financial literacy gave the AC the ability to effectively discharge their roles and responsibilities.

10. Effective Risk Management and Internal Control Framework

Establishment an effective Risk Management and Internal Control

Recognising the importance of risk management, there is a formal and structured Risk Management Framework ("RMF") in place to identify, evaluate, control, monitor and report the principal business risks faced by the Group on an ongoing basis.

Features of Risk Management and Internal Control Framework

The key features of the RMF and details of the Company's internal control system and internal audit's scope of work during the financial year under review are provided in the Statement on Risk Management and Internal Control in this Annual Report. Continuous reviews are carried out by the Group's internal audit function and management to identify, evaluate, monitor and manage significant risks affecting the business and ensure that adequate and effective controls are in place. The findings of the internal audit function are reported to the AC regularly.

Establishment of a Risk Management Committee Comprises a Majority of Independent Director

There is a Risk Management Committee in place which undertakes regular risk reviews on the Group's businesses and operations. An analysis of the risks identified together with proposed mitigating actions are tabled to the AC. The AC will report to the Board on exception basis if there was any change in the risks identified.

The Risk Management Committee will report on a yearly basis to the AC.

11. Effectiveness Governance, Risk Management and Internal Control

Effectiveness of the internal audit function

The internal audit function of the Group is carried out by an outsourced consulting firm, Finfield Corporate Services Sdn. Bhd. ("Finfield") which reports directly to the AC. Finfield is led by Mr. Tan Yen Yeow who is a member of both MIA (Malaysian Institute of Accountants) and IIAM (Institute of Internal Auditors Malaysia) and is sufficiently resourced to provide service level and advisory that meet with the Group's expectations.

The principal role of the internal audit function is to undertake independent, regular and systematic reviews of the internal control system to provide reasonable assurance on the adequacy and integrity of the risk management system, internal control and governance of the Group to safeguard the Group's assets and resources.

It is also the responsibility of the internal audit function to provide the AC with independent and objective reports on the state of internal controls and risk management of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures as well as relevant statutory requirements.

The AC reviews and approves the Internal Audit Plan annually and ensures that the internal auditors are accorded with appropriate standing and authority to facilitate the discharge of its duties. Audits of the practices, procedures, expenditure and internal controls of identified business and support units and subsidiaries are undertaken on a regular basis.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

11. Effectiveness Governance, Risk Management and Internal Control (Cont'd)

Effectiveness of the internal audit function (Cont'd)

The Board also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Information on the internal auditors and the internal audit activities during the financial year are set out in the AC Report in this Annual Report.

Disclosure on the internal audit function

The AC has received assurance from the internal audit function that they have adopted internal audit standards and best practices based on the International Professional Practices Framework (IPPF), endorsed by the Institute of Internal Auditors Malaysia.

The cost incurred for the IA function during FYE2024 totalled RM15,660.

The internal audit team adopts a risk-based approach towards the planning and conduct of their audits, and this is consistent with the Group's approach in designing, implementing and monitoring its internal control and risk management system.

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

12. Continuous Communication between Company and Stakeholders

Communication with its stakeholders

The Group is committed to maintaining regular, transparent, coherent, timely and equitable dissemination of relevant and material information on the development of the Group to shareholders and stakeholders whilst balancing commercial confidentiality and regulatory framework governing the release of material and price-sensitive information. The Directors are cautious not to provide undisclosed material information about the Group and frequently stress the importance of timely and equal dissemination of all material information to all shareholders and stakeholders.

The Board is committed under its corporate governance obligation to have an effective channel of communication with shareholders and the investing public. It affirms that the primary channel to engage and communicate with shareholders is during the general meetings. Shareholders are encouraged to attend the general meetings and given sufficient time and opportunity to participate in the proceedings, ask questions about the resolutions being proposed and the operations of the Group, and communicate their expectations and possible concerns. The Board and management believe that this will give shareholders and interested parties a better appreciation and understanding of the Group's performance and provide an opportunity for them to convey their expectations and concerns.

To ensure thorough public dissemination, the Company has leveraged on information technology including making announcements via Bursa LINK (The Listing Information Network) of Bursa Securities and establishing a dedicated section for "Investor Relation" on the Company's website at www.wec.com.my where updates on the company overview (Bursa), corporate information, corporate governance, profile of Directors, annual report and press release can be accessed. The contact details to address any queries is also published on the Company's website.

All material announcements are reviewed and endorsed by the AC (as applicable) and the Board prior to release to the public through Bursa Securities. Shareholders and the public in general may also obtain announcements and financial results of the Company from Bursa Securities' website.

The CEO of the Group is designated spokesperson for all matters related to the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

12. Continuous Communication between Company and Stakeholders (Cont'd)

Integrated Reporting

Integrated reporting is not applicable to the Group presently as the Group does not fall within the definition of "Large Companies".

13. Conduct of General Meetings

Notice for AGM

The Board encourages shareholders' participation and as such, AGM is an important event as the Board is given the opportunity to have a dialogue with the shareholders following presentation of annual audited financial results and to address any questions that may arise.

The notice of for the 27th AGM was sent to the shareholders, Directors and external auditors at least twenty-eight (28) days prior to the meeting date and published in a major local newspaper for the shareholders to make the necessary arrangements to attend and participate in person or through corporate representatives or proxies. More importantly, it enables the shareholders to consider the resolutions and make an informed decision in exercising their voting rights at the general meeting. Items of special business included in the said notice were accompanied by explanation of the proposed resolutions.

Shareholders are encouraged to attend the general meetings and they are given sufficient time and opportunity to participate in the proceedings, raise concerns on the resolutions being proposed and the operations of the Group and also to communicate their expectations on the Group.

All the resolutions set out in the Notice for the 27th AGM were put to vote by poll with the outcome announced to Bursa Securities on the same day. The Board is satisfied with the current programme at AGM and there have been no major contentious issues noted with shareholders/investors.

The notice for the upcoming 28th AGM in 2025 will be sent twenty-eight (28) days in advance for the shareholders, Directors and external auditors.

Directors' attendance

All Directors and senior management, Company Secretary and external auditors were present during the 27th AGM to engage with shareholders to address any areas of interest or concerned brought up by the shareholders.

Leveraging on technology

The 27th AGM was held virtually using remote participation and voting ("RPV") facilities which allowed shareholders to participate and vote during the AGM without having to physically present at the meeting venue. The virtual AGM provides the same transparency and level of participation as an in-room only meeting.

The Company will consider to convene general meetings on a virtual basis in the future and allow shareholders to actively participate and vote in absentia.

Shareholders' engagement

Shareholders are given the opportunity to raise questions and seek clarifications by submitting their questions to the Query Box in the RPV facilities during the conduct of the 27th AGM. An Administrative Notes detailing the procedures to register, participate and vote remotely using the RPV facilities was circulated with the notice of the 27th AGM.

All Directors, senior management, Company Secretary and external auditors were present during 27th AGM to engage with shareholders, proxies and corporate representatives. All questions posed were duly addressed by the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

13. Conduct of General Meetings (Cont'd)

Infrastructure for virtual AGM

In the conduct of the 27th AGM in a virtual environment, shareholders participated and voted remotely using the RPV facilities. Shareholders who are unable to attend are allowed to appoint their own proxies or appoint the Chairman as their proxies to attend and vote on their behalf.

The system used to handle virtual AGM was tested prior to the AGM and it could support interactions between the Board and senior management team with the shareholders.

Questions posed were read out before the Board is invited to respond to the questions. In the event an answer could not be readily given at the meeting, the Chairman has undertaken to include response in the minutes of said general meeting.

Minutes of general meeting

Minutes of the AGM proceedings are posted on the Company's website within 30 business days after the AGM was held.

STATEMENT ON COMPLIANCE

The Board will continue to strive for sound standards of corporate governance throughout the Group. Presently, the Board is of the view that the Company has, in all material aspects, satisfactorily complied with the principles and practices set out in the MCCG, except for the departures set out in the CG Report.

The CG Statement is issued in accordance with a resolution of the Board of Directors dated 21 February 2025.

AUDIT COMMITTEE REPORT

FORMATION

The objective of the Audit Committee ("AC" or "Committee"), as a Committee of the Board of Directors ("Board") is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting and internal control system of Wong Engineering Corporation Berhad ("WEC" or "the Company") and its subsidiaries ("WEC Group" or "the Group"). The primary functions of the AC, include, among others, the following:

- (a) Assess the Group's processes relating to its risks, governance and control environment;
- (b) Oversee financial reporting;
- (c) Evaluate the internal and external audit process and performance; and
- (d) Review conflict of interest situation and related party transactions.

The terms of reference of the AC is published on the Company's website at www.wec.com.my.

COMPOSITION, MEETING AND ATTENDANCE

The present AC comprised solely of Non-Executive Directors with a majority of them being independent, in compliance with para 15.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"). The members of the AC and their attendance at the three (3) meetings held during the financial year under review are as tabulated:

Composition Name Position in Committee	Attendance
Lau Chia En Chairman	3/3
Eng Teik Hiang Member	3/3
Dato Sri' Dr Hou Kok Chung ⁽¹⁾ Member (appointed w.e.f 26 March 2024)	2/2
Datuk Haji Muhamad Shapiae Bin Mat Ali Member (resigned w.e.f. 06 February 2024)	1/1

⁽¹⁾ Dato' Sri Dr. Hou Kok Chung's attendance is calculated from the date of his appointment on 26 March 2024.

All members of the AC are financially literate and are able to analyse and interpret financial statements in order to effectively discharge their duties and responsibilities as members of the AC. The AC Chairman fulfills such other requirements as prescribed by Bursa Securities on the composition of the AC as he holds a Master Degree in Business Administration and has over 18 years of experience in the corporate finance in investment banking and stock broking environment in Malaysia.

The minutes of each AC meeting were recorded and tabled for confirmation at the following AC meeting. The AC Chairman reported to the Board on the activities undertaken and the key recommendations for the Board's consideration and decision. During the financial year ended 31 October 2024 ("FY2024"), the AC met three (3) times to discuss matters, among others, in relation to the accounting and reporting practices, related party transactions as well as internal and external audits of the Group.

The meetings were appropriately structured through the use of agendas, which were distributed to members with sufficient notification. The Company Secretary or her representative was present at all the meetings. The executive Board members, members of management as well as representatives of the external auditors and internal auditors were also invited to attend the meetings as and when the need arose.

The AC also made arrangements to meet and discuss with the external and internal auditors on any matters relating to the Group and its audit activities. The AC met twice (2) with the external auditors without the presence of the executive Board members and management during the financial year under review.

AUDIT COMMITTEE REPORT

(CONT'D)

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR

The main activities undertaken by the AC during FY2024 were as follows:

1. Financial Performance and Reporting

- (a) Reviewed quarterly unaudited financial results of the Group before recommending to the Board for its consideration and approval and subsequent announcement to Bursa Securities.
- (b) Reviewed the Company's compliance, in particular, the quarterly and year-end financial statements, with the Listing Requirements, applicable approved accounting standards of the Malaysian Accounting Standards Board and other relevant legal and statutory requirements.
- (c) Reviewed recurrent related party transactions of revenue and trading nature and other related party transactions entered into by the Group.

2. Internal Audit ("IA")

- (a) Reviewed and approved the annual IA plan for FY2024.
- (b) Reviewed the internal audit reports, audit recommendations made and management's response to these recommendations and actions taken to improve the system of internal control and procedures.
- (c) Monitored the feedback and reports from the Internal Auditors for matters of non-compliance, weakness in internal control systems or the lack of it as well as recommendations and management's response.
- (d) The AC has, where appropriate, directed management to rectify and improve control procedures and workflow processes based on the internal auditors' suggestions for improvement.
- (e) Reviewed the implementation of these recommendations through follow up audit reports.
- (f) Reviewed the performance of Finfield Corporate Services Sdn. Bhd. ("Finfield") as internal auditor service provider upon confirmation that Finfield has the appropriate qualification and experience as well as being a member of The Institute of Internal Auditors Malaysia.

3. External auditors ("EA")

- (a) Discussed the audit plan, scope of work/audit and reporting obligations as well as proposed audit fee for the year under review with the external auditors before commencement of audit engagement.
- (b) Reviewed and discussed with the auditors, the findings and results arising from the audit of the FY2024 and management letter (if any) together with management's response and comments.
- (c) Responded to external auditors' enquiries and recommendations, if any, to ensure compliance with the various approved accounting standards in the preparation of the Group's financial statements.
- (d) Reviewed the suitability and performance as well as factors relating to the independence of the external auditors with due consideration to the quality, robustness and timeliness of the audit and report furnished, audit governance, level of understanding demonstrated of the Group's business and communication about new and applicable accounting practices and auditing standards and its impact on the Group's financial statements as well as the quality of the people and service level.
- (e) Reviewed and approved the non-audit services provided by the external auditors, if any.
- (f) Following a review of the performance and independence of the external auditors during FY2024, the AC recommended the re-appointment of KPMG PLT.

AUDIT COMMITTEE REPORT

(CONT'D)

SUMMARY OF ACTIVITIES DURING THE FINANCIAL YEAR (CONT'D)

4. Corporate Governance

- (a) Reviewed the relevant regulatory changes and ensure compliance by the Company and the Group.
- (b) Reviewed and approved/recommended, as applicable, the AC Report and Statement of Risk Management and Internal Control for Board's approval before inclusion in the Annual Report 2024.
- (c) Reviewed, discussed, approved and monitored recurrent related party transactions of a revenue or trading nature and other related party transactions entered into by the Group as reported by the Management.
- (d) Reviewed any conflict of interest ("COI") and potential COI of Directors and Key Senior Management ("KSM") and on the measures to be taken to resolve, eliminate or mitigate such COI for Board's deliberation and approval.
- (e) Met twice (2) with the EA in the absence of the executive Board members and management staff to discuss issues of concern to the auditors arising from the annual statutory audit.

INTERNAL AUDIT FUNCTION

The Board acknowledges the need for an effective system of internal control covering all aspects of the Group's activities including the mapping and management of risks which the Group may be exposed to.

The Group has engaged an independent professional consulting firm, Finfield Corporate Services Sdn. Bhd. ("Finfield") to provide outsourced internal audit function to carry out internal audit of the Group. This is to assist the Committee in discharging its duties and responsibilities. The cost incurred for the internal audit function of the Group in respect of the financial year under review is RM15,660.

The principal role of the internal audit function is to undertake independent and periodic reviews of the system of internal controls and risk management so as to provide reasonable assurance that such system continues to operate satisfactorily and effectively.

It is the responsibility of the internal audit function to provide the AC with independent and objective reports on the risk management profile as well as the state of internal control of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures as well as relevant statutory requirements. Finfield took the risk based approach in planning the Internal Audit Plan for the approval of the AC.

During FY2024, the internal audit function carried out 2 cycles of internal audits to test the adequacy and effectiveness of the internal control system for revenue, accounts receivable, and quality assurance. Further information on the internal audit function and its activities are set out in the Statement on Risk Management and Internal Control in this Annual Report.

This report was approved by the AC on 21 February 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Board of Directors ("Board") is pleased to present herewith the Statement on Risk Management and Internal Control ("SORMIC") which outlines the nature and scope of internal controls and risk management of the Company and its subsidiaries ("WEC Group" or "the Group") during the financial year ended 31 October 2024. This Statement is prepared pursuant to paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. However, the statement does not cover the Group's associate company, Broadway Lifestyle Sdn. Bhd..

BOARD RESPONSIBILITY

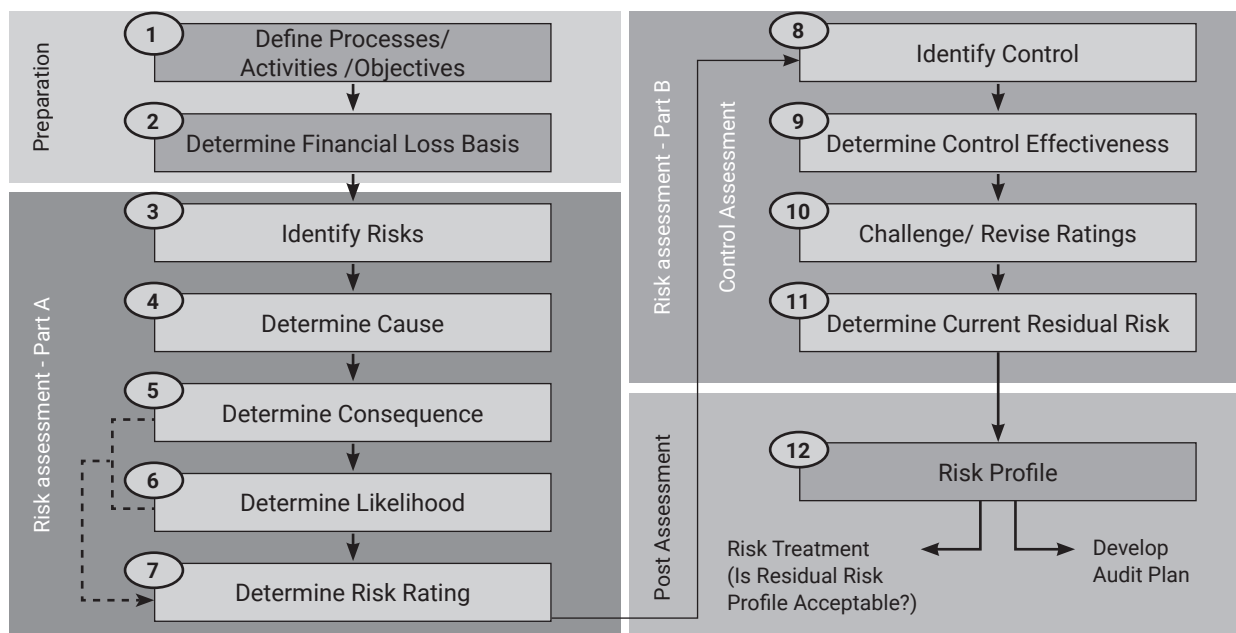
The Board recognises the importance of a sound system of internal control and an effective risk management framework for good corporate governance. The Board further affirms its overall responsibility for the Group's system of internal control and risk management and for reviewing the adequacy and integrity of this system. However, in view of the limitations underlying any system of risk management and internal controls which covers financial, operational, and compliance controls, the system is designed mainly to manage, rather than to eliminate risks that may impede the achievement of the Group's objectives. Accordingly, it can only provide reasonable but not absolute assurance against any material misstatement of information, loss, or fraud. Following the latest publication of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (the "Internal Control Guidance"), the Board confirms that there is an on-going process for identifying, evaluating, and managing significant risks faced by the Group.

RISK MANAGEMENT FRAMEWORK

Risk Management Committee ("RMC") was established by the Board with the objective to have an efficient and effective mechanism to bring the transparency, focus, and independent judgement needed to oversee the Group's risk management framework. The RMC undertakes the responsibility of reviewing the development of risk management framework, align with business and operations requirements which supports the maintenance of a strong control environment. The Group has established an on-going process for identifying, and documenting major risks, evaluating the potential impact and likelihood of occurrence, and mitigating controls through the adoption of risk management methodology and approach. This process is reviewed by the RMC for reporting to the Audit Committee ("AC") and to the Board annually.

Operational wise, Risk Management Working Group ("RMWG") is established and members of the RMWG mainly consist of the Heads of Department within the Group. In terms of frequency, the RMWG met twice (2) a year to review and update the risk register, and assess the status of risk mitigation action plan. The risk governance structure is aligned across business units and subsidiaries of the Group through the streamlining of the risk framework, policies and organisational structures in order to embed and enhance the risk management and risk culture based on the Group's growth and expansion plan.

The risk management process encompasses a 12-step process for the identification, assessment, management, and monitoring of risks that could impact the objectives of the Group.



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

RISK MANAGEMENT FRAMEWORK (CONT'D)

The RMC is required to identify major business and compliance risks concerning the respective business units, oversees and ensures integration of risk management into their business processes to safeguard the interest of the Group covering the 10 major areas, namely Commercial Program Management, Supply Chain Management, Engineering, Production, Management Information Systems, Finance, Human Resource, Warehouse & Logistics, Facility and Quality Assurance.

Existing controls to mitigate and to manage risks are then re-assessed and strengthened. The Board believes that the Group's risk management framework are integral to maintaining a sound risk management and internal control system through the establishment of RMC with the responsibilities of:-

- a) To create and establish high-level risk policies and strategies that are aligned with the strategic business objectives of the Group.
- b) To identify the critical risks the Group faces and their changes and the management action plans to manage the risks.
- c) To communicate the vision of the Board, strategy, policy, responsibilities and reporting lines to all employees across the Group.
- d) To communicate and report to the Audit Committee, on a yearly basis, the significant risks (present or potential), their changes, and the action plans of the management to manage the risks.
- e) To perform risk management activities of the Group and assist the Audit Committee in discharging its responsibilities for determining significant risks and ensuring the application of appropriate system or action plans to manage the overall risk exposure of the Group.
- f) To perform any other function that may be determined by the Audit Committee from time to time.
- g) To advise the Audit Committee on areas of high risk and the adequacy of compliance and control procedures throughout the Group.

In short, the RMC is overall responsible for maintaining, monitoring, and evaluating the effectiveness of the risk management system on an on-going basis.

INTERNAL AUDIT FUNCTION

The Group's internal audit function, which is outsourced to a firm of independent professionals, assists the Board and the Audit Committee in providing objective and independent assessment on the adequacy, efficiency and effectiveness of the Group's internal control system. To ensure independence from Management, the internal auditor is free from any relationship or conflicts of interest with the Group and has direct reporting lines to the Audit Committee. Additionally, the Internal Auditor is a Certified Internal Auditor and a member of the Institute of Internal Auditors Malaysia.

The Audit Plan is approved by the Audit Committee and audit reports and the status of the audit plan are presented to the Audit Committee. The Audit Plan and audits are carried out on a risk-based approach in cognisance with the Group's objectives and policies in the context of its evolving business and regulatory environment, taking into consideration input of the senior management and the Board. Significant findings and recommendations for improvements are highlighted to the Audit Committee, with semi-annual follow-up and reviews of action plans.

During the financial year under review, two cycles of internal audit were carried out for Wong Engineering Corporation Berhad and its subsidiaries, as follows:

- (1) Revenue
- (2) Accounts receivable
- (3) Quality assurance

The costs incurred for the internal audit function for the financial year ended 31 October 2024 amounted to RM15,660.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

OTHER RISK AND CONTROL PROCESSES

Apart from risk management and internal audit, the Board has initiated the following processes to provide assurance to the Board on the proper conduct of the Group's business operations:

- A process of hierarchical reporting has been established to ensure appropriate segregation of duties and an auditable trail of accountability.
- A formal scope of responsibility and delegation of authority has been established through the Board Charter/ terms of reference and organizational structures.
- Board and Audit Committee meetings are carried out to assess the overall performance and internal controls of the Group.
- The Audit Committee reviews the financial results and evaluates explanations and reasons for any significant unusual variances.
- The RMWG comprising heads of department from each subsidiary who review operationally their respective business units and report to RMC in order to assist RMC in discharging their oversight role on the Group's activities.
- The professionalism and competency of staff are being emphasized through training and yearly performance evaluation.
- Monthly operation and management meetings were held to discuss the financial and operational matters to ensure proper control in all facets.
- The Group uses the SAP system in its operations and financial reporting. The control features embedded in the system enhance the control environment of the Group.

Effectiveness of Internal Control

The review and assurance of the system of internal control is a semi-annual process where selected areas are reviewed. It is reviewed by the Internal Audit and Audit Committee and weaknesses and incidents of non-compliance with policies and procedures are highlighted to the management for improvement actions to achieve business objectives.

Weaknesses In Risk Management and Internal Controls That Result In Material Losses

The Board remains committed towards establishing a robust system of risk management and internal control and is of the opinion that there were no material losses, contingencies or uncertainties that would require disclosure in the Group's Annual Report during the year resulting from weaknesses in risk management and internal control. Management continues to take measures to strengthen the control environment.

Assurance from Management

The Board has received assurance from the Executive Directors that the Group's risk management and internal control systems are operating adequately and effectively, in all material aspects, during the financial year under review and up to date of this Statement.

The Board is of the view that the system of risk management and internal controls in place are satisfactory to protect the Group's interest and that of its stakeholders, particularly on enhancing shareholders' value.

This Statement is made in accordance with the resolution of the Board of Directors on 21 February 2025.

ADDITIONAL COMPLIANCE INFORMATION

The following information is presented in compliance with the Main Market Listing Requirement of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements"):

1. Utilisation of Proceeds

No proceeds were raised from any corporate exercise during the financial year.

2. Audit Fees and Non-Audit Fees

The amount of audit fees and non-audit fees paid to the external auditors or a firm or corporation affiliated to the external auditor by the Group during the financial year ended 31 October 2024 are as follows:

Paid By	Audit Fees (RM)	Non- Audit Fees (RM)
Company	39,600	4,600
Group	170,500	4,600

The recurring non-audit services include annual review of the Statement on Risk Management and Internal Control.

3. Material Contracts involving Directors and Substantial Shareholders

There were no material contracts entered into by the Company and its subsidiaries, involving the Directors' and substantial shareholders' interests during the financial year ended 31 October 2024.

4. Recurrent Related Party Transaction of a Revenue or Trading Nature ("RRPT")

Details of the RRPT transacted during the financial year ended 31 October 2024 pursuant to the shareholders' mandate obtained by the Company at the AGM held on 26 March 2024 are as tabulated below. The information contained herein, save for the actual value transacted, is extracted from the Circular dated 26 February 2024.

Provider of goods and services	Recipient of goods and services	Nature of transaction	Actual value transacted # (RM)	Related parties
Tajukon Sdn. Bhd. ("Tajukon")	WEC Construction Sdn. Bhd.	Project management services for in relation to earthworks, infrastructure works, building construction works, project supervision, conceptual design, procurement of architectural services, quantity surveying and certification of works, contract documentation including reviewing, coordinating of construction documents, liaising with relevant authorities and consultants and other services.	NIL	Yong Loy Huat ("YLH") is the Chief Executive Officer and major shareholder of WEC. YLH is also a Director and major shareholder of Tajukon. He holds 66% equity interest in Tajukon.

ADDITIONAL COMPLIANCE INFORMATION

(CONT'D)

4. Recurrent Related Party Transaction of a Revenue or Trading Nature ("RRPT") (Cont'd)

Details of the RRPT transacted during the financial year ended 31 October 2024 pursuant to the shareholders' mandate obtained by the Company at the AGM held on 26 March 2024 are as tabulated below. The information contained herein, save for the actual value transacted, is extracted from the Circular dated 26 February 2024. (Cont'd)

Provider of goods and services	Recipient of goods and services	Nature of transaction	Actual value transacted # (RM)	Related parties
Tajukon Sdn. Bhd. ("Tajukon")	WEC Construction Sdn. Bhd.	Rental of cranes, formworks, machineries and equipment to facilitate the operational works.	NIL	Yong Chew Lian is a Director and shareholder of Tajukon. She holds 20% equity interest in Tajukon. She is also the sister of YLH and Yong Kwee Lian, a major shareholder of WEC.
		Rental of office space located at No. 31-4, Tingkat 3, Jalan SP 2/2, Taman Serdang Perdana Seksyen 2, 43300 Seri Kembangan, Selangor.	14,400	Low Siong Chan is a Director and shareholder of Tajukon. He holds 8% equity interest in Tajukon. He is also the brother-in-law of YLH and the brother of Low Seong Chuan.

Note:

The actual value transacted during the financial year ended 31 October 2024.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Statement of Directors' Responsibilities in relation to the preparation of audited financial statements pursuant to Paragraph 15.26(a) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") ("Listing Requirements").

The Directors are responsible for ensuring that the audited financial statements of the Group and of the Company are prepared in accordance with the requirements of the Malaysian Financial Reporting Standards in Malaysia, the provisions of the Companies Act 2016 and the Listing Requirements.

The Directors are also responsible for ensuring that the audited financial statements of the Group and of the Company are prepared with reasonable accuracy from the accounting records which give a true and fair view of the state of affairs of the Group and of the Company as at 31 October 2024 and of the results and the cash flows of the Group and of the Company for the financial year ended on that date.

The Directors are satisfied that in preparing the financial statements of the Group and the Company for the financial year ended 31 October 2024, the Group and the Company have used appropriate accounting policies and applied them consistently and made judgements and estimates that are reasonable.

The Directors are also responsible for taking reasonable steps to safeguard the assets of the Group and of the Company to prevent and detect fraud and other irregularities.

SUSTAINABILITY STATEMENT

1. INTRODUCTION

(GRI 2-1, 2-2, 2-3)

1.1. About this Report

Wong Engineering Corporation Berhad ("WEC" or "the Company") recognizes the importance of sustainability as a fundamental driver for the long-term, sustainable growth of WEC and its subsidiaries ("WEC Group" or "the Group"). Building on our previous efforts, we are pleased to share that this year, we have intensified our commitment to sustainability, dedicating additional resources and focus to enhance our performance across environmental, social, and governance (ESG) dimensions. The Board of Directors ("Board") and the management team continue to actively integrate sustainability into our business strategies and day-to-day operations, aiming to achieve the Group's broader goals while creating value for all stakeholders.

This report has undergone a comprehensive validation and review by both our Board of Directors and our Sustainability Committee, underscoring our commitment to accuracy and accountability. The involvement of these key governance bodies ensures that our disclosures reflect a fair, transparent, and up-to-date representation of our sustainability initiatives, goals, and performance metrics.

We have strived to maintain the highest level of transparency in our disclosures, goals, and key performance indicators within this Report, presenting data that is accurate, current, and reflective of our continuous improvement efforts. Looking ahead, we are committed to refining our reporting practices and sustainability strategies further, demonstrating our dedication to progressing in our ESG journey year after year and setting higher standards for responsible business practices.

1.2. Scope and Boundaries

This sustainability report encompasses Wong Engineering Industries Sdn. Bhd. (WEI), Wong Engineering Electronics Sdn. Bhd. (WEE), and Wong Exerion Precision Technology Sdn. Bhd. (WEX). Headquartered in Kulim Hi-Tech Park, Kedah, we include these entities as they are wholly owned and have significant financial impact on our overall performance. As a large and diverse organization, establishing clear organizational boundaries is essential to ensure consistent and accurate reporting of our sustainability performance. Moving forward, we are committed to expanding our ESG disclosures to cover additional segments of our business in future reports, demonstrating our dedication to transparency and sustainability.

1.3. Period and Cycle

This Report covers the financial period from 1 November 2023 to 31 October 2024 and will continue to be published annually. Where feasible, the Report includes data and information from the previous three financial years to provide a comprehensive basis for trend analysis and historical context, enabling stakeholders to assess our ongoing performance and long-term progress. Through this approach, we strive to offer transparent, year-over-year insights into our achievements and areas for improvement.

1.4. Frameworks and Standards

This Report adheres to all relevant international and local ESG regulations applicable in Malaysia, ensuring strict and comprehensive compliance with industry best practices. The regulations covered are not limited to the following (refer to the following table for details), as we continuously benchmark our performance against evolving standards. Our overarching goal is to not only meet regulatory requirements but to drive improvements in our ESG journey. By doing so, we aim to position Wong Engineering Corporation Berhad as a leader in both precision engineering and sustainability, setting a benchmark for excellence in the industry.

SUSTAINABILITY STATEMENT (CONT'D)

1. INTRODUCTION (CONT'D)

(GRI 2-1, 2-2, 2-3)

1.4. Frameworks and Standards (Cont'd)



Framework	Definition	Why it Matters to us	Progress
 Bursa Malaysia Sustainability Report Framework 3rd Edition	<p>Malaysia's Stock Exchange requires publicly listed companies to disclose 22 statistics across 11 common indicators. The common indicators target and cover environmental, social, and governance topics.</p>	<ul style="list-style-type: none"> • Regulatory Compliance: Ensures the Group meets local disclosure requirements and adheres to Bursa Malaysia standards. • ESG Management: Helps the Group address ESG issues. • Stakeholder Trust: Builds transparency and trust among stakeholders, including investors and the community. Identify and manage major ESG issues in Malaysia. 	Active
 Global Reporting Initiative (GRI)	<p>An international framework that provides standards for organizations to report on their economic, environmental, and social impacts. It aims to promote transparency, accountability, and sustainability by offering guidelines for companies to disclose their sustainability performance.</p>	<ul style="list-style-type: none"> • Global Recognition: Provides a globally recognized framework for transparent and comparable ESG disclosures. • Stakeholder Engagement: Enhances communication and meets stakeholder expectations through standardized reporting. • Sustainability Focus: Aligns the Group's operations with international best practices for sustainable growth. 	Active
 United Nation Sustainable Development Goals (UN SDGs)	<p>A set of 17 global goals established by the United Nations in 2015 to address urgent social, economic, and environmental challenges. The goals aim to end poverty, protect the planet, and ensure prosperity for all by 2030. Each goal has specific targets and indicators, focusing on areas such as health, education, gender equality, clean water, climate action, and sustainable economic growth.</p>	<ul style="list-style-type: none"> • Global Alignment: Aligns the Group's ESG efforts with international sustainability goals and priorities. • Partnership Opportunities: Fosters collaboration with global partners on shared sustainability objectives. • Comprehensive Focus: Addresses diverse challenges like poverty, climate action, and economic growth through targeted initiatives. 	Active

SUSTAINABILITY STATEMENT (CONT'D)

1. INTRODUCTION (CONT'D)

(GRI 2-1, 2-2, 2-3)

1.4. Frameworks and Standards (Cont'd)

Framework	Definition	Why it Matters to us	Progress
 Taskforce on Climate-related Financial Disclosure	<p>The Task Force on Climate-related Financial Disclosures (TCFD) provides a global framework to consistently and transparently disclose climate-related financial risks and opportunities. Its recommendations focus on governance, strategy, risk management, and metrics and targets, enabling organizations to integrate climate considerations into decision-making processes.</p>	<ul style="list-style-type: none"> • Risk Management: Helps the Group identify, assess, and manage climate-related risks and opportunities. • Investor Confidence: Provides transparent climate-related financial disclosures, enhancing trust and decision-making for investors. • Strategic Planning: Aligns the Group's strategies with long-term climate resilience and sustainability goals. 	FY2025
 Science-based Targets initiatives	<p>A global organization that guides companies in setting GHG emissions reduction targets aligned with the latest climate science and the goals of the Paris Agreement. It provides targets that are specific, measurable, and aligned with limiting global warming to 1.5°C or well below 2°C.</p>	<ul style="list-style-type: none"> • Climate Commitment: Align Group's dedication with accurate climate science. • Global Benchmarking: Aligns the Group's targets with internationally recognized emission reduction standards. • Business Leadership: Positions the Group as a leader in climate action, enhancing reputation and stakeholder trust. 	FY2025

1.5. Assurance Readiness

(GRI 2-5)

This Report has not undergone internal or external assurance; however, it has been prepared to be assurance-ready in alignment with international standards. The Group is committed to enhancing the credibility of our sustainability reporting and plans to obtain limited assurance for future reports. Despite not being assured at this stage, this Report upholds the highest levels of credibility, reliability, and transparency. All methods, data, and relevant documents used in the preparation of this Report have been meticulously recorded and will be readily available for submission to assurance bodies for verification in the future. This proactive approach ensures that our disclosures remain robust and trustworthy as we continue to strengthen our ESG practices.

1.6. Feedback

ESG is not a journey that the Group can undertake alone; it is a collective effort that requires the valuable help and support of our stakeholders. We firmly believe that your insights, perspectives, and constructive feedback are crucial in shaping and improving our sustainability practices. Any feedback on this Sustainability Report will be greatly appreciated as it enables us to better understand your expectations, address key concerns, and enhance the quality and relevance of our ESG disclosures. We are committed to fostering open and transparent communication, and we encourage all stakeholders to share their thoughts with us as we strive for continuous improvement in our sustainability journey.

SUSTAINABILITY STATEMENT (CONT'D)

1. INTRODUCTION (CONT'D)

(GRI 2-1, 2-2, 2-3)

1.6. Feedback (Cont'd)

Your Voice, Our Drive: Building Better ESG together with WEC	
Email:	info@wec.com.my
Telephone:	+604-427 1788
Address:	Lot 24, Jalan Hi-Tech 4, Kulim Hi-Tech Park (Phase 1), 09000 Kulim, Kedah

2. ABOUT WEC GROUP

2.1. Company Description

At Wong Engineering Corporation Berhad (WEC), we take pride in our legacy of over 40 years as a leader in precision engineering. Founded in 1982, our company specializes in manufacturing high-precision stamped and turned metal components, complex welded frame structures, and related modules and systems. We also engage in the trading, marketing, and retailing of industrial and consumer products, serving diverse global industries including electrical and electronics, semiconductors, telecommunications, digital imaging, healthcare, and oil and gas.

Our operations are guided by a steadfast commitment to quality, backed by certifications such as ISO9001:2015, ISO14001:2015, and ISO13485:2016 (**Fig 2.1**). We pride ourselves on delivering value-added mechanical solutions that span the entire supply chain, from design and development to final assembly, ensuring superior quality and timely delivery.



Fig 2.1 Certifications Achieved by the Group: ISO9001:2015 (Quality Management), ISO14001:2015 (Environmental Management), and ISO13485:2016 (Medical Devices Quality Management).
















To drive sustainable growth and diversify our core manufacturing business, we have strategically ventured into construction and property development. This diversification not only broadens our revenue base but also aligns with our mission to maximise value for our shareholders.

At WEC, sustainability is integral to our ethos. We continue to explore innovative solutions and technologies to reduce environmental impact while fostering long-term relationships with stakeholders. Our vision is to remain an industry leader by consistently delivering excellence, ensuring customer satisfaction, and adhering to the highest standards of corporate governance and sustainability.

SUSTAINABILITY STATEMENT (CONT'D)

2. ABOUT WEC GROUP (CONT'D)

2.2. Sustainability Highlights

 <p>1 NO POVERTY</p> <p>We create local job opportunities and support economic resilience through CSR programs and sponsorships.</p>	 <p>2 ZERO HUNGER</p> <p>Our community outreach programs provide food donations and assistance to welfare homes.</p>	 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>90.9% of employees received health and safety training in FY2024, and our blood donation campaign benefited local communities.</p>	 <p>4 QUALITY EDUCATION</p> <p>We invested 2,800+ training hours in FY2024 and supported local education initiatives to empower communities.</p>	 <p>5 GENDER EQUALITY</p> <p>64% of executive roles were held by women in FY2024, reflecting our commitment to diversity and inclusivity.</p>
 <p>6 CLEAN WATER AND SANITATION</p> <p>We cut water consumption by 19.8% (FY2022–FY2024) and plan to explore rainwater harvesting for further efficiency.</p>	 <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>Energy-saving measures like chiller upgrades and motion sensors reduced consumption, with solar feasibility studies underway.</p>	 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Fair labour practices and safety measures have reduced employee turnover by 33% since FY2022.</p>	 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>Our precision engineering utilizes advanced technology, with 86.34% of suppliers sourced locally in FY2024.</p>	 <p>10 REDUCED INEQUALITIES</p> <p>We ensure inclusivity and equal opportunities, fostering a supportive environment for all employees.</p>
 <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>We contributed to sustainable city development by reducing energy consumption by 19.8% in FY2024.</p>	 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>We are enhancing energy efficiency through the installation of photocells.</p>	 <p>13 CLIMATE ACTION</p> <p>We have reduced our carbon footprint through energy optimization and will disclose emissions data in FY2025.</p>	 <p>14 LIFE BELOW WATER</p> <p>While not a focus this year, aquatic biodiversity initiatives will be in future disclosures.</p>	 <p>15 LIFE ON LAND</p> <p>WEC minimizes biodiversity impact through strict waste management, with planned disclosures in the future.</p>
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> <p>Zero corruption incidents in FY2024 reflect our robust governance and anti-corruption measures, alongside waste management initiatives.</p>	 <p>17 PARTNERSHIPS FOR THE GOALS</p> <p>Collaborating with global and local partners, we align with international sustainability standards to achieve shared goals.</p>			

SUSTAINABILITY STATEMENT (CONT'D)

2. ABOUT WEC GROUP (CONT'D)

2.3. Joint Statement of Leadership

Dear Stakeholders,

As Wong Engineering Corporation Berhad (WEC) enters FY2025 we reaffirm our commitment to driving sustainable progress and operational excellence across our business. The past year has underscored the importance of innovation and resilience in achieving our goals, and we are excited to share the steps we are taking to elevate our Environmental, Social, and Governance (ESG) performance.



Fig 2.3 Celebrating 40 Years of Excellence: A tribute to our committed employees, together.

Stepping up our ESG Reporting

To enhance our impact and accountability, we are exploring upgrading our ESG tracking and reporting systems to align with global best practices. This year, our focus has been on the nine common indicators outlined in the Bursa Malaysia Sustainability Reporting Framework (3rd Edition), the Global Reporting Initiative (GRI), and the United Nations Sustainable Development Goals (UN SDGs). This targeted approach reflects our prioritization of resources to ensure robust ESG data extraction and accurate reporting processes. We are building a strong foundation for transparent and meaningful disclosures by concentrating on these key areas.

In FY2025, we plan to expand our scope by disclosing two additional common indicators: waste management and emissions. This progression will be supported by integrating internationally recognized frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD), Greenhouse Gas Protocol (GHG Protocol), and Science-Based Targets initiative (SBTi). These efforts underscore our commitment to continuous improvement and our drive to embed sustainability deeply within our operations and decision-making processes.

Our WEC Portal and Plans for the Future

Operational since FY2021, WEC's company portal stands as a testament to our ongoing digitalization efforts. Developed in-house by our talented MIS team, the portal has transformed key operations into a paperless and seamless workflow. It currently supports a majority of our HR and employee processes, including leave applications, payslips, attendance, overtime management, and personal taxation documents. Beyond HR, the portal enhances cross-department efficiency by providing a ticketing system for MIS and Facility operations, as well as a scrap form for Manufacturing.

SUSTAINABILITY STATEMENT (CONT'D)

2. ABOUT WEC GROUP (CONT'D)

2.3. Joint Statement of Leadership (Cont'd)

Our WEC Portal and Plans for the Future (Cont'd)

A standout feature of the portal is its integration with employee certification and training records, complete with automated reminders to ensure full compliance with regulatory requirements. This functionality is available and holds significant potential for enhancing our processes. We are exploring ways to align our business practices to leverage this capability fully in the coming year, aiming to reduce administrative complexity and prevent regulatory fallouts.

Looking ahead, we are exploring further enhancements to this platform. Medium-term plans include digitalizing employee training records (both internal and external), performance reviews, and CSR activity tracking—all within the portal. Additionally, the system is designed to enhance specific aspects of the ESG data collection process, particularly focusing on key areas on Scope 1, Scope 2, and Scope 3 emissions by WEC. While it is not intended to support full ESG data centralization at this stage, we are actively exploring innovative approaches to facilitate broader ESG data integration in the future, reinforcing our commitment to sustainability and continuous improvement.

Exploring Renewable Energy Integration and Vehicle Replacement

As part of WEC's evolving sustainability journey, we are actively exploring opportunities to integrate renewable energy solutions into our operations. While these efforts are in the preliminary stages, one key area under consideration is the feasibility of installing solar roofs across all our facilities. This initiative, aligned with our short-term strategy, aims to enhance energy efficiency and reduce reliance on conventional energy sources. By examining these possibilities, WEC seeks to align with global sustainability trends and reinforce our commitment to environmental stewardship. In parallel, we are reviewing our vehicle fleet to identify opportunities for upgrades that improve energy efficiency. This includes our recent replacement of three aging vehicles to incorporate more energy-efficient models. Additionally, we are assessing the viability of adopting electric vehicles (EVs) as part of a medium-term strategy, further demonstrating our intent to explore sustainable mobility solutions.

While these plans are still in the exploratory phase, they reflect WEC's proactive approach to sustainability and our dedication to evaluating meaningful initiatives that contribute to a greener future.

Fostering a Culture of Innovation and Sustainability

Our ESG initiatives are deeply rooted in our corporate culture. We are committed to fostering innovation, empowering our employees, and promoting sustainable practices across all aspects of our operations. By aligning our sustainability goals with our business strategies, we aim to create long-term value for all stakeholders while addressing the challenges of an evolving global landscape.

Looking ahead, we remain focused on realizing these aspirations with the same determination and integrity that have defined WEC for decades. We thank you, our stakeholders, for your trust and continued support as we work together to build a more sustainable and prosperous future.

ANSTEY YONG LEE TEEN

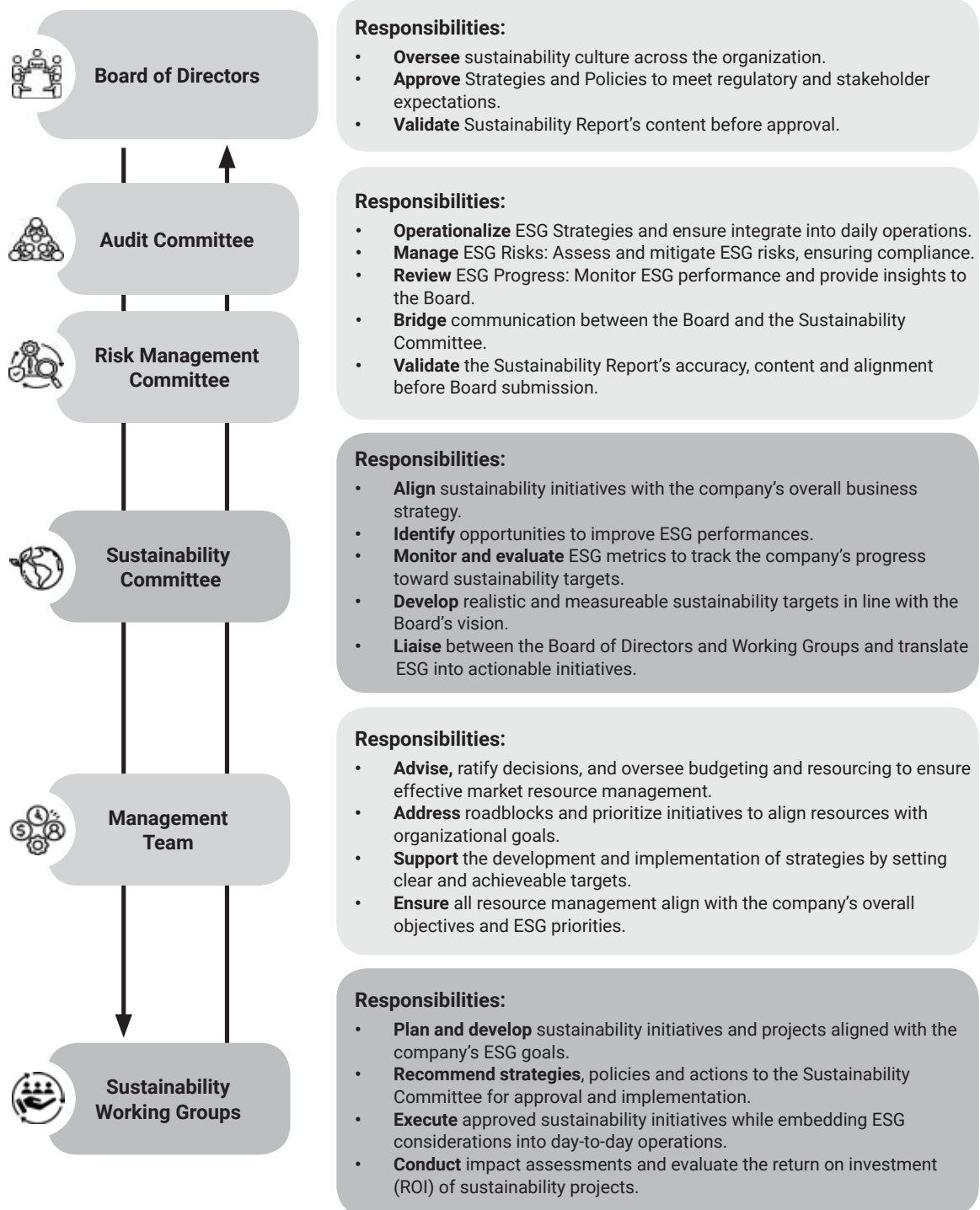
Executive Director

Date: 07/02/2025

SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY STATEMENT

3.1. Sustainability Governance Structure



SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY STATEMENT (CONT'D)

3.1. Sustainability Governance Structure (Cont'd)

Our sustainability governance structure is the cornerstone of our Environmental, Social, and Governance (ESG) journey. We believe that achieving sustainability excellence requires a balance between top-down strategic leadership and bottom-up execution, where every level of our organization plays a vital role. This structure ensures that ESG is not just a vision but a tangible commitment embedded in our operations and culture.

At the top, our **Board of Directors** provides strategic oversight to steer the Group's sustainability agenda. The Board's role goes beyond oversight; it ensures that all sustainability strategies and policies meet regulatory requirements and stakeholder expectations. By validating key deliverables like the Sustainability Report, the Board demonstrates its commitment to transparency and accountability, ensuring that our ESG performance is credible and measurable.

Supporting the Board's direction are the **Audit Committee** and the **Risk Management Committee**, which ensure sustainability is operationalized across our daily activities. These committees play a critical role in managing ESG risks, monitoring our performance, and ensuring compliance with established frameworks. Acting as a bridge between the Sustainability Committee and the Board, they provide vital insights that keep our ESG initiatives on track while fostering continuous improvement.

The **Sustainability Committee** drives our efforts to integrate sustainability into every aspect of our business. It works closely with both the Board and operational teams to set clear, measurable ESG targets, track progress, and identify areas for improvement. By aligning sustainability with our broader business strategy, the committee ensures that our actions are focused, impactful, and aligned with WEC's long-term vision.

To ensure that our resources are effectively aligned with our ESG goals, our Sustainability Working Group reports on ESG-related progress and performance to the **Management Team** during the Management Review Meeting. The Management Team oversees resourcing and budgeting for sustainability initiatives and will help address challenges, removes roadblocks, and ensures that our priorities are well-resourced, enabling us to achieve our sustainability objectives efficiently. Their role ensures that sustainability remains a practical and achievable priority for the organization.

At the operational level, our **Sustainability Working Groups** bring our ESG strategy to life. These teams are responsible for planning and executing sustainability initiatives while embedding ESG considerations into day-to-day operations. They also evaluate the outcomes of our projects, ensuring that we remain focused on delivering measurable impact and continuous improvement. By empowering our teams on the ground, we ensure that ESG is not just a corporate goal but a shared responsibility.

Across the whole WEC, sustainability is not just a top-down effort driven by leadership—it is equally a bottom-up approach where every employee plays a role in driving change. From strategy to execution, our governance structure fosters collaboration, accountability, and innovation at every level. This integrated approach ensures that WEC continues to make meaningful progress on our ESG commitments, creating long-term value for our business, stakeholders, and the environment.

SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY STATEMENT (CONT'D)

3.2. Materiality Assessment (GRI 2-29, 3-1, 3-2, 3-3)

3.2.1. Inclusivity: Stakeholder Engagement and Our Responses

At Wong Engineering Corporation Berhad (WEC), we recognize that our stakeholders are the cornerstone of our long-term success and sustainability. Their insights, expectations, and active participation guide our strategies and shape our commitment to creating shared value. Engaging with our stakeholders is essential not only for fostering trust and collaboration but also for aligning our business priorities with the evolving social, environmental, and economic landscape.

We actively engage with our employees across all levels, shareholders who invest in and support our vision, customers who rely on our products and services, suppliers who are integral to our supply chain, regulators who provide the frameworks for compliance and governance, and local communities where our operations are based. These stakeholders play a pivotal role in shaping our sustainability strategies by offering diverse insights and perspectives. Through consistent and transparent communication, we ensure their expectations are integrated into our business practices, fostering mutual growth and long-term value creation.

Understanding the diverse perspectives of our stakeholders is critical to ensuring that our actions address their most pressing concerns. To this end, we actively engage through various channels such as surveys, town hall meetings, regular dialogue sessions, and participation in community initiatives.

3.2.2. Engagement Methods and Frequency

We prioritize meaningful engagement with our stakeholders through a variety of communication channels designed to foster transparency, collaboration, and mutual understanding. Our methods focus on creating opportunities for open dialogue and actionable feedback, ensuring that stakeholder concerns are effectively addressed. Key methods of engagement include:

- **Meetings and Dialogues:** One-on-one discussions, group meetings, and formal dialogues to gather insights and address specific concerns.
- **Surveys and Feedback Mechanisms:** Regular surveys and feedback forms to understand stakeholder priorities and satisfaction levels.
- **Reports and Disclosures:** Sharing key updates through annual reports, ESG disclosures, and compliance reporting to maintain transparency.
- **Training and Workshops:** Conducting internal and external training sessions to enhance skills and awareness on relevant topics.
- **CSR and Outreach Programs:** Engaging with local communities through initiatives that support social and environmental well-being.





These methods enable us to build trust and ensure that stakeholder perspectives are integral to our sustainability journey and strategic decision-making.

SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY STATEMENT (CONT'D)

3.2. Materiality Assessment (Cont'd) (GRI 2-29, 3-1, 3-2, 3-3)

Table 3.2.2 Our stakeholder engagement methods, frequency, and responses.

Key stakeholder Group		Importance to WEC	
<div>Employees</div> <div></div>		Employees are WEC’s most valuable assets, essential for driving daily operations, fostering innovation, and ensuring efficiency. They play a critical role in the success of the business and are supported with a safe, inclusive environment that promotes growth, well-being, and equal opportunities.	
Key interest	Engagement method		Engagement frequency
	• Townhalls		• Semi-annually
	• Feedback sessions and performance appraisal		• Annually
	• Trainings, talks, and campaigns		• Monthly
	• Employees’ e-Portal		• Daily
	• Equal Employment policy		• As required
	• Ethics policy		• As required
	• Whistleblowing policy		• As required
	• Employee handbook		• As required
	• Social and cultural engagement activities		• Quarterly
Potential risks to WEC:		Potential opportunities to WEC:	
<ul style="list-style-type: none">• High turnover leading to costly recruitment• Low motivation, reducing innovation output and quality• Reputational damage and difficult talent attraction		<ul style="list-style-type: none">• Increased talent retention and employee loyalty• Enhanced productivity, leading to high-quality work• Improved collaboration• Positive brand image	
Our Goal:			
<ul style="list-style-type: none">• To provide a safe and healthy workplace with good welfare and equal employment opportunities.• To retain top performers and attract new talent.			
Our Actions:			
<ul style="list-style-type: none">• Offer ongoing career growth and development programs to enhance skills.• Prioritize employee safety with robust health and safety protocols.• Provide flexible working arrangements to support work-life balance.• Offer wellness programs focused on physical, mental, and emotional health.• Implement fair compensation policies with competitive pay and benefits.			
United Nation Sustainable Development Goals:			
<div></div> <div>Through robust health and safety protocols, wellness programs addressing physical, mental, and emotional health, and flexible work arrangements, WEC prioritizes the well-being of its employees. These initiatives contribute to improved overall health and work-life balance.</div>		<div></div> <div>WEC fosters a safe, healthy, and fair workplace through training programs, fair compensation, and talent retention efforts. Prioritizing safety, engagement, and flexible work arrangements enhances productivity and motivates the workforce.</div>	
		<div></div> <div>WEC’s commitment to equal employment and fair treatment ensures a workplace that values fairness, equity, and inclusivity, supported by policies like the Equal Employment Policy, ethics policy, and whistleblowing mechanisms.</div>	





SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY STATEMENT (CONT'D)

3.2. Materiality Assessment (Cont'd)

(GRI 2-29, 3-1, 3-2, 3-3)

Table 3.2.2 Our stakeholder engagement methods, frequency, and responses. (Cont'd)

Key stakeholder Group		Importance to WEC
Shareholders and Investors 		<p>WEC's key stakeholders and owners, providing essential support and resources to drive sustainable growth and long-term success. They are valued for their trust and confidence, with the Group committed to delivering transparent disclosures, maximizing value, and fostering strong relationships through ethical governance and strategic planning.</p>
Key interest	Engagement method	Engagement frequency
<ul style="list-style-type: none"> Financial / Business performance review Operation in compliance with relevant laws and regulations Shareholder value Strategic plans Sustainable growth 	<ul style="list-style-type: none"> Annual reports Annual / Extraordinary general meetings Public announcements Corporate website Interim and audited financial reports 	<ul style="list-style-type: none"> Annual Annual As required Daily Quarterly
Potential risks to WEC: <ul style="list-style-type: none"> Stock price volatility Loss of investor confidence, leading to divestment Difficulty raising capital 		Potential opportunities to WEC: <ul style="list-style-type: none"> Enhanced shareholder value Access to capital Increased reputation for good governance
Our Goal: <ul style="list-style-type: none"> To provide reliable and up-to-date disclosures on WEC's material information. To maximise the shareholders' relationship with WEC. 		
Our Actions: <ul style="list-style-type: none"> Regularly review and disclose compliance with financial and ESG frameworks. Share regular financial performance reports to ensure transparency. Engage investors with annual general meetings and quarterly updates. Provide insights into risk management strategies and governance practices. Uphold ethical standards and anti-corruption measures for investor trust. 		
United Nation Sustainable Development Goals:		
 <p>WEC prioritizes sustainable growth, shareholder value, and access to capital. By fostering investor confidence through strategic plans and regular performance reviews, WEC supports economic stability and long-term business success.</p>	 <p>Through responsible governance and adherence to financial and ESG frameworks, WEC ensures sustainable operations. This includes disclosing material information, risk management strategies, and governance practices to align with global standards.</p>	 <p>WEC upholds strong governance and transparency through compliance disclosures, anti-corruption measures, and ethical standards. Sharing financial reports, holding general meetings, and ensuring regulatory compliance demonstrate our commitment to accountability and responsibility.</p>




SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY STATEMENT (CONT'D)

3.2. Materiality Assessment (Cont'd)

(GRI 2-29, 3-1, 3-2, 3-3)

Table 3.2.2 Our stakeholder engagement methods, frequency, and responses. (Cont'd)

Key stakeholder Group		Importance to WEC
Customers 		<p>The foundation of WEC's success, relying on its products and services for quality, reliability, and innovation. The Group is dedicated to meeting customer needs through consistent engagement, competitive offerings, and a commitment to safety, trust, and long-term relationships.</p>
Key interest	Engagement method	Engagement frequency
<ul style="list-style-type: none"> Reliable quality products Stable supply chain Sustaining long-term relationship Competitive pricing Safety and security 	<ul style="list-style-type: none"> Website and social media Regular on-site visits Meetings Ethical practices Customer Satisfaction Survey 	<ul style="list-style-type: none"> Daily As required Quarterly As required Annually
Potential risks to WEC:		Potential opportunities to WEC:
<ul style="list-style-type: none"> Customer attrition (loss) Revenue loss Negative brand image or legal risks 		<ul style="list-style-type: none"> Customer loyalty Enhanced brand reputation Increased market share
Our Goal:		
<ul style="list-style-type: none"> To enhance customer loyalty and to build long-term sustainable relationships with customers. 		
Our Actions:		
<ul style="list-style-type: none"> Proactively address customer complaints and ensure swift resolution. Engage in regular communication about product improvements and updates. Implement data protection measures to maintain trust. Gather feedback through satisfaction surveys to improve service quality. Prioritize product safety and innovation to meet customer expectations. Meeting customer score cards. 		
United Nation Sustainable Development Goals:		
 <p>WEC fosters long-term customer relationships and supports economic growth through proactive customer engagement, swift resolution of complaints, and continuous product improvements. These efforts enhance customer satisfaction, loyalty, and revenue stability.</p>	 <p>WEC prioritizes delivering reliable, high-quality products and maintaining a stable supply chain. By ensuring product safety, competitive pricing, and innovation, the company meets customer expectations while promoting sustainable production practices.</p>	 <p>The Group upholds ethical practices and implements robust data protection measures to maintain trust and safeguard customer information. Transparent communication and customer feedback mechanisms further reinforce WEC's commitment to strong governance and accountability.</p>





SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY STATEMENT (CONT'D)

3.2. Materiality Assessment (Cont'd)

(GRI 2-29, 3-1, 3-2, 3-3)

Table 3.2.2 Our stakeholder engagement methods, frequency, and responses. (Cont'd)


Key stakeholder Group		Importance to WEC	
<div>Government and Regulatory Authorities</div> <div></div>		Vital stakeholders that establish the rules and frameworks guiding the WEC's operations. The Group prioritizes compliance, transparent communication, and proactive collaboration to support economic growth, ensure regulatory alignment, and maintain its license to operate.	
Key interest		Engagement method	Engagement frequency
<ul style="list-style-type: none">Compliance with relevant rules and regulations.Support the country's economic growth.	<ul style="list-style-type: none">Participate in training programme organised by regulators or authorities.	<ul style="list-style-type: none">As required	
	<ul style="list-style-type: none">Inspections or Inquiries by regulators or authorities	<ul style="list-style-type: none">As required	
Potential risks to WEC:		Potential opportunities to WEC:	
<ul style="list-style-type: none">Legal penalties, leading to legal costs and sanctionsOperational disruptionsLicensing and permit issues		<ul style="list-style-type: none">Regulatory favour, easing future regulatory burdensRisk mitigationCompetitive edge	
Our Goal:			
<ul style="list-style-type: none">To comply with all relevant rules and regulations.			
Our Actions:			
<ul style="list-style-type: none">Ensure full compliance with local and international regulatory standards.Implement internal controls to meet environmental and safety standards.Maintain transparent communication channels with regulatory bodies.Ensure accountability through third-party audits and certifications.Implement best practices in governance to meet industry standards.			
United Nation Sustainable Development Goals:			
<div></div>	<div></div>		<div></div>
By ensuring compliance with regulatory requirements and supporting the country's economic growth, WEC contributes to a stable and productive business environment. Actions like implementing best governance practices and meeting environmental and safety standards mitigate operational risks and enhance long-term economic resilience.	WEC implements internal controls to meet environmental standards, ensuring operations are efficient, compliant, and sustainable. This focus on best practices aligns with industry standards and supports responsible production processes.		WEC prioritizes full compliance with local and international regulations, ensuring strong governance and accountability. By maintaining transparent communication with regulators, participating in training programs, and adhering to inspections, WEC reinforces its commitment to operating responsibly and ethically.

SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY STATEMENT (CONT'D)

3.2. Materiality Assessment (Cont'd) (GRI 2-29, 3-1, 3-2, 3-3)

Table 3.2.2 Our stakeholder engagement methods, frequency, and responses. (Cont'd)

Key stakeholder Group	Importance to WEC	
<div>Local community</div> <div></div>	<div>Key partner in the WEC’s sustainability journey, as its well-being is closely intertwined with the Group’s operations. Through meaningful engagement, job creation, and support for educational and environmental initiatives, the Group fosters trust, builds strong relationships, and contributes to the social and economic development of the communities it serves.</div>	
<div>Key interest</div> <div><ul style="list-style-type: none">• Sustainability and Corporate Social Responsibility (“CSR”) programmes• Environment protection• Job opportunities</div>	<div>Engagement method</div> <div><ul style="list-style-type: none">• Donations and sponsorships• Participate in CSR programmes• Industrial membership• Creation of employment</div>	<div>Engagement frequency</div> <div><ul style="list-style-type: none">• Quarterly• Quarterly• Monthly• As required</div>
<div>Potential risks to WEC:</div> <div><ul style="list-style-type: none">• Community pushback• Operational restrictions• Loss of social license</div>	<div>Potential opportunities to WEC:</div> <div><ul style="list-style-type: none">• Enhanced brand image• Community support• Talent attraction</div>	
<div>Our Goal:</div> <div><ul style="list-style-type: none">• To be a responsible corporate citizen• To ensure operational efficiency</div>		
<div>Our Actions:</div> <div><ul style="list-style-type: none">• Engage communities in environmental and educational awareness campaigns.• Sponsor health and wellness initiatives for community well-being.• Provide employment opportunities and training for local residents.• Support education programs to promote skills development and opportunity.• Contribute to disaster relief and recovery efforts in times of need.</div>		
<div>United Nation Sustainable Development Goals:</div>		
<div></div> <div>WEC engages in educational awareness campaigns and supports education programs to promote skills development and opportunity, empowering local communities to thrive.</div>	<div></div> <div>WEC contributes to local economic development by providing job opportunities and training for local residents. This focus on employment creation supports skills development and enhances community livelihoods.</div>	<div></div> <div>Through Corporate Social Responsibility (CSR) programs, donations, and sponsorships, WEC supports community well-being, disaster relief, and environmental protection. These initiatives foster sustainable, resilient, and inclusive communities.</div>





SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY STATEMENT (CONT'D)

3.2. Materiality Assessment (Cont'd)

(GRI 2-29, 3-1, 3-2, 3-3)

Table 3.2.2 Our stakeholder engagement methods, frequency, and responses. (Cont'd)

Key stakeholder Group		Importance to WEC
Suppliers 		<p>As one of the key contributors to WEC's operational success, suppliers ensure the timely delivery of quality materials and services. The Group fosters ethical, long-term partnerships, emphasizes sustainable sourcing, promotes local supplier engagement, and aligns with its values of transparency and mutual growth.</p>
Key interest	Engagement method	Engagement frequency
<ul style="list-style-type: none"> Sustaining long-term relationship Payment schedule Business ethics 	<ul style="list-style-type: none"> On-site visits 	<ul style="list-style-type: none"> Annually
	<ul style="list-style-type: none"> Meetings (Performance Assessment) 	<ul style="list-style-type: none"> Monthly
	<ul style="list-style-type: none"> Ethical practices 	<ul style="list-style-type: none"> As required
	<ul style="list-style-type: none"> New vendor qualification 	<ul style="list-style-type: none"> As required
Potential risks to WEC:		Potential opportunities to WEC:
<ul style="list-style-type: none"> Community pushback Operational restrictions Loss of social license 		<ul style="list-style-type: none"> Enhanced brand image Community support Talent attraction
Our Goal:		
<ul style="list-style-type: none"> To obtain the highest possible quality of raw materials Minimise disruption to the supply chain 		
Our Actions:		
<ul style="list-style-type: none"> Develop long-term partnerships to foster trust and shared values. Set clear expectations for supplier performance and monitor regularly. Conduct regular audits and assessments for compliance and quality control. Assess suppliers against ESG criteria and provide support to help them meet these standards. Encourage local sourcing to strengthen local economies and reduce emissions. Enforce a Supplier Code of Conduct to align on ethical standards. 		
United Nation Sustainable Development Goals:		
		
WEC focuses on sustaining long-term relationships with suppliers, ensuring timely payment schedules and ethical business practices. These efforts support economic growth by promoting fair and transparent partnerships.	Through vendor evaluation procedures and regular on-site visits, WEC ensures that suppliers adhere to high standards of quality, ethics, and sustainability, contributing to responsible production practices.	By engaging suppliers through regular meetings, ethical practices, and collaboration, WEC fosters strong partnerships that align with its corporate sustainability goals and contribute to shared success.

SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY STATEMENT (CONT'D)

3.2. Materiality Assessment (Cont'd)

(GRI 2-29, 3-1, 3-2, 3-3)

3.2.3. Materiality Matrix

Stakeholder mapping

Before developing the materiality matrix, the Group conducted a comprehensive stakeholder mapping exercise to identify key stakeholder groups based on their impact and dependence on the company. Impact refers to the degree of influence stakeholders have on our operations and strategic direction. At the same time, dependence reflects how much stakeholders rely on us for resources, services, or support. While all stakeholders are important to the Group, employees, suppliers, and regulators stand out due to their critical roles in driving operational success, ensuring supply chain resilience, and maintaining compliance with industry standards. The results of this analysis enabled us to prioritise key stakeholders by giving their opinions higher weighting in the subsequent materiality matrix, ensuring that the sustainability topics most relevant to them were accurately reflected in our strategic planning.

Building on the insights gained from our stakeholder mapping exercise, we not only considered stakeholders' awareness levels but also factored in their impact on and dependence on the Group when finalizing the ESG scores for each topic. These additional dimensions provided a more holistic understanding of each topic's relative importance to our stakeholders and operations, guiding the development of our materiality matrix.

Materiality topic identification and understanding

To identify and prioritize sustainability topics most relevant to our stakeholders and operations, we first compiled a list of common ESG topics observed in peer industries and gathered through our stakeholder engagement process. From this, we developed a comprehensive list of 17 ESG topics—spanning 8 environmental, 5 social, and 4 governance topics—and held internal discussions to ensure thorough understanding across our organization. Following this, we distributed a materiality survey to both internal and external stakeholders via emails, social media platforms, and face-to-face engagements.

Materiality survey

The stakeholder survey was conducted over a month-long period, from 28 October 2024 to 6 December 2024, with weekly follow-ups to monitor response rates and address any incomplete submissions. To ensure clarity and precision, the survey incorporated definitions for each ESG topic, a score rating scale of 1 to 10 to gauge the perceived importance of each topic, and an awareness rating scale of 1 to 3 to measure stakeholders' familiarity with our initiatives on the respective topics. Stakeholders with higher awareness ratings were assigned greater weighting in their responses, while their levels of impact and dependence were also factored into the final ESG scores.

To reflect a realistic representation of priorities, ESG scores were further scaled based on results from our comprehensive stakeholder mapping exercise and awareness ratings. This methodology ensures that the weighted ESG topics align closely with the issues that matter most to our valued stakeholders, fostering a balanced and standardized approach to data collection and evaluation.

SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY STATEMENT (CONT'D)

3.2. Materiality Assessment (Cont'd) (GRI 2-29, 3-1, 3-2, 3-3)

3.2.3. Materiality Matrix (Cont'd)

Materiality analysis and validation

Over the survey period, we received 167 responses. These responses were analysed, grouped into internal and external stakeholder categories, and plotted into our materiality matrix. The results of our materiality survey have provided valuable insights into the priorities of our internal and external stakeholders. The most material ESG topics—those located in the top-right corner of the matrix were **Occupational Health and Safety, Anti-corruption and whistleblowing policies, and Data Privacy** emerged, reflecting the shared commitment to creating a safe, ethical, and secure operational environment. Guided by this feedback, we have chosen to focus on nine key metrics in the immediate term: Anti-corruption, Community, Diversity, Energy, Health/Safety, Labour Practices, Supply Chain, Data Privacy, and Water. Looking ahead, our target for next year is to enhance our transparency by disclosing metrics on Waste Management and Emissions, ultimately aiming to report on all 17 material topics in the future.

The results of the materiality survey were presented to the Sustainability Committee, Sustainability Working Groups, and Board of Directors for validation and strategic discussion. These findings serve as a crucial guideline for resource allocation, the prioritization of ESG efforts, and the refinement of sustainability strategies to better align with stakeholder expectations. They also support cross-functional collaboration and the integration of ESG initiatives into our long-term vision.

We extend our heartfelt gratitude to all participants for their invaluable input. Your feedback continues to guide WEC's sustainability journey, helping us drive positive impacts not only for the environment but also for the communities and people we are privileged to serve.

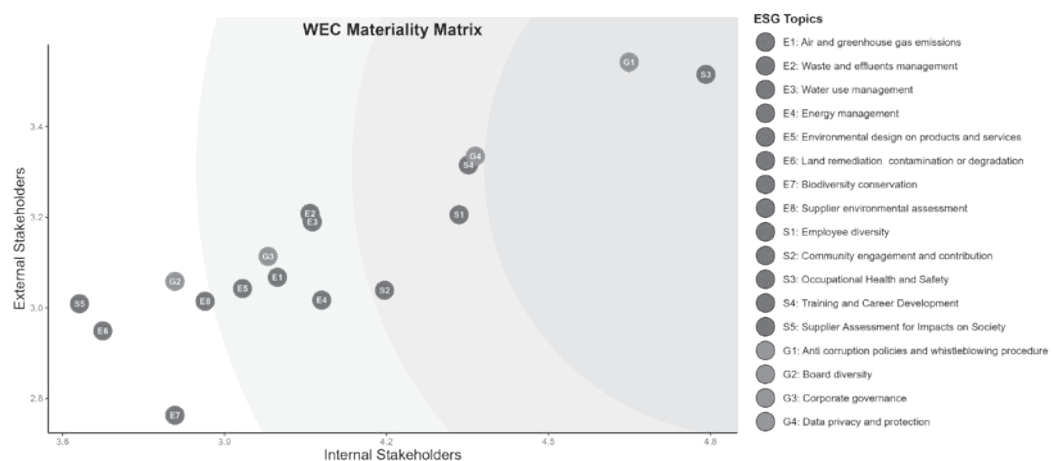


Fig 3.2.3 Our materiality survey results, where we collected 167 responses from our internal and external stakeholders.

SUSTAINABILITY STATEMENT (CONT'D)

3. SUSTAINABILITY STATEMENT (CONT'D)

3.2. Materiality Assessment (Cont'd)

(GRI 2-29, 3-1, 3-2, 3-3)

Table 3.2.3 The definitions of the 17 ESG topics identified by us at WEC and the status in the report. Key: Active = currently being reported; Upcoming = to be disclosed next year; Envisioned = to be disclosed in the next 2-3 years.

Material Topics	Definition	Status
Air and Greenhouse gas emissions	The management of emissions resulting from operations, including air pollutants and greenhouse gases, to minimize environmental impact and comply with regulatory standards.	Upcoming
Waste and effluent management	The responsible handling, reduction, and treatment of solid and liquid waste generated from operations to ensure environmental safety and compliance.	Upcoming
Water use management	The efficient and sustainable use of water resources, focusing on conservation, reuse, and reducing water wastage across processes.	Active
Energy management	The strategic approach to optimizing energy consumption, improving efficiency, and exploring renewable energy sources to reduce reliance on conventional energy.	Active
Environmental design on products and services	Integrating eco-friendly principles into the design of products and services to reduce resource use and minimize environmental impact throughout their lifecycle.	Envisioned
Land remediation, contamination or degradation	Preventing, managing, and addressing land contamination or degradation caused by operations, ensuring sustainable land use.	Envisioned
Biodiversity conservation	Efforts to protect and enhance ecosystems, focusing on preserving biodiversity and mitigating negative impacts on flora and fauna.	Envisioned
Supplier environmental assessment	Evaluating suppliers based on their environmental practices and ensuring alignment with sustainability goals to promote responsible sourcing.	Envisioned
Employee diversity	Encouraging and fostering a workplace environment that values varied backgrounds, perspectives, and skills to build a more inclusive organization.	Active
Community engagement and contribution	Building strong relationships with local communities through initiatives and programs that support social development and address community needs.	Active
Occupational Health and Safety	Ensuring the safety and well-being of employees by adhering to stringent health and safety protocols and fostering a culture of care and prevention.	Active
Training and Career Development	Providing opportunities for professional growth through structured training and development programs to enhance skills and career progression.	Active
Supplier assessment for impacts on society	Reviewing and collaborating with suppliers to ensure their operations positively contribute to societal well-being and adhere to ethical practices.	Envisioned
Anti-corruption and whistle-blowing	Implementing policies to prevent corruption and fraud, with mechanisms for secure and anonymous reporting of unethical behaviour.	Active
Board diversity	Promoting a diverse board composition to improve governance, decision-making, and representation of different perspectives.	Active
Corporate governance	Adhering to frameworks that ensure transparency, accountability, and ethical practices in all business operations and decision-making processes.	Active
Data privacy and protection	Safeguarding sensitive data through robust systems and practices that ensure confidentiality and compliance with privacy regulations.	Active

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI)

4.1. Environmental Indicators

4.1.1. Energy Management (GRI 302-1, 302-3, 302-4)

Why it Matters?

The Group understand that energy management is integral to advancing our precision engineering capabilities. By optimizing energy use across our manufacturing processes, we enhance precision, improve product quality, and reduce operational downtime, all of which are essential for delivering high-quality, high-precision metal components to our clients. Effective energy management allows us to allocate resources more efficiently, minimize waste, and support sustainable production practices, strengthening our role as a reliable, responsible partner in industries that depend on precision and performance.

UN SDG



Our Performance

Energy management is a cornerstone of our commitment to sustainability and operational excellence. Over the years, we have consistently reduced total energy consumption, achieving a 19.6% reduction in FY2024 compared to FY2022 (**Fig 4.1.1**), reflecting our dedication to minimizing environmental impact and optimizing resource efficiency. However, energy intensity ratios, such as energy per revenue and per operational hour, have increased due to product mix variations (**Table 4.1.1**), which influenced the overall energy efficiency of our operations. We continue to explore opportunities and areas to further enhance our energy efficiency.

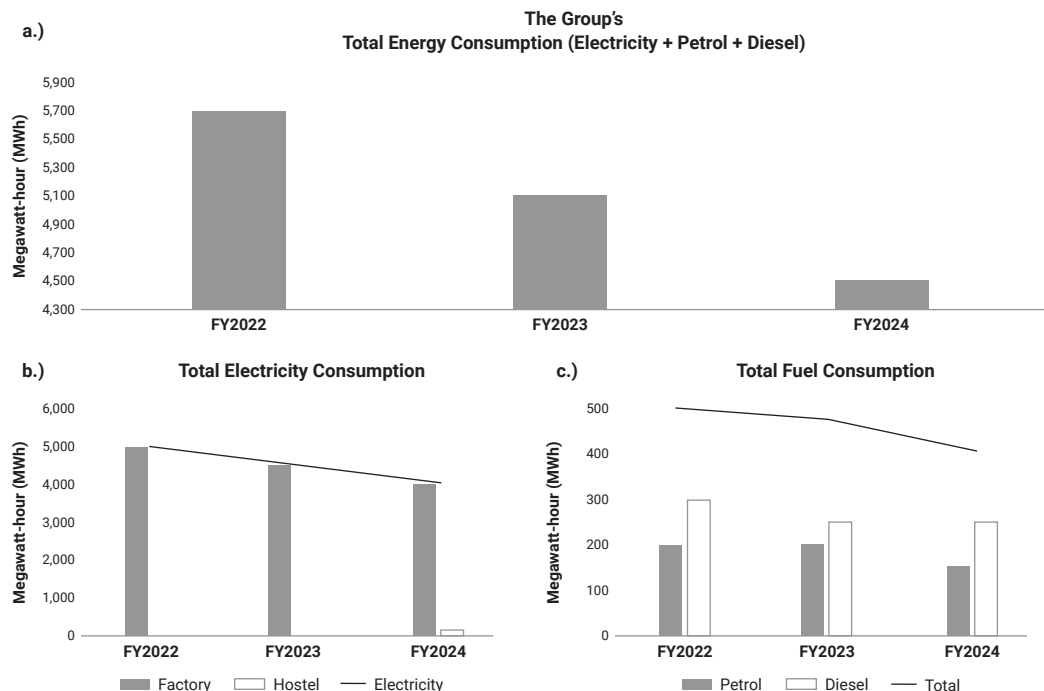


Fig 4.1.1 The Group's Total energy consumption (a), which is the sum of the total electricity consumption (b) and the total fuel consumption (c), all measured in Megawatt-hours (MWh), from the Financial Year (FY) 2022 to 2024.

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.1. Environmental Indicators (Cont'd)

4.1.1. Energy Management (Cont'd)

(GRI 302-1, 302-3, 302-4)

Electricity is the primary source of energy for the Group, accounting for over 97% of our total energy consumption. Our operations do not involve the purchase of heat, cooling, or steam, nor do we sell electricity or any of these energy-related resources. Our entire factory operates on electricity to power key processes such as high-precision stamping and turning, CNC fabrication, sheet metal fabrication, surface treatment, and final assembly. These energy-intensive operations are essential to maintaining the high-quality standards our clients expect. Despite the high electricity demand from these processes, we have achieved consistent reductions in absolute electricity consumption over the years. Looking ahead, we aim to further optimize electricity usage through targeted energy management initiatives.

While our operations are predominantly powered by electricity, we also use diesel and petrol for specific purposes. Diesel consumption primarily stems from the operation of lorries and forklifts, which are essential for material handling and logistics within our supply chain. Petrol consumption, on the other hand, is attributed to the use of company vehicles for transportation and operational needs. Although these energy sources contribute minimally to our overall consumption, we actively monitor their usage to ensure efficiency and reduce unnecessary emissions. We remain committed to exploring sustainable alternatives and improving energy efficiency across all aspects of our business operations.

Table 4.1.1 The Group's energy consumption from FY2022 to FY2024, broken down into absolute electricity, petrol, and diesel consumption. For intensity-based metrics, we categorised them into energy consumption per revenue and energy consumption per operating hours.

Energy consumption					
Metric type	Metrics	Unit	FY2022	FY2023	FY2024
Absolute	Total energy consumption (MWh)	MWh	5,659.24	5,138.2	4,549.04
	Total Electricity consumption	MWh	5,157.40	4,662.22	4,126.62
	• Factory electricity consumption	MWh	5,157.40	4,662.22	4,022.4
	• Hostel electricity	MWh	NA	NA	103.89
	Total Non-renewable fuel consumption	MWh	501.84	475.98	422.42
	• Petrol consumption ¹	MWh	216.80	217.95	182.40
		L	24,171.93	24,300.89	20,336.36
	• Diesel consumption ²	MWh	285.04	258.03	240.03
		L	28,818.10	26,087.07	24,267.17
	Revenue ³	RM	67,578,754	52,332,292	36,007,000
Intensity	Revenue	RM'000	67,579	52,332	36,007
	Operating hours	Hours	413,211	316,743	225,078
	Total energy consumption per operating hours	MWh/hr (or MW)	0.014	0.016	0.020
	Total energy consumption per RM	MWh/RM '000	0.084	0.098	0.126

Notes:

1. The net calorific value (CV) of diesel used was obtained from "Diesel (average biofuel blend)" of DEFRA (2023), which was 9.891 KWh/L. We assume all of our diesel fuels are the average blend.
2. The net calorific value (CV) of petrol used was sourced from "Petrol (average biofuel blend)" of DEFRA (2023), which was 8.969 KWh/L. We assume all of our petrol fuels are the average blend.
3. Please refer to Note 19 of the financial statements in the Annual Report.

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.1. Environmental Indicators (Cont'd)

4.1.2. Our Energy Efficiency Practices

Chiller Upgrade for Production tools

In June 2024, we successfully completed a significant initiative to optimize the energy efficiency of our production processes. This involved upgrading the chillers supporting our CNC and Machine Centre by implementing advanced modulation capabilities. By installing relays at the chillers, we enabled their operations to dynamically adjust to the specific cooling requirements and utilization patterns of production tools.

The upgraded system ensures precise cooling that aligns with real-time demand, eliminating unnecessary energy use. This innovation has yielded tangible benefits, with daily energy savings estimated at approximately 5 kWh. The calculation behind this achievement is based on 0.249 kilowatts of savings per machine, multiplied by 40 machines operating under a 50% utilization factor (where we assume the energy saving occur half the time when the machine is not running) over a 24-hour period.

The outcome of this project not only underscores our commitment to sustainable operations but also reflects our strategic approach to enhancing energy efficiency. By reducing electricity consumption, we are effectively lowering our operational carbon footprint while simultaneously optimizing production reliability.

Air Compressor upgrade

We have successfully enhanced energy efficiency in our compressed air systems by upgrading our motors from constant-speed to variable-speed technology. Before the upgrade, the compressed air system operated with a pressure band of 1.10 bar (fluctuating between 6.40 bar and 7.50 bar). Operating within such a wide band meant that the compressors frequently entered an “unloaded” state, where the motor idles while consuming energy without producing compressed air. This inefficiency resulted in higher energy consumption and operational costs.

By implementing variable-speed motors, we have narrowed the operating pressure band to just 0.90 bar (fluctuating between 6.50 and 7.40 bar), allowing the system to maintain pressure levels more precisely. This upgrade reduces energy wastage by minimizing the time the compressors spend in unloaded states and ensures the system operates efficiently to meet demand without overworking.

The results of this upgrade have been remarkable. Our electricity consumption for compressed air systems decreased by 32.9%, reducing from 495 MWh per year to 332 MWh per year. This improvement equates to an annual energy savings of 162.8 MWh and cost savings of RM71,777 based on current energy rates. Additionally, we achieved a substantial reduction in CO₂ emissions, lowering them from 342,294 kg annually to 229,664 kg—a reduction of 112,629 kg.

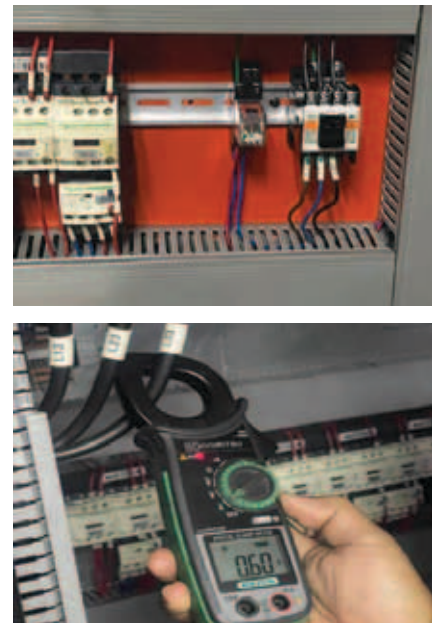


Fig. 4.1.2a Ampere reader (above) and relay (below)

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.1. Environmental Indicators (Cont'd)

4.1.2. Our Energy Efficiency Practices (Cont'd)

This optimization highlights how targeted upgrades, such as narrowing the pressure band and adopting advanced motor technologies, can yield significant energy and cost savings while reducing environmental impact. WEC remains committed to implementing innovative solutions that enhance operational efficiency and sustainability.

Table 4.1.2 Projected energy, cost, and CO2 savings of upgrading to the new GA75 VSD+ air compressor, based on The Architect analysis by Atlas Copco. The simulation provides preliminary estimates using limited data and time-bound measurements, subject to further adjustment with extended performance data.

Type	BEFORE	AFTER
	Old Compressor	New Compressor
Energy	495 MWh	332 MWh
Emission	342.9 kgCO2	230 kgCO2
Yearly energy cost-saving	RM 0	RM 71,777

Restrooms Lighting Motion Sensors

Apart from our chiller upgrade, we also installed motion sensors in April 2024 in two key areas of our restrooms to further optimise our energy usage. These sensors are designed to automatically regulate lighting based on occupancy, ensuring lights are only activated when needed.

This simple yet impactful upgrade minimises energy waste and reduces the frequency of lighting maintenance by extending the lifespan of the fixtures. The result is a more sustainable and cost-efficient lighting solution that aligns with our broader environmental responsibility goals. Through this initiative, we continue to demonstrate our commitment to resource optimization and sustainability.

Timer and photocell for Perimeter Lighting

Six months later in October 2024, we took a further step toward improving energy efficiency by automating our perimeter and decorative lighting systems. Timers were installed in the main security guard house control panel to reduce energy wastage and eliminate dependency on manual operations. This system ensures that the perimeter fencing and front lobby porch decorative lighting operate seamlessly according to a pre-set schedule, enhancing both efficiency and convenience.

In addition to the timer installation, we enhanced lighting conditions for WEC Building Blocks H and G by installing spotlights equipped with photocell detectors. These detectors automatically adjust the lighting based on ambient light levels, ensuring optimal illumination while avoiding unnecessary energy usage.

This dual approach of integrating timers and photocells has not only improved the functionality of our lighting systems but also significantly reduced energy consumption. By automating lighting controls and improving lighting conditions in critical areas, we have reinforced our commitment to sustainability, operational excellence, and workplace safety. This project exemplifies our proactive approach to adopting smart solutions that deliver environmental and operational benefits.

Forklift Upgrade

In January 2023, we embarked on a transformative step toward sustainability by replacing two Natural Gas Vehicle (NGV) forklifts with energy-efficient Electric Vehicle (EV) forklifts. This initiative marked the beginning of our transition to cleaner energy sources within our operations, directly contributing to a reduction in carbon emissions and aligning with our environmental stewardship goals.

The shift to EV forklifts not only brings environmental benefits but also delivers operational advantages. By eliminating the complexities of NGV systems, the new forklifts have reduced maintenance requirements and associated costs, improving overall efficiency and reliability. These forklifts also provide a quieter and cleaner working environment, enhancing workplace safety and comfort for our employees.

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.1. Environmental Indicators (Cont'd)

4.1.2. Our Energy Efficiency Practices (Cont'd)

Forklift Upgrade

Looking ahead, we are committed to continuing this transition. As part of our long-term strategy, we intend to replace our end-of-life forklift fleet with EV-based alternatives, further reducing our carbon footprint and advancing our sustainability initiatives. This project exemplifies our dedication to integrating innovative solutions that support environmental responsibility while delivering cost-effective and efficient operations.



Fig. 4.1.1b Our two Electronic Vehicle forklifts at WEC, which are both in operation since FY2023.

4.1.3. Water Use Management (GRI 303-3, GRI 303-5)

Why it Matters?

Effective water management is essential for maintaining the quality and reliability expected in our precision engineering operations for the Group. By optimizing water use and reducing waste, we ensure cleaner, more controlled manufacturing environments that support high-precision standards. Efficient water management not only conserves resources but also mitigates potential impacts on our machinery and processes, allowing us to enhance product quality and extend equipment life. This commitment aligns with our sustainability goals, reinforcing our responsibility to both clients and the environment.

Our Performance

Water is a vital resource integral to the Group's operations, with the majority of usage stemming from factory activities, similar to energy consumption. Less than 20% of our total water consumption is attributed to hostel facilities, demonstrating that the primary focus remains on operational processes (**Fig 4.1.3**). Our water is sourced from third-party municipal suppliers, ensuring a consistent and reliable supply for all our needs. According to the World Resources Institute (2025), the Group's operational sites are classified as having a low to medium water risk (1–2). This indicates that the regions in which we operate have sufficient water resources, and water scarcity does not currently pose a risk to our operations.

UN SDG



SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.1. Environmental Indicators (Cont'd)

4.1.3. Water Use Management (Cont'd) (GRI 303-3, GRI 303-5)

Our Performance (Cont'd)

The majority of our water consumption is attributed to human use, with a smaller portion utilized directly in operations. Within operations, water is primarily used for zinc electroplating processes, as well as supporting activities such as office and administrative tasks, cleaning, and kitchen facilities. Because water is largely consumed by individuals, operational metrics like revenue or operating hours may not fully capture efficiency improvements. To reflect our efforts more accurately, water consumption per capita is used as a key metric, showing a reduction from 285.3 m³/capita in FY2022 to 225.1 m³/capita in FY2024, a 21.1% improvement (Table 4.1.3).

Additionally, we achieved a notable 19.8% reduction in absolute water usage, decreasing from 119,523 m³ in FY2022 to 95,879 m³ in FY2024. While these results underscore our commitment to sustainability, we remain dedicated to further improving water efficiency.

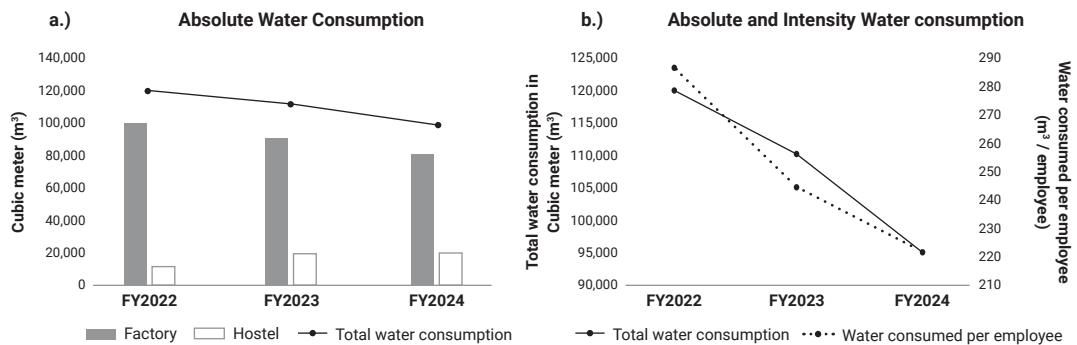


Fig 4.1.3 Absolute water consumption of the Group from FY2022 to FY2024, broken down by Factory and Hostel (a). Our Intensity water consumption (water consumed per employee) also aligns with our Absolute water consumption (b).

Looking ahead, the Group remains dedicated to optimizing water usage to enhance sustainability. In the medium term (next 2–3 years), we are exploring the installation of rainwater harvesting facilities in our operational regions. This initiative will allow us to utilize renewable water sources and further align our water management practices with our sustainability goals. Additionally, we will continue to monitor and refine our water consumption strategies to ensure long-term efficiency and environmental stewardship.

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.1. Environmental Indicators (Cont'd)

4.1.3. Water Use Management (Cont'd)

(GRI 303-3, GRI 303-5)

Our Performance (Cont'd)

Table 4.1.3. Our total water consumption from FY2022 to FY2024, broken down into absolute- and intensity-based water consumption.

Water consumption					
Metric type	Metrics	Unit	FY2022	FY2023	FY2024
Absolute	Total water consumption	m ³	119,523	109,040	95,879
	Factory water consumption	m ³	108,808	92,071	80,314
	Hostel water consumption	m ³	10,715	16,969	15,565
	Revenue ¹	RM	67,578,754	52,332,292	36,007,000
	Revenue	RM'000	67,579	52,332	36,007
	Operating hours	Hours	413,211	316,743	225,078
Intensity	Total water consumption per capita	m ³ /capita	285.26	243.94	225.07
	Total water consumption per RM	m ³ /RM'000	1.77	2.08	2.66
	Total water consumption per operating hours	m ³ /hr	0.29	0.34	0.43

Note:

1. Please refer to Note 19 of the financial statements in the Annual Report.

4.1.4. Our Contribution to the Environment

2024 Earth Hour

On 23 March 2024 (8:30 PM to 9:30 PM), the Group joined millions worldwide in observing Earth Hour, a global environmental initiative founded by the World-Wide Fund for Nature (WWF) to raise awareness about climate change and promote sustainable practices. Factory lights and air conditioning systems were turned off during the hour, and an e-poster was shared with employees to encourage participation.

Although a small act, this initiative reflects the Group's deep-rooted culture of sustainability and commitment to supporting global efforts for a greener future. Through such actions, WEC continues to promote environmental awareness and inspire meaningful change.

2024 Plastic Free-June

In June 2024, we launched "Plastic-Free June," a campaign to address the environmental hazards of single-use plastics. Recognizing that Malaysia contributes 73,098 metric tons of plastic waste to the ocean annually—ranking third globally in ocean pollution behind India and the Philippines (Fong, 2024)—this initiative aimed to reduce plastic waste among employees.

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.1. Environmental Indicators (Cont'd)

4.1.4. Our Contribution to the Environment (Cont'd)

2024 Plastic Free-June (Cont'd)

As part of the campaign, single-use plastics were eliminated from the canteen, requiring employees to bring reusable bags, cups, and utensils for takeaways. With 430 participants engaged, this effort contributes to reducing plastic pollution, supporting broader environmental conservation efforts and helping Malaysia one of its most pressing environmental challenges.

2024 Recycle and Win Contest: Promoting the 3Rs for Sustainability

In May 2024, WEC hosted the "Recycle and Win Contest" to promote the principles of Reduce, Reuse, and Recycle (3Rs), a foundation of environmental stewardship aimed at reducing resource consumption and waste generation. The initiative aligned with the UN SDG 12 (Responsible Consumption and Production), specifically Target 12.5 on substantially reducing waste through prevention, reduction, recycling, and reuse.

The contest, held on 10, 17, and 24 May, encouraged all employees to recycle items across four categories: (1) paper, books, and flattened cardboard, (2) clothing, (3) aluminum/glass cans, bottles, and containers, and (4) plastic bottles, tubes, and jars. Prizes were awarded based on weight categories, with the top three in each category receiving RM100, RM80, and RM50, respectively. The winners were announced on 31 May, with the nine most active participants recognized for their exceptional recycling efforts. The Facility team recorded the total kilograms of recycled items for each category, ensuring accurate and fair competition results.

All collected items were donated to Tzu Chi Kulim, supporting their environmental initiatives. This activity not only fostered waste reduction but also raised awareness among our employees about responsible resource use in our daily life.



Fig 4.1.4a Our Earth Hour 2024 and Plastic-Free June 2024 campaign promoting environmental awareness and waste reduction respectively.



Fig 4.1.4b Our Recycle & Win Contest 2024 at WEC with our nine most active recycling participants.

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.2. Social Indicators

4.2.1. Community Engagement and Contribution

(GRI 201-1a(ii))

Why it Matters?

The Group is dedicated to making a positive impact on the community and society at large. We recognize that our role goes beyond manufacturing; it extends to being a responsible corporate citizen who supports local development and contributes to societal well-being. Through community engagement, job creation, and support for educational and environmental initiatives, we aim to uplift the areas where we operate. Our commitment to social responsibility reflects our belief that a thriving community is essential to long-term business success and the creation of shared value for all.

Our Performance

The Group recognize the vital role of the local community in our operations and growth. Rather than providing direct monetary donations, we have strategically shifted our focus towards investing time, expertise, and material support to create more meaningful and sustainable impacts. This approach reflects our belief that active engagement and hands-on involvement can deliver far greater value than financial contributions alone.

In line with this commitment, while monetary donations decreased by 60% compared to FY2022, we enhanced our community engagement by increasing workforce participation and targeted initiatives. In FY2024, 136 employees were deployed—representing a modest 9% reduction from FY2023—yet our efforts nearly doubled the number of beneficiaries, from 162 in FY2023 to 323 in FY2024. Key initiatives included our annual voluntary blood donation to assist with community and support to the Sunshine Cottage Welfare Society, which provided care to children, senior citizens, and individuals with disabilities.

This deliberate shift from financial expenditure to active participation underscores WEC's dedication to building stronger, more resilient communities through meaningful engagement and impactful contributions.

UN SDGs



Table 4.2.1 Our contribution to and impacts on our local community and society.

Community Contribution	FY2022	FY2023	FY2024
Total amount (RM) invested in the community	10,507.75	6,659.1	4,209.2
Total number of workers involved in community contribution ¹	57	150	136
Total number of beneficiaries (people) from our investment ²	257	162	323
Total number of beneficiaries (organisation) from our investment	1	2	2

Notes:

1. We included every worker who participated in the community contribution.
2. The number of external beneficiaries is calculated by summing the direct headcounts and how many acute hospital patients benefited from our blood donation campaigns. According to Leikola (1988), 0.4 blood donations per patient admission to acute hospitals were required for transfusion needs, where one standard blood donation volume is 450 mL. In other words, 180 mL of blood is sufficient to "benefit" an acute hospital patient. In WEC, one blood pack is on average 400 mL and we recorded the number of successful donors every year. We divided our total volume of blood donated by 180 mL to approximate how many acute hospital patients could benefit from WEC blood donation.

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.2. Social Indicators (Cont'd)

4.2.1. Community Engagement and Contribution (Cont'd) (GRI 201-1a(ii))

Blood donation campaign: Supporting Lives Through Community Contribution

We recognize the importance of contributing to life-saving initiatives that benefit the wider community. Our blood donation campaigns, conducted in collaboration with General Hospital, Kulim, reflect our ongoing commitment to supporting healthcare needs and encouraging employee participation in meaningful causes. The Group has been a proud supporter of General Hospital, Kulim, through consecutive annual blood donation events as early as FY2018.

To step up our community contribution in FY2024, we organized two blood donation campaigns for the first time, held on 5 March and 24 September. The campaigns attracted 136 attendees, with 108 successful donors, contributing to a total of 43.2 liters of blood. According to Leikola (1988), 0.4 blood donations (equivalent to 180 mL of blood) per patient admission are required to meet acute hospital transfusion needs. Given that each successful blood donation at WEC amounted to around 400 mL, our total contribution in FY2024 has the potential to benefit at least 240 acute hospital patients.

To show appreciation for the donors' selfless contributions, we provided goodie bags alongside meals for all successful donors and campaign staff. The total investment for both campaigns amounted to RM 1,249.55, reflecting our dedication to making a meaningful difference in the community. These campaigns raised awareness about the critical need for regular blood donations and marked a significant step forward in the Group's role as a responsible corporate citizen in supporting healthcare systems and improving community well-being.



Fig 4.2.1 WEC employees volunteered for the blood donation campaign (left and right), supported by medical staff from General Hospital, Kulim.

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.2. Social Indicators (Cont'd)

4.2.1. Community Engagement and Contribution (Cont'd) (GRI 201-1a(ii))

Sunshine Cottage Welfare Society

The Group remains committed to supporting charitable organizations that uplift communities in need, exemplified by our ongoing partnership with Sunshine Cottage Welfare Society. Established in 1993, Sunshine Cottage provides care for individuals facing poverty and hardship, including children, senior citizens, and individuals with disabilities. Currently, home to approximately 83 residents, the welfare society relies heavily on donations to meet their operational needs and enhance the well-being of those in their care.

In FY2024, we continued our consecutive support of Sunshine Cottage, a tradition upheld since FY2022, where at least 60 residents benefited from our contributions. This year, we donated RM 2,959.60 worth of material goods rather than direct monetary contributions. The donated items included medical supplies, a compartment steel locker, three wall fans, and two water heaters. Medical supplies enhance the society's ability to provide healthcare support, ensuring the well-being of its residents. The compartment steel locker offers secure storage solutions, while the wall fan and water heater improve living conditions by providing essential comfort in their facilities. Through these thoughtful contributions, the Group reinforces its role as a responsible corporate citizen, striving to create lasting positive impacts for Sunshine Cottage and the broader community.



Fig 4.2.1b The Group donated RM 2,959.60 worth of material goods to support and improve the living conditions in the Welfare house facilities.

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.2. Social Indicators (Cont'd)

4.2.2. Board and Employee Diversity

(GRI 405-1)

Why it Matters?

We believe diversity is fundamental to innovation and excellence in precision engineering. Embracing diverse perspectives, backgrounds, and experiences empowers our teams to approach challenges creatively and develop solutions that meet the varied needs of our clients across industries. A culture of inclusivity not only fosters a collaborative and dynamic work environment but also strengthens our ability to adapt in a competitive market. By promoting diversity at all levels, we are building a resilient and forward-thinking organization committed to growth and positive societal impact.

UN SDG



Our Action

We, at the Group, prioritise the principle of equal opportunities for all, which is why we have chosen not to implement a specific gender diversity policy. Our commitment to diversity and inclusion (D&I) extends beyond gender, focusing on fostering an environment where every individual, regardless of their background or abilities, has an equal chance to thrive and contribute to our success. Our policies emphasize fairness, equity, and respect, ensuring that all employees, contractors, and representatives are valued for their unique talents and contributions.

We do not perceive individuals with disabilities as limitations but rather acknowledge their unique talents and contributions as valuable assets to the organization. In FY2024, one of our intellectually gifted team members, who has been with WEC since FY2022, continued to play an instrumental role in ensuring compliance with scheduled waste regulations. Their dedication and expertise have solidified their position as a valued operator within our operations. Their ongoing success highlights our commitment to providing equal opportunities for all, demonstrating that an inclusive environment fosters innovation, enhances performance, and strengthens the collective capabilities of our team.

By embedding inclusivity into every facet of our operations, the Group continues to build a culture that is free from bias, rich in diverse perspectives, and supportive of all individuals. This approach not only enhances our organizational resilience but also ensures we remain aligned with global best practices and stakeholder expectations, proving that diversity in all forms is key to achieving sustainable success.

Performance Highlights

Diversity is a driver for innovation and sustainable growth. Our Board diversity remained consistent throughout the year (**Table 4.2.2a**). This composition reflects a balance of experience and leadership stability at the highest level of governance.

In terms of employee diversity, we observed encouraging trends across age groups and roles. Our managers and executives demonstrated a consistent increase in the 30–50 age group over the years, indicating the successful integration of a younger yet experienced workforce into key leadership and operational positions. In contrast, the non-executive level showed a higher concentration of employees above 50 years old, underscoring our commitment to retaining experienced talent within our broader workforce.

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.2. Social Indicators (Cont'd)

4.2.2. Board and Employee Diversity (Cont'd) (GRI 405-1)

Performance Highlights (Cont'd)

From a gender perspective, while the company remains male-dominated overall, we have seen a more balanced ratio at the Manager level and a notable predominance of female employees at the Executive level. This progression reflects our ongoing efforts to foster inclusivity, attract diverse talent, and ensure equitable opportunities across all levels of the organization.

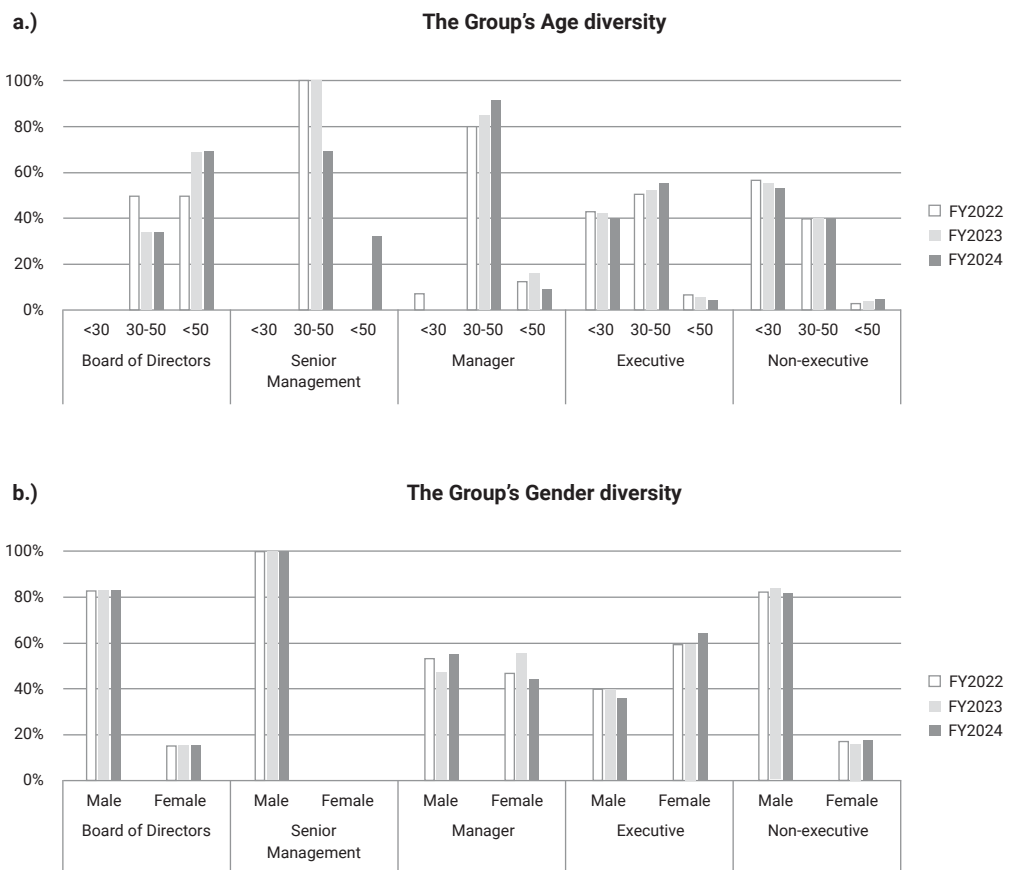


Fig 4.2.2 The Group's age (a) and gender (b) diversity from the Financial Year (FY) 2022 to 2024.

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.2. Social Indicators (Cont'd)

4.2.2. Board and Employee Diversity (Cont'd) (GRI 405-1)

Performance Highlights (Cont'd)

Table 4.2.2a Our diversity at WEC, categorised by the age groups: less than 30 years old (<30), 30 to 50 years old (30~50), and more than 50 years old (>50).

Category	Age group	FY2022	FY2023	FY2024
Board of Directors	<30	0%	0%	0%
	30-50	50%	33%	33%
	>50	50%	67%	67%
	Total	100%	100%	100%
Senior Management	<30	0%	0%	0%
	30-50	100%	100%	67%
	>50	0%	0%	33%
	Total	100	100%	100%
Manager	<30	7%	0%	0%
	30-50	80%	83%	91%
	>50	13%	17%	9%
	Total	100%	100%	100%
Executive	<30	42%	42%	39%
	30-50	49%	51%	54%
	>50	9%	8%	7%
	Total	100%	100%	100%
Non-executive	<30	55%	55%	54%
	30-50	40%	40%	40%
	>50	5%	5%	7%
	Total	100%	100%	100%

Note: Percentages may not sum to 100% due to rounding.

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.2. Social Indicators (Cont'd)

4.2.2. Board and Employee Diversity (Cont'd) (GRI 405-1)

Performance Highlights (Cont'd)

Table 4.2.2b The Group's gender diversity over different employee categories.

Category	Age group	FY2022	FY2023	FY2024
Board of Directors	Male	83%	83%	83%
	Female	17%	17%	17%
	Total	100%	100%	100%
Senior Management	Male	100%	100%	100%
	Female	0%	0%	0%
	Total	100	100%	100%
Manager	Male	53%	42%	55%
	Female	47%	58%	45%
	Total	100%	100%	100%
Executive	Male	39%	39%	36%
	Female	61%	61%	64%
	Total	100%	100%	100%
Non-executive	Male	83%	84%	82%
	Female	17%	16%	18%
	Total	100%	100%	100%

4.2.3. Occupational Health and Safety (403-2, 403-5, 403-6, 403-9)

Why it Matters?

Health and safety are a top priority to the Group, as it directly impacts the well-being of our employees and the quality of our precision engineering processes. We are committed to maintaining rigorous safety standards and proactive health measures to ensure a secure working environment, where risks are minimized, and employees feel protected and valued. Our focus on safety not only safeguards our workforce but also enhances productivity and operational reliability, supporting our goal of delivering excellence in every project. By prioritizing health and safety, we reinforce our dedication to responsible operations and sustainable business practices.

UN SDGs



SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.2. Social Indicators (Cont'd)

4.2.3. Occupational Health and Safety (Cont'd)

(403-2, 403-5, 403-6, 403-9)

Our Action

Over the past year, we strengthened our Occupational Safety, Health, and Environmental (OSH) management systems to foster a safe and secure workplace for all. Guided by the Hazard Identification, Risk Assessment, and Risk Control (HIRARC) framework, we proactively identified potential risks and implemented robust controls to mitigate hazards. In compliance with the Occupational Safety and Health Act 1994 (Amended 2022), we conducted regular audits to ensure adherence to safety standards.

To instil a strong safety culture, we consistently remind our employees of standard operating procedures (SOPs) through frequent engagements and ensure they are well-versed in safe work practices. Annual safety training programs are a core component of our strategy, empowering employees with the skills and knowledge to identify and address potential risks. Furthermore, we undertake regular reviews of any incidents to analyse their root causes and implement corrective measures, preventing recurrence and driving continuous improvement. At WEC, we are committed to safeguarding our people while fostering an environment where health and safety are integral to every aspect of our operations.

Performance Highlights

Health and safety are fundamental to the Group's operations. In FY2024, we achieved a threefold increase in the number of employees trained on health and safety standards, with 90.9% of our workforce successfully completing these trainings compared to the previous year. The following are the top three health and safety trainings with the greatest number of participants:

1. 16th NRG-SHE OSH Conference 2024: Compliance and Beyond, Navigating OSHA Amendments for a Safer Workplace
2. Basic Fire Fighting & Emergency Response Plan & Preparedness Training
3. Authorised Entrant & Standby Person for Confined Space

To further enhance the safety competencies of our employees, we expanded the scope and variety of our health and safety training programs from 15 modules in FY2022 to 28 in FY2024. This significant improvement ensures our workforce is equipped with the knowledge and skills to operate at the highest level of safety, mitigating risks and fostering a culture of proactive safety awareness across all levels of the organization.

Table 4.2.3a Our approach to strengthening health and safety standards at our workplace.

Health and Safety training	FY2022	FY2023	FY2024
Number of employees trained on health and safety standards	330	401	389
Percentage of employees trained on health and safety standards	79%	90%	91%

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.2. Social Indicators (Cont'd)

4.2.3. Occupational Health and Safety (Cont'd)

(403-2, 403-5, 403-6, 403-9)

Work-related Injuries

In FY2024, the Group recorded two cases of injuries classified under the Department of Occupational Safety and Health (DOSH, 2004) guidelines as incidents that prevented individuals from performing their regular duties for more than four consecutive days. These incidents resulted in a lost time incident rate (LTIR) of 2.22, highlighting the critical need to strengthen safety protocols and operational practices. Both cases were linked to deviations in operational adherence, prompting the Group to take immediate corrective action. Standard Operating Procedures (SOPs) were thoroughly reinforced, and enhanced safety measures were implemented across all worksites to address underlying risks and prevent recurrence. Moving forward, the Group is committed to fostering a safer workplace by reinforcing comprehensive safety training programs, strengthening operational controls and compliance monitoring, and cultivating a proactive safety culture at all levels of the organization.

To further enhance risk management, a comprehensive safety risk assessment is planned for FY2025 to ensure ongoing improvement in workplace safety standards. Our goal remains clear: to create a zero-incident workplace where every employee feels safe and supported. By continuously improving safety standards and promoting accountability, the Group strives to uphold its commitment to operational excellence and the well-being of our people.

Table 4.2.3b Our safety records are categorised into the total manhours worked, fatalities, injuries, and lost time incident rate.

Incidents and Fatalities	FY2022	FY2023	FY2024
Total number of hours worked ¹	887,950	947,550	902,700
Number of fatalities as a result of work-related injury	0	0	0
Number of work-related injuries ²	0	0	2
Lost time injury rate (LTIR) ³	0	0	2.22

Notes:

1. The total number of hours worked is calculated based on 40 to 43 hours worked per week over 50 weeks for all employees each year.
2. Work-related injuries are incidents that are reported to the DOSH with leaves greater or equal to four calendar days.
3. LTIR calculated based on the standardised value of 1,000,000 hours worked.

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.2. Social Indicators (Cont'd)

4.2.4. Our Effort to enhance Workplace Health & Safety

2024 July Health Month

Regular physical activity plays a crucial role in improving overall health and reducing the risk of heart disease, as highlighted by studies linking exercise to lower cardiovascular risk. Recognizing this, we dedicated July 2024 as Health Month, organizing a series of activities to encourage employees to prioritize their health and fitness.

The month featured weekly badminton sessions at the KHTP badminton courts every Wednesday (6 ~ 8 PM), allowing everyone to engage in friendly competition while staying active. Additionally, body combat sessions were held on select dates, with participation growing steadily over time.

A health screening event was also conducted on 4 July 2024, providing employees with an opportunity to assess their well-being and gain insights into their health. A total of 17 WEC employees participated in this initiative, reflecting the company's commitment to fostering a culture of health and safety. These activities not only supported employee wellness but also reinforced the importance of integrating physical activity into daily routines for long-term health benefits.

2024 Non-Communicable Diseases (NCD) Awareness Talk

Non-communicable diseases (NCDs) are non-transmissible chronic conditions that are often caused by lifestyle factors (e.g. poor diet, inactivity, and smoking), genetic, and environmental influences. According to the National Health and Morbidity Survey 2023, the four most common NCDs in Malaysia are diabetes, hypertension, cardiovascular diseases, and cancer, and over half a million adults in Malaysia are concurrently managing these NCDs (The Star, 2024). Additionally, the top contributing factors to NCDs were inadequate physical activity, with 1 in 3 adults not engaging in sufficient exercise, and poor dietary habits (IKU, 2023; CodeBlue, 2022).

In response to these concerns, the Group organized an NCD Awareness Talk on 16 August 2024, given by Dr Mohd Yusof Subhi Bin Ibrahim, Director of Klinik Perubatan Iklimedik. The session aimed to educate employees about NCDs and the importance of healthy eating. A total of 32 WEC employees participated, gaining valuable insights into disease prevention and the adoption of healthier lifestyles. This initiative reflects our commitment to enhancing employee well-being through health education, addressing health issues, and promoting sustainable, healthy living practices.



Fig 4.2.4a Combat sessions took place in July 2024.



Fig 4.2.4b Non-communicable disease training conducted by Klinik Iklimedik to promote healthy eating and a healthier lifestyle at the Group.

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.2. Social Indicators (Cont'd)

4.2.5. Training and Career Development (GRI 404-1)

Why it Matters?

The Group upholds high labour practices and standards, including fair treatment, respect, and ethical responsibility in the workplace. We prioritize equitable wages, safe working conditions, and opportunities for career development, ensuring that our workforce is supported, valued, and empowered. By adhering to best practices in labour standards, we foster a culture of integrity and accountability, which enhances employee satisfaction and productivity. Our commitment to responsible labour practices not only benefits our employees but also strengthens our reputation as a trusted and socially responsible organization.

Our Action

Fostering career development is a key priority to the Group. Over the past year, we implemented comprehensive training programs focusing on soft skills, core skills, and technical expertise. These included workshops on communication, leadership, and problem-solving to enhance interpersonal and decision-making capabilities, as well as specialized technical training tailored to specific roles, aimed at improving operational efficiency and driving innovation. Core skills training emphasized areas such as project management and collaboration, ensuring employees are prepared to excel in cross-functional settings. By aligning these initiatives with the evolving needs of our workforce, we have cultivated a culture of continuous learning, professional growth, and empowerment. Through these efforts, WEC reinforces its commitment to investing in its people and their long-term success, fostering a workforce that is agile, skilled, and ready to contribute to the company's achievements.

Performance Highlight

We prioritize cultivating a stable and engaged workforce, demonstrated by our ongoing efforts to improve employee retention. Employee turnover has shown progress over recent years, decreasing from 150 in FY2022 to 107 in FY2023, before settling at 115 in FY2024. This represents a notable improvement in retention compared to FY2022. Our turnover rate has also improved significantly, declining from 36% in FY2022 to 24% in FY2023. While the turnover rate increased slightly to 27% in FY2024, it remains well below FY2022 levels, showcasing our commitment to fostering workforce stability. With permanent staff consistently making up 98–99% of our workforce, we remain dedicated to creating long-term employment opportunities that drive operational consistency and support sustainable business growth.

UN SDGs



The Group's Total Training Hours on career development and learning strategies

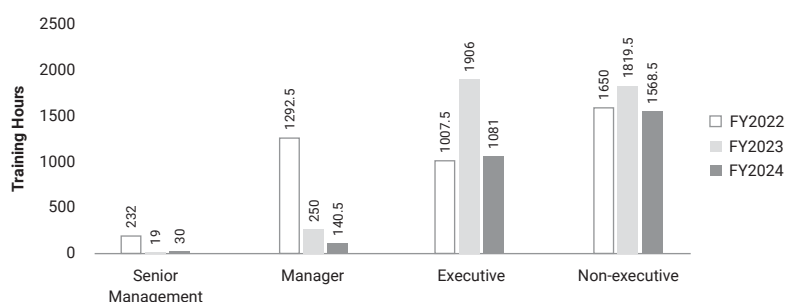


Fig 4.2.5 Our total training hours on career development and learning strategies, broken down by employee categories for the Financial Year 2022 to 2024.

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.2. Social Indicators (Cont'd)

4.2.5. Training and Career Development (Cont'd)

(GRI 404-1)

Performance Highlight (Cont'd)

Training on development and learning strategies saw a 32.6% reduction compared to FY2022 (**Fig 4.2.5** and **Table 4.2.5**). This highlights further opportunities for us to focus on in FY2025 as we continue to strengthen our efforts in talent development. Meanwhile, we maintained a strong emphasis on employee engagement and team cohesion. Initiatives including the CIMB roadshow, bowling and badminton tournaments, Hari Raya, and School Supplies Day (see 4.2.6), provided valuable opportunities for workforce bonding and morale-building. More importantly, our committee groups play a vital role in talent management strategy.

The Group also encouraged the formation of committee groups among employees to foster a more dynamic workplace. Notably, our Corporate Social Responsibility (CSR) Committee, Annual Dinner Committee, and 5S Committee play a vital role in fostering a collaborative environment at WEC. The Corporate Social Responsibility (CSR) Committee actively plans and suggests initiatives that align with our organizational values, creating opportunities for employees to engage with the community and build teamwork skills. The Annual Dinner Committee organizes events that strengthen camaraderie among employees, enhancing morale and a sense of belonging. The 5S Committee ensures continuous improvement through regular audits, promoting a culture of efficiency and teamwork across departments. By empowering these committees, the Group nurtures a workplace that values collaboration, innovation, and professional growth, contributing significantly to employee engagement and development.

Table 4.2.5 Overview of the employee turnover, workforce composition, and training hours on career development and learning strategies provided to our workforce from the Financial Year (FY) 2022 to 2024.

Labour practice and standards	FY2022	FY2023	FY2024
Total number of employees	419	447	426
Employee turnover	150	107	115
Employee Turnover Rate (%)	36%	24%	27%
Permanent staff	414	441	419
Contract staff	5	6	7
Total number of employees attending the training	394	429	402
Total annual training hours	4182	3994.5	2820
Average training hours per employee	10.61	9.31	7.01
Average training hours per employee category			
Senior Management	232	19	30
• Male	190	19	30
• Female	42	0	0

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.2. Social Indicators (Cont'd)

4.2.5. Training and Career Development (Cont'd) (GRI 404-1)

Performance Highlight (Cont'd)

Table 4.2.5 Overview of the employee turnover, workforce composition, and training hours on career development and learning strategies provided to our workforce from the Financial Year (FY) 2022 to 2024. (Cont'd)

Labour practice and standards	FY2022	FY2023	FY2024
Manager	1292.5	250	140.5
• Male	700.5	103	68.5
• Female	592	147	72
Executive	1007.5	1906	1081
• Male	367.5	926	521
• Female	640	980	560
Non-executive	1650	1819.5	1568.5
• Male	1251.5	1318	1144
• Female	398.5	501.5	424.5
Average training hours by gender:			
• Male	350	393.63	254.38
• Female	418.13	407.13	264.13

4.2.6. Our Dedication to our Workforce

2024 CIMB Roadshow

In 2024, the Group collaborated with CIMB to host two roadshows, held on 5 March and 24 September, to provide employees with insights into financial services and benefits offered by the bank. The events, held in front of the Wira Room, allowed all 430 employees to engage with CIMB representatives and learn about accounts, credit cards, home financing, and insurance options. These roadshows aimed to assist employees in making informed financial decisions and exploring services tailored to their needs.



Fig 4.2.6a Our collaboration with CIMB to enhance financial literacy among our employees.

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.2. Social Indicators (Cont'd)

4.2.6. Our Dedication to our Workforce (Cont'd)

2024 Bowling Tournament

The Group's annual sports tournament, an initiative since FY2022, is designed to promote physical and mental well-being while fostering teamwork and communication among employees. The tournament features a different sport each year, with bowling taking center stage in FY2024, held on 25 May 2024. The event brought together a total of 60 employees to build mutual trust and enhance their teamwork through friendly competition. The winners of the Bowling Tournament were rewarded with hampers and trophies to further boost our employees' morale.

Looking ahead, the FY2025 tournament will feature futsal, continuing the tradition of engaging employees in team activities that support a healthy and productive workplace culture. Prizes and trophies awarded at these events further celebrate the spirit of collaboration and sportsmanship.



Fig 4.2.6b The winners of our 2024 Bowling Tournament.



Fig 4.2.6c A group photo of our employees at the 2024 Bowling Tournament.

2024 Booth SSPN

Apart from physical well-being, the Group also supports employees by hosting a PTPTN Education Savings Booth on 14 and 15 May 2024, aimed at encouraging employees to prioritize their children's higher education savings. This led us to collaborate with PTPTN Kulim, in which the booth provided valuable insights into reducing reliance on education loans by promoting long-term financial planning. Together, these initiatives fostered a supportive workplace culture that values both personal well-being and future readiness at WEC.



Fig 4.2.6d Our collaboration with PTPTN Kulim to provide employees with insights on long-term education savings for their children.

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.2. Social Indicators (Cont'd)

4.2.6. Our Dedication to our Workforce (Cont'd)

2024 Hari Raya Feast

To further strengthen camaraderie and inclusiveness, our respective Heads of Departments (HODs) took the initiative to organize the 2024 Hari Raya Feast, held on 19 April and 3 May 2024, and invited colleagues from other departments to join in the celebration. Such celebrations not only enhance social bonding but also reinforce inclusivity and respect for diversity, which are critical to creating a positive organizational culture (Sharif et al., 2018).

By recognizing cultural traditions like Hari Raya, the Group demonstrates its commitment to an inclusive and supportive environment, aligning with research indicating that cultural recognition fosters a stronger sense of belonging and uplifts employee morale (Laengkang, 2024). Moreover, initiatives like these contribute to improved employee engagement and performance (Sembiring, 2019). Through these efforts, we continue to build a workplace that values collaboration, cultural appreciation, and inclusiveness, ensuring a forward-thinking and cohesive organizational culture.

2024 School Supplies Sponsorship

Academic success in children is influenced by several factors, including access to educational resources, a supportive home and school environment, and consistent learning support. According to Rauf et al. (2016), a well-resourced school environment directly enhances students' academic performance by creating a positive space for learning and engagement. Similarly, Mok et al. (2016) emphasize that perceived learning support plays a critical role in boosting academic achievement. When children feel adequately supported through resources and encouragement, they are more likely to stay engaged and perform well academically.

Recognizing these key drivers, we introduced an initiative in March 2024 to reduce the financial burden on employees with children in primary school. The program distributed RM 1,337.42 worth of essential school supplies, including stationery packs, pencil bags, and school bags, benefiting 31 families. By addressing the need for essential educational supplies, WEC supports both its employees and their families in fostering an environment conducive to learning.

By implementing this initiative, we supported the academic journey of our employees' children and contributed to the broader culture of care and empowerment within the organization.



Fig 4.2.6e Our employees celebrating the 2024 Hari Raya Feast fosters a culture of unity, respect, and inclusiveness at WEC.



Fig 4.2.6f The distribution of school suppliers to support employees with children in primary schools.

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.2. Social Indicators (Cont'd)

4.2.7. Supply Chain Management (GRI 204-1)

Why it Matters?

A responsible supply chain management is essential to our commitment to quality, sustainability, and ethical practices. We work closely with suppliers who share our values of transparency, environmental responsibility, and fair labour standards to ensure that every component in our precision engineering processes meets rigorous standards. By fostering strong, ethical partnerships throughout our supply chain, we mitigate risks, enhance product integrity, and reduce environmental impacts, reinforcing our promise of reliability and responsibility to clients and communities alike. Our approach to supply chain management supports our long-term goals of sustainability and operational excellence.

UN SDG



Our Supply Chain Management

The Group take pride in maintaining a resilient and dynamic supply chain that supports our diverse product mix. Local suppliers remain central to our procurement strategy, reflecting our commitment to supporting the local economy. In FY2024, local suppliers accounted for 86.34% of our supplier base (**Table 4.2.7**), underscoring the importance of these partnerships to our operations. While we continue to prioritize local sourcing, changes in the product mix have led to a higher demand for specialized and niche components that are primarily sourced from foreign suppliers (**Fig 4.2.7**). As a result, the total percentage of spending on local suppliers decreased from 72.36% in FY2023 to 69.86% in FY2024. However, this variation reflects the evolving nature of production requirements rather than a shift away from our commitment to local suppliers.

We remain steadfast in investing significantly in our local partners, fostering long-term relationships, and promoting capacity-building initiatives to enhance their capabilities. By balancing strategic sourcing with evolving operational needs, WEC ensures a resilient and adaptable supply chain that supports both local and global demands.

The Group's Spending on Suppliers

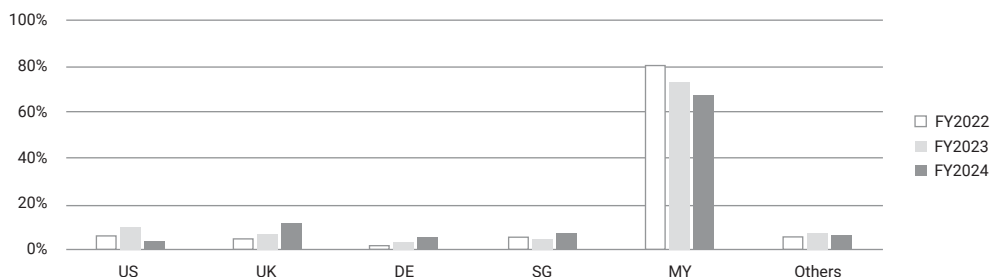


Fig 4.2.7 The Group's spending on suppliers, which are divided based on regions. Key: US = United States, UK = United Kingdom, DE = Denmark, SG = Singapore, MY = Malaysia, and Others = Other regions.

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.2. Social Indicators (Cont'd)

4.2.7. Supply Chain Management (Cont'd) (GRI 204-1)

Our Procurement Policy

Our procurement practices prioritize transparency, accountability, and sustainability, guided by WEC's ethical standards, including the Restriction of Hazardous Substances Procedure and Conflict Mineral Policy. We conduct stringent assessments and evaluations of all suppliers and sub-contractors, including on-site or virtual visits by our Procurement and Quality Assurance teams, to ensure compliance with our policies and standards.

Looking forward, we are exploring to integrate environmental and social impact assessments, requiring ESG reports from suppliers, and setting specific ESG performance targets. Supplier audits may also be conducted to verify adherence to these standards. Through these initiatives, we aim to foster a responsible, sustainable supply chain that aligns with our corporate vision while gaining a competitive edge in the global marketplace.

Table 4.2.7 Our contributions to the local suppliers at WEC.

Supply chain management	FY2022	FY2023	FY2024
Number of local suppliers	368	343	392
Number of foreign suppliers	56	45	62
Percentage of local suppliers	86.79%	88.4%	86.34%
Total percentage of spending on local suppliers ¹	81.11%	72.36%	69.86%

Note:

1. Spending on local suppliers refers specifically to local direct material suppliers involved in production-related spending, which significantly impacts our operations at WEC.

4.3. Governance Indicators

4.3.1. Anti-corruption and Whistle-blowing (GRI 205-1, 205-2a, 205-2b, 205-2d, 205-2e, 205-3a, 205-3b)

Why it Matters?

We are committed to upholding the highest standards of integrity and accountability through a strict anti-corruption policy. We maintain a zero-tolerance approach to bribery and corruption, ensuring that all business dealings are conducted ethically and transparently. By implementing robust anti-corruption practices, including regular training and clear reporting mechanisms, we foster a culture of honesty and trust. This commitment not only protects our reputation and aligns with regulatory standards but also strengthens the trust our clients, partners, and communities place in us as a responsible corporate entity.

UN SDG



SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.3. Governance Indicators (Cont'd)

4.3.1. Anti-corruption and Whistle-blowing (Cont'd)

(GRI 205-1, 205-2a, 205-2b, 205-2d, 205-2e, 205-3a, 205-3b)

Our Action

Our Board and senior management are committed to upholding the highest standards of business integrity, guided by our Code of Conduct (CoC). This Code provides clear guidelines for ethical practices and accountability across the organization.

To reinforce our zero-tolerance stance on corruption, WEC adopted the Anti-Corruption and Bribery (ABC) Policy on 29 May 2020. Our ABC policy aligned with the Malaysian Anti-Corruption Commission (MACC) Act 2009 and was revised on 28 March 2022 to include a specific clause on political contributions. All employees are required to sign the ABC Employee Self-Declaration Form upon joining, confirming their understanding of the anti-corruption policies, and they receive comprehensive training on anti-corruption and the CoC during induction.

In addition to our ABC policy, the Group also established a Whistleblowing Policy on 30 January 2013. This offered a secure and confidential channel for reporting misconduct without fear of retaliation. Employees are encouraged to first report concerns to their immediate superior or, if necessary, directly to the Human Resource Manager or Chief Executive Officer. For added confidentiality, concerns can also be raised with an Independent Non-Executive Director via report@wec.com.my, ensuring anonymity where desired. The policy guarantees that employees raising concerns will be informed about the handling of their cases, and their identities will remain confidential unless disclosure is legally required, in which case a dialogue will be conducted. This policy reflects the Group's dedication to fostering a transparent, accountable, and safe working environment.

All key policies, including the CoC, ABC Policy, and Whistleblowing Policy, are accessible on our website and in the staff handbook. WEC remains committed to continuously improving governance practices and fostering a culture of integrity and transparency.

Performance Highlights: Corruption Incidents

We remain committed to upholding the highest standards of integrity and regulatory compliance. In FY2024, we recorded zero instances of corruption (**Table 4.3.1a**), reflecting our strong culture of uprightness, robust anti-corruption policies, and well-established whistleblowing channels that empower employees and stakeholders to report concerns safely and anonymously.

In alignment with Section 17A of the MACC Act 2009, we underwent an internal audit for corruption-related risks in FY2022, covering WEC's operations and active subsidiaries. The audit, conducted by Finfield Corporate Services Sdn Bhd, evaluated our adherence to the Guidelines on Adequate Procedures based on the T.R.U.S.T. principles: Top-Level Commitment, Risk Assessment, Control Measures, Systematic Review, and Training & Communication.

The audit concluded that our internal controls were adequate, with robust anti-corruption policies, reporting structures, and oversight mechanisms in place. No significant risks related to corruption were identified. Since then, we have proactively addressed the areas for improvement highlighted in the report, including enhancing policy visibility, strengthening due diligence processes, and providing targeted anti-corruption training for key personnel.

Looking forward, the Group remains steadfast in ensuring zero tolerance for corruption. We plan to conduct another internal audit in FY2025 to further strengthen our anti-corruption efforts and ensure continuous improvement. By proactively identifying and mitigating risks, we reaffirm our role as a trusted and responsible corporate entity, committed to ethical business practices for the benefit of all stakeholders.

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.3. Governance Indicators (Cont'd)

4.3.1. Anti-corruption and Whistle-blowing (Cont'd)

(GRI 205-1, 205-2a, 205-2b, 205-2d, 205-2e, 205-3a, 205-3b)

Table 4.3.1a Overview of the corruption incidents and assessments.

Corruption-related incidents and assessment	FY2022	FY2023	FY2024
Number of confirmed corruption incidents, where employees were dismissed or contracts with business partners were dismissed	0	0	0
Percentage of operations* assessed for corruption-related risks	100%	0%	0%

Note:

1. Operation includes the offices, production, and warehouse sites at WEI, WEX, and WEE.

Performance Highlights: Corruption-related Training

At WEC, we uphold a zero-tolerance approach to bribery and corruption, ensuring ethical business practices remain integral to our operations. While the number of employees trained in anti-corruption measures decreased in FY2024 (**Table 4.3.1b**), this shift provided an opportunity to evaluate and enhance our training programs. By identifying areas for improvement, we are better positioned to refine and expand future initiatives to ensure they are impactful and inclusive.

Internally, the number of employees receiving anti-corruption training decreased from 320 in FY2022 to 233 in FY2024, reflecting a 27% reduction. Similarly, the number of employees attending external anti-corruption training dropped from 19 in FY2022 to zero in FY2024, as we prioritized critical workplace safety initiatives. This temporary shift in focus was necessary to address immediate organizational needs, but we recognize the importance of maintaining and strengthening our anti-corruption efforts.

Looking ahead, we plan to significantly enhance anti-corruption awareness through a renewed emphasis on both in-house and external training programs. By embedding these initiatives within our broader employee development framework, we aim to ensure that all team members are well-equipped to uphold the highest ethical standards and contribute to a corruption-free workplace. Our commitment remains unwavering, and we will allocate resources strategically to balance all training priorities effectively.

Table 4.3.1b Our internal and external anti-corruption training at WEC from Financial Year (FY) 2022 to 2024.

Anti-corruption training	FY2022		FY2023		FY2024	
Number of employees who attended the internal anti-corruption training	320		369		233	
• Senior Management	0	0%	0	0%	1	0%
• Manager	6	2%	2	1%	3	1%
• Executive	89	28%	43	12%	38	16%
• Non-executive	225	70%	324	88%	191	82%

Note: Percentages may not sum to 100% due to rounding.

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.3. Governance Indicators (Cont'd)

4.3.2. Human Rights (GRI 406-1, 408-1, 409-1, 411-1)

Why it Matters?

The Group remains deeply committed to respecting and upholding human rights across all areas of our operations. We believe that every individual deserves to work in an environment free from discrimination, harassment, and exploitation. Our policies actively promote fair treatment, equal opportunities, and safe, respectful workplaces, ensuring that human rights are embedded in our culture and practices. By holding ourselves and our partners accountable to these standards, we foster an environment where dignity and respect are fundamental, reinforcing our responsibility to our employees, communities, and stakeholders.

Our Action

The Group is deeply committed to upholding human rights through robust policies and practices guided by our Code of Conduct and Ethics Policy, available on our website. We ensure freely chosen employment, prohibit forced and child labour, and promote a workplace rooted in diversity, respect, and equal opportunities. Employment terms are transparently communicated, and employees have full access to personal freedoms, including the right to associate freely. Our policies also guarantee fair wages, safe working conditions, and protections against discrimination or harassment, supported by whistleblower safeguards to report concerns without fear of retaliation. These principles extend across our supply chain, holding all partners to the same high standards. Through rigorous training, risk assessments, and transparent reporting, WEC reinforces its dedication to ethical practices and the protection of human rights across every aspect of its operations.

Performance Highlights

From FY2022 to FY2024, there have been zero incidents of human rights violations, child labour, forced labour, or any form of discrimination in the Group (**Table 4.3.2**). This achievement stems from our strong culture of integrity, ethical conduct, and commitment to fair workplace practices. The company adheres to strict compliance with local and international labour standards, ensuring employment decisions are based solely on qualifications, experience, and performance. Our Code of Conduct and Ethics Policy emphasize equal employment opportunities regardless of race, religion, or nationality while fostering a supportive and inclusive work environment. Clear whistleblowing channels and robust governance measures are in place to address any concerns promptly, demonstrating our dedication to upholding human rights and ethical labour practices across its operations.

Table 4.3.2 Overview of human rights, child labour, forced labour, and discrimination incidents at WEC.

Human rights and Ethical practices		FY2022	FY2023	FY2024
Human rights violations	Number of substantiated complaints concerning human rights violations	0	0	0
Child labour	Number of children aged below 17 years engaged in child labour	0	0	0
Forced labour	Number of substantiated complaints concerning forced labour	0	0	0
Discrimination	Number of substantiated complaints concerning discrimination	0	0	0

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SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.3. Governance Indicators (Cont'd)

4.3.3. Data Privacy and Protection (GRI 418-1)

Why it Matters?

We prioritize data privacy to safeguard the trust of our clients, employees, and stakeholders. In an increasingly digital world, we are committed to protecting personal and sensitive information by adhering to stringent data privacy policies and implementing robust security measures. Through regular audits, employee training, and secure data management practices, we ensure that information is handled responsibly and confidentially. Our focus on data privacy not only complies with regulatory requirements but also reinforces our dedication to integrity and transparency in all our business interactions.

Our Performance

As shown in the Materiality Matrix, upholding the highest standards of data protection is one of the top three priorities at WEC. Currently, we are working to step up our compliance with the Personal Data Protection Act (PDPA) 2010 and its latest 2024 amendment, ensuring all processes and policies adhere strictly to the latest regulations. Over the past three years, we are proud to report zero incidents of data privacy breaches (**Table 4.3.3**), reflecting our robust commitment to safeguarding the personal information entrusted to us.

UN SDGs



Table 4.3.3 Overview of complaints and incidents of data privacy breaches from FY2022 to FY2024.

Data Privacy-related complaints and incidents	FY2022	FY2023	FY2024
Number of substantiated complaints concerning breaches in customer privacy or data loss	0	0	0
Total number of incidents of cyber attacks	0	0	0

Across WEC, we are committed to safeguarding data integrity and security through robust processes and protocols. We are currently refining our Standard Operating Procedures (SOPs) and Data Privacy Policy to establish an even more comprehensive approach to managing data breaches, whether intentional or accidental. This includes strengthening our ability to promptly assess and address incidents such as unauthorized access or inadvertent sharing. Employees receive regular training on data protection principles, secure handling practices, and incident response protocols to reinforce our proactive stance. Complemented by preventive measures like system monitoring, secure access controls, and periodic audits, these efforts form a solid foundation for minimizing risks and continuously enhancing our data protection framework.

Raising Scam Awareness

The Group actively engages with external experts to strengthen data security awareness and preparedness among our employees. For instance, on 3 September 2024, we organized a Scam Awareness Talk in collaboration with the Kulim District Hi-Tech Park Police Headquarters' Commercial Crime Investigation Department (**Fig 4.3.3**). Facilitated by Inspector Thana, the session provided our employees with practical insights on identifying scam tactics and the importance of reporting them to relevant authorities. With 36 participants in attendance, the session aimed to equip our employees with critical skills to protect themselves and the organization against potential threats. This initiative reflects our commitment to fostering a culture of vigilance and proactive data security through partnerships with law enforcement and expert-led training programs. We aim to continue our collaboration in the future to uphold the integrity of data privacy in our organisation.

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.3. Governance Indicators (Cont'd)

4.3.3. Data Privacy and Protection (Cont'd) (GRI 418-1)



Fig 4.3.3 Our collaboration with Hi-Tech Park Police Headquarters' Commercial Crime Investigation Department on the Scam awareness training on 3 September 2024.

Our Data Security Measures

The Group has implemented a comprehensive and robust data security framework designed to safeguard sensitive information and prevent unauthorized access. Key measures include advanced firewalls, dual authentication protocols, and stringent access controls, complemented by regular system updates and password management policies. For a detailed breakdown of our security systems and practices, please refer to the accompanying table.

Proactive Threat Awareness Initiative



Since 2023, the Group has implemented a continuous improvement approach to cybersecurity, regularly updating defensive practices and delivering ongoing training via email to ensure employees remain informed about the latest threats.

Automated Security and Risk Management



The Group leverages Windows Autopatch to ensure the software remains up-to-date, effectively closing security gaps and mitigating vulnerabilities across devices. Additionally, SAP vulnerability triggers are actively monitored, with identified risks communicated to our cloud service provider to enhance system security.

Enhanced Remote Access Security



We have implemented dual authentication protocols for VPN and remote access, providing an additional layer of security to safeguard systems against unauthorized access.

SUSTAINABILITY STATEMENT (CONT'D)

4. IMPACT: KEY PERFORMANCE INDICATORS (KPI) (CONT'D)

4.3. Governance Indicators (Cont'd)

4.3.3. Data Privacy and Protection (Cont'd) (GRI 418-1)

Our Data Security Measures (Cont'd)

Comprehensive Network Security Measures



We employ advanced firewalls, including Kaspersky Security for Windows Servers, Panda Dome for PCs, and WatchGuard endpoint protection, to safeguard its network. Additionally, security checkpoints are integrated within Outlook to enhance email protection.

Strict Access Control and Privilege Management



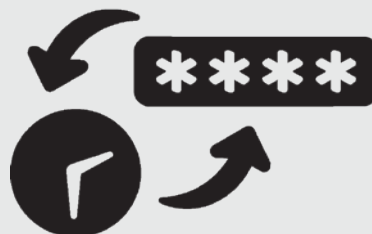
The Group enforces minimized administrative account access, limiting privileges to authorized personnel to reduce the risk of unauthorized system changes. Comprehensive access controls are implemented across the domain, critical systems such as SAP and MES, in-house platforms, and shared folders.

Controlled Vendor Access



The Group ensures vendor access is tightly regulated, granting permissions exclusively through TeamViewer on an as-needed basis to maintain system security and confidentiality.

90-day Password Update Policy



The Group enforces a 90-day password change policy, requiring regular updates with increased complexity standards to strengthen account security and protect against unauthorized access.

SUSTAINABILITY STATEMENT (CONT'D)

5. BURSA MALAYSIA COMMON INDICATORS SUMMARY

Table 5 Overview of all the common indicators from Bursa Malaysia Sustainability Reporting Framework (3rd edition) and the specific section they can be located from. Key: FY = Financial Year

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	0.00	0.00	0.00
Management	Percentage	2.00	1.00	1.00
Executive	Percentage	28.00	12.00	16.00
Non-executive	Percentage	70.00	88.00	82.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	0.00	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	10,507.75	6,659.10	4,209.20
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	257	162	323
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	0.00	0.00
Senior Management Between 30-50	Percentage	100.00	100.00	67.00
Senior Management Above 50	Percentage	0.00	0.00	33.00
Management Under 30	Percentage	7.00	0.00	0.00
Management Between 30-50	Percentage	80.00	83.00	91.00
Management Above 50	Percentage	13.00	17.00	9.00
Executive Under 30	Percentage	42.00	42.00	39.00
Executive Between 30-50	Percentage	49.00	51.00	54.00
Executive Above 50	Percentage	9.00	8.00	7.00
Non-executive Under 30	Percentage	55.00	55.00	54.00
Non-executive Between 30-50	Percentage	40.00	40.00	40.00
Non-executive Above 50	Percentage	5.00	5.00	7.00
Gender Group by Employee Category				
Senior Management Male	Percentage	100.00	100.00	100.00
Senior Management Female	Percentage	0.00	0.00	0.00
Management Male	Percentage	53.00	42.00	55.00
Management Female	Percentage	47.00	58.00	45.00
Executive Male	Percentage	39.00	39.00	36.00
Executive Female	Percentage	61.00	61.00	64.00
Non-executive Male	Percentage	83.00	84.00	82.00
Non-executive Female	Percentage	17.00	16.00	18.00

Internal assurance

External assurance

No assurance

(*)Restated

SUSTAINABILITY STATEMENT (CONT'D)

5. BURSA MALAYSIA COMMON INDICATORS SUMMARY (CONT'D)

Table 5 Overview of all the common indicators from Bursa Malaysia Sustainability Reporting Framework (3rd edition) and the specific section they can be located from. Key: FY = Financial Year (Cont'd)

Indicator	Measurement Unit	2022	2023	2024
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	83.00	83.00	83.00
Female	Percentage	17.00	17.00	17.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	50.00	33.00	33.00
Above 50	Percentage	50.00	67.00	67.00
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	0.01	0.02	0.02
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00	2.22
Bursa C5(c) Number of employees trained on health and safety standards	Number	330	401	389
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	232	19	30
Management	Hours	1,293	250	141
Executive	Hours	1,008	1,906	1,081
Non-executive	Hours	1,650	1,820	1,569
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	1.00	1.00	2.00
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	1	0	0
Management	Number	5	6	3
Executive	Number	37	16	26
Non-executive	Number	107	85	86
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	81.11	72.36	69.86
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	119.520000	109.040000	95.880000

Internal assurance

External assurance

No assurance

(*)Restated

SUSTAINABILITY STATEMENT (CONT'D)

6. GLOBAL REPORTING INITIATIVE (GRI) SUMMARY

Table 6 Overview of all the GRI requirements that we have complied with at WEC.

Statement of Use	Wong Engineering Corporation Berhad has reported with reference to GRI Standards for the period from 1 st November 2023 to 31 st October 2024.
GRI 1 used	GRI 1: Foundation 2021
General disclosures:	Page number
GRI 2: General Disclosures 2021	
2-1 Organizational details	45
2-2 Entities included in the organization's sustainability reporting	45
2-3 Reporting period, frequency and contact point	45
2-5 External assurance	47
2-29 Approach to stakeholder engagement	54
GRI 3: Material Topics 2021	
3-1 Process to determine material topics	61
3-2 List of material topics	63
3-3 Management of material topics	61
GRI 201: Economic Performance 2016	
201-1 Direct economic value generated and distributed	72
GRI 204: Procurement Practices 2016	
204-1 Proportion of spending on local suppliers	87
GRI 205: Anti-corruption 2016	
205-1 Operations assessed for risks related to corruption	89
205-2 Communication and training about anti-corruption policies and procedures	89
205-3 Confirmed incidents of corruption and actions taken	89
GRI 302: Energy 2016	
302-1 Energy consumption within the organization	64
302-3 Energy intensity	64
302-4 Reduction of energy consumption	64
GRI 303: Water and Effluents 2018	
303-1 Water withdrawal	69
303-5 Water consumption	69
GRI 401: Employment 2016	
401-1 New Employee hires and employee turnover	82

SUSTAINABILITY STATEMENT *(CONT'D)*

6. GLOBAL REPORTING INITIATIVE (GRI) SUMMARY (CONT'D)

Table 6 Overview of all the GRI requirements that we have complied with at WEC. (Cont'd)

General disclosures:	Page number
GRI 403: Occupational Health and Safety 2018	
403-2 Hazard identification, risk assessment, and incident investigation	78
403-5 Worker training on occupational health and safety	78
403-6 Promotion of worker health	78
403-9 Work-related injuries	80
GRI 404: Training and Education 2016	
404-1 Average hours of training per year per employee	82
GRI 405: Diversity and Equal Opportunity 2016	
405-1 Diversity of governance bodies and employees	75
GRI 406: Non-discrimination 2016	
406-1 Incidents of discrimination and corrective actions taken	91
GRI 408: Child Labor 2016	
408-1 Operations and suppliers at significant risk for incidents of child labour	91
GRI 409: Forced or Compulsory Labor 2016	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	91
GRI 411: Rights of Indigenous Peoples 2016	
411-1 Incidents of violations involving rights of indigenous peoples	91
GRI 418: Customer Privacy 2016	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	92

SUSTAINABILITY STATEMENT (CONT'D)

References:

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2024

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities whilst the principal activities of the subsidiaries are as stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

RESULTS

	Group RM	Company RM
(Loss)/Profit for the year attributable to :		
Owners of the Company	(11,455,767)	3,401,299
Non-controlling interest	(6,276)	–
	(11,462,043)	3,401,299

RESERVES AND PROVISIONS

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

DIVIDENDS

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

DIRECTORS OF THE COMPANY

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

Dato' Sri Dr. Hou Kok Chung

Yong Loy Huat

Eng Teik Hiang

Low Seong Chuan

Lau Chia En

Anstey Yong Lee Teen

Datuk Haji Muhamad Shapiae Bin Mat Ali

- Independent Non-Executive Chairman
(Appointed on 26 March 2024)

- Chief Executive Officer

- Non-Independent Non-Executive Director

- Executive Director

- Independent Non-Executive Director

- Executive Director

- Independent Non-Executive Chairman
(Resigned on 6 February 2024)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2024 (CONT'D)

DIRECTORS OF SUBSIDIARIES

Pursuant to Section 253(2) of the Companies Act 2016, Directors who served in the Company's subsidiaries during the financial year until the date of this report are as follows :

Yong Loy Huat
Eng Teik Hiang
Low Seong Chuan
Yong Hon Choong
Khoo Boo Inn
Khoo Teng Jin
Ong Chong Khim
Anstey Yong Lee Teen

DIRECTORS' INTERESTS IN SHARES AND WARRANTS

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

	At 1.11.2023	Number of ordinary shares		At 31.10.2024
		Bought	Sold	
Eng Teik Hiang				
Deemed interests in the Company :				
- others *	19,250	–	–	19,250
Yong Loy Huat				
Interests in the Company :				
- own	47,999,875	–	–	47,999,875
Low Seong Chuan				
Interests in the Company :				
- own	27,500	–	–	27,500
Anstey Yong Lee Teen				
Interests in the Company :				
- own	4,125,000	–	–	4,125,000

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2024 (CONT'D)

DIRECTORS' INTERESTS IN SHARES AND WARRANTS (CONT'D)

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

	At 1.11.2023	Number of warrants		At 31.10.2024
		Bought	Sold	
Eng Teik Hiang				
Deemed interests in the Company :				
- others *	9,625	–	–	9,625
Yong Loy Huat				
Interests in the Company :				
- own	23,766,737	–	–	23,766,737
Low Seong Chuan				
Interests in the Company :				
- own	13,750	–	–	13,750
Anstey Yong Lee Teen				
Interests in the Company :				
- own	2,062,500	–	–	2,062,500

* Madam Tan Allis is the spouse of Mr. Eng Teik Hiang. In accordance with Section 59(11) of the Companies Act 2016, the interests of Madam Tan Allis in the shares and warrants of the Company and of its related corporations shall be regarded as the interests of Mr. Eng Teik Hiang.

None of the other Directors holding office at 31 October 2024 had any interest in the ordinary shares and warrants of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

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

The Directors' benefits paid to or receivable by Directors in respect of the financial year ended 31 October 2024 are as follows:

	From the Company RM	From subsidiary companies RM
Directors of the Company:		
Fees	217,131	–
Remuneration	–	879,632
Others	11,500	20,924
	228,631	900,556

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

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2024 (CONT'D)

ISSUE OF SHARES AND DEBENTURES

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

WARRANTS 2022/2027

On 5 May 2022, the Company issued 126,070,939 free warrants to all entitled shareholders of the Company on the basis of one (1) free warrant for every two (2) ordinary shares held in the Company. The warrants are constituted under a Deed Poll dated 24 March 2022 and are listed on Bursa Malaysia Securities Berhad.

The main features of the warrants are as follows:

- i) Each warrant entitles the registered holder during the exercise period to subscribe for one (1) new ordinary share at the exercise price, which has been fixed at RM0.78 per share; and
- ii) The warrants may be exercised at any time on or after 5 May 2022 until the end of the tenure of the warrants. The tenure of the warrants is for a period of five (5) years. Warrants not exercised during the exercise period shall thereafter lapse and cease to be valid for any purpose.

None of the warrants have been exercised during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year apart from the proposed issue of options pursuant to the employee share option scheme ("ESOS") and share grant plan ("SGP").

At the extraordinary general meeting held on 24 March 2022, the Company's shareholders approved the establishment of a long term incentive plan, which comprises the proposed ESOS and the proposed SGP, of up to 15% of the issued share capital of the Company (excluding treasury shares) to eligible Directors and employees of the Group.

The salient features of the proposed ESOS and SGP scheme ("the Scheme") are, inter alia, as follows:

- i) Directors and confirmed employees of the Group are eligible under the Scheme.
- ii) The maximum number of new shares, which may be issued and allotted pursuant to the exercise of the options shall not at any point in time in aggregate exceed 15% of the issued and paid-up capital of the Company (excluding treasury shares) during the duration of the Scheme.
- iii) The Scheme, when implemented, shall be in force for a period of five (5) years from the effective date. The Company may, if the Board deems fit and upon the recommendation of the Scheme committee, extend the Scheme for a period of up to another five (5) years, immediately from the expiry of the first five (5) years, and shall not in aggregate exceed ten (10) years from the effective date or such longer period as may be permitted by Bursa Securities or any other relevant authorities.
- iv) The allocation to an eligible person who, either singly or collectively through persons connected with the eligible person, holds 20% or more of the issued and paid-up share capital of the Company (excluding treasury shares), does not exceed 10% of the total number of the new shares to be issued under the Scheme.
- v) Not more than 70% of the new shares available under the Scheme shall be allocated in aggregate, to the Directors and senior management of the Group.
- vi) The options granted are not entitled for any dividend, voting rights, allotment and/or other distribution declared, made or paid to shareholders unless the new shares so allotted have been credited to the relevant securities accounts of the shareholders maintained by the Bursa Depository before the entitlement date and will be subjected to all provisions of the Constitution relating to the transfer, transmission and otherwise.

No ESOS nor SGP has been issued during the financial year.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2024 (CONT'D)

INDEMNITY AND INSURANCE COSTS

During the financial year, the amounts of indemnity sum and insurance premium paid for Directors of the Company were RM5,000,000 and RM9,000, respectively. There was no indemnity and insurance effected for auditors of the Group and of the Company.

OTHER STATUTORY INFORMATION

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

- i) there are no bad debts to be written off and adequate provision has been made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

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

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

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

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 October 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The details of such event is disclosed in Note 30 to the financial statements.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2024 (CONT'D)

AUDITORS

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

The auditors' remuneration of the Group and of the Company during the year are RM170,500 and RM39,600, respectively.

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

.....
Yong Loy Huat
Director

.....
Eng Teik Hiang
Director

Penang,

Date : 21 February 2025

STATEMENTS OF FINANCIAL POSITION

AS AT 31 OCTOBER 2024

	Note	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
Assets					
Property, plant and equipment	3	28,250,810	43,433,593	–	–
Right-of-use assets	4	3,036,464	3,015,188	–	–
Investment properties	5	28,299,905	14,689,624	–	–
Investment in subsidiaries	6	–	–	62,838,853	62,838,853
Investment in an associate	7	10,208,788	8,656,240	16,800,000	13,650,000
Other investments	10	105,356	105,356	–	–
Prepayment	11	14,874	16,733	–	–
Deferred tax assets	8	772,384	795,343	–	–
Total non-current assets		70,688,581	70,712,077	79,638,853	76,488,853
Inventories	9	10,606,832	15,415,587	–	–
Other investments	10	762,704	621,500	762,704	621,500
Trade and other receivables	11	9,739,291	13,340,808	797,995	2,200,620
Current tax assets		900,770	665,339	–	–
Fixed deposits placed with licensed banks	12	701,353	682,825	–	–
Cash and cash equivalents	13	18,208,159	23,503,362	3,451,603	1,017,892
Total current assets		40,919,109	54,229,421	5,012,302	3,840,012
Total assets		111,607,690	124,941,498	84,651,155	80,328,865
Equity					
Share capital	14	57,909,068	57,909,068	57,909,068	57,909,068
Reserves	15	6,651,503	18,107,270	24,869,747	21,468,448
Total equity attributable to owners of the Company		64,560,571	76,016,338	82,778,815	79,377,516
Non-controlling interest		10,310	16,586	–	–
Total equity		64,570,881	76,032,924	82,778,815	79,377,516
Liabilities					
Loans and borrowings	16	27,904,801	36,152,984	–	–
Lease liabilities		100,845	–	–	–
Total non-current liabilities		28,005,646	36,152,984	–	–
Loans and borrowings	16	11,749,410	5,057,551	–	–
Lease liabilities		115,487	109,015	–	–
Current tax liabilities		–	450	–	–
Trade and other payables	17	7,166,266	7,588,574	1,872,340	951,349
Total current liabilities		19,031,163	12,755,590	1,872,340	951,349
Total liabilities		47,036,809	48,908,574	1,872,340	951,349
Total equity and liabilities		111,607,690	124,941,498	84,651,155	80,328,865

The notes on pages 114 to 159 are an integral part of these financial statements

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2024

	Note	Group 2024 RM	2023 RM	Company 2024 RM	2023 RM
Revenue	18	36,612,565	52,695,278	3,250,277	207,000
Cost of sales		(37,450,713)	(49,040,981)	–	–
Gross (loss)/profit		(838,148)	3,654,297	3,250,277	207,000
Other income		2,123,243	2,627,187	718,845	229,000
Distribution expenses		(734,842)	(948,277)	–	–
Administrative expenses		(8,814,535)	(8,529,311)	(560,698)	(517,042)
Other expenses		(105,088)	(28,626)	–	(186,000)
Results from operating activities	19	(8,369,370)	(3,224,730)	3,408,424	(267,042)
Finance income		410,041	393,405	22,319	75,561
Finance costs	21	(1,896,222)	(1,402,221)	(29,444)	–
Net finance (costs)/income		(1,486,181)	(1,008,816)	(7,125)	75,561
Share of loss of equity-accounted associate		(1,597,452)	(1,863,196)	–	–
(Loss)/Profit before tax		(11,453,003)	(6,096,742)	3,401,299	(191,481)
Tax expense	22	(9,040)	(1,487,359)	–	–
(Loss)/Profit for the year representing total comprehensive (expense)/ income for the year		(11,462,043)	(7,584,101)	3,401,299	(191,481)
(Loss)/Profit for the year representing total comprehensive (expense)/income for the year attributable to :					
Owners of the Company		(11,455,767)	(7,578,035)	3,401,299	(191,481)
Non-controlling interest		(6,276)	(6,066)	–	–
(Loss)/Profit for the year representing total comprehensive (expense)/income for the year		(11,462,043)	(7,584,101)	3,401,299	(191,481)
Diluted/Basic loss per ordinary share (sen)	23	(4.58)	(3.03)		

The notes on pages 114 to 159 are an integral part of these financial statements

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2024

	← Attributable to owners of the Company →				Non- controlling interest RM	Total equity RM
	Share capital RM	Treasury shares RM	Retained earnings RM	Total RM		
Group						
At 1 November 2022	57,909,068	(910,629)	27,470,765	84,469,204	22,652	84,491,856
Loss for the year representing total comprehensive expense for the year	–	–	(7,578,035)	(7,578,035)	(6,066)	(7,584,101)
<i>Distributions to owners of the Company</i>						
- Dividends to owners of the Company (Note 24)	–	–	(874,831)	(874,831)	–	(874,831)
At 31 October 2023	57,909,068	(910,629)	19,017,899	76,016,338	16,586	76,032,924
	Note 14	← Note 15 →				
At 1 November 2023	57,909,068	(910,629)	19,017,899	76,016,338	16,586	76,032,924
Loss for the year representing total comprehensive expense for the year	–	–	(11,455,767)	(11,455,767)	(6,276)	(11,462,043)
At 31 October 2024	57,909,068	(910,629)	7,562,132	64,560,571	10,310	64,570,881
	Note 14	← Note 15 →				

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2024 (CONT'D)

	← Attributable to owners of the Company →			
	Share capital RM	Treasury shares RM	Retained earnings RM	Total equity RM
Company				
At 1 November 2022	57,909,068	(910,629)	23,445,389	80,443,828
Loss for the year representing total comprehensive expense for the year	–	–	(191,481)	(191,481)
<i>Distributions to owners of the Company</i>				
- Dividends to owners of the Company (Note 24)	–	–	(874,831)	(874,831)
At 31 October 2023/ 1 November 2023	57,909,068	(910,629)	22,379,077	79,377,516
Profit for the year representing total comprehensive income for the year	–	–	3,401,299	3,401,299
At 31 October 2024	57,909,068	(910,629)	25,780,376	82,778,815
	Note 14	← Note 15 →		

The notes on pages 114 to 159 are an integral part of these financial statements

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2024

	Note	Group 2024 RM	2023 RM	Company 2024 RM	2023 RM
Cash flows from operating activities					
(Loss)/Profit before tax		(11,453,003)	(6,096,742)	3,401,299	(191,481)
Adjustments for :					
Fair value gain on quoted shares	19	(172,627)	(229,000)	(172,627)	(229,000)
Depreciation of property, plant and equipment	3	3,629,558	3,964,881	-	-
Depreciation of right-of-use assets	4	213,289	207,802	-	-
Depreciation of investment properties	5	704,602	444,821	-	-
Finance income		(410,041)	(393,405)	(22,319)	(75,561)
Finance costs	21	1,896,222	1,402,221	29,444	-
Gain on disposal of property, plant and equipment	19	-	(83,385)	-	-
Gain on disposal of investment property	19	-	(1,073,967)	-	-
Gain on disposal of other investments	19	(546,218)	-	(546,218)	-
Share of loss of equity-accounted associate		1,597,452	1,863,196	-	-
Dividend income	18	(13,777)	-	(3,013,777)	-
Inventories written off	19	19,200	564,748	-	-
(Reversal of write-down)/Write-down to net realisable value	19	(126,112)	262,931	-	-
Write-down for slow moving inventories	19	2,112,115	187,822	-	-
Impairment loss on investment in subsidiary	19	-	-	-	186,000
Unrealised gain on foreign exchange, net	19	(67,454)	(184,145)	-	-
Operating (loss)/profit before changes in working capital		(2,616,794)	837,778	(324,198)	(310,042)
Changes in working capital :					
Inventories		2,803,552	3,886,162	-	-
Trade and other receivables		2,230,176	7,516,563	2,625	2,008,202
Contract assets		-	220,557	-	-
Trade and other payables		(425,654)	(3,999,492)	920,991	(35,612)
Cash generated from operations		1,991,280	8,461,568	599,418	1,662,548
Dividend received		13,777	-	3,013,777	-
Tax paid		(221,962)	(773,247)	-	-
Net cash from operating activities		1,783,095	7,688,321	3,613,195	1,662,548

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2024 (CONT'D)

	Note	Group 2024 RM	2023 RM	Company 2024 RM	2023 RM
Cash flows from investing activities					
Acquisition of property, plant and equipment	A	(2,761,658)	(16,862,404)	–	–
Proceeds from disposal of property, plant and equipment		–	83,385	–	–
Proceeds from disposal of investment property		–	1,500,000	–	–
Interest received		410,041	393,405	22,319	75,561
Placement of fixed deposits pledged with licensed banks		(18,528)	(15,929)	–	–
Additions of other investments		(235,077)	(105,356)	(235,077)	–
Increase of investment in an associate		(1,050,000)	–	(1,050,000)	–
Proceeds from disposal of other investments		812,718	–	812,718	–
Deposit paid to associate as investment	11.4	(700,000)	(2,100,000)	(700,000)	(2,100,000)
Net cash used in investing activities		(3,542,504)	(17,106,899)	(1,150,040)	(2,024,439)
Cash flows from financing activities					
Dividends paid		–	(874,831)	–	(874,831)
Repayment of term loans		(4,970,108)	(4,547,997)	–	–
Repayment of hire purchase creditor		(92,905)	(148,041)	–	–
Payment of lease liabilities		(127,248)	(118,197)	–	–
Drawdown of term loans		3,506,689	25,680,358	–	–
Interest paid		(1,896,222)	(1,402,221)	(29,444)	–
Net cash (used in)/from financing activities		(3,579,794)	18,589,071	(29,444)	(874,831)
Net (decrease)/increase in cash and cash equivalents		(5,339,203)	9,170,493	2,433,711	(1,236,722)
Effect of exchange rate changes on cash and cash equivalents		44,000	68,867	–	–
Cash and cash equivalents at 1 November 2023/2022		23,503,362	14,264,002	1,017,892	2,254,614
Cash and cash equivalents at 31 October	B	18,208,159	23,503,362	3,451,603	1,017,892

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2024 (CONT'D)

Cash outflows for leases as a lessee

	Note	2024 RM	Group 2023 RM
Included in net cash from operating activities			
Payment relating to short-term leases	19	61,800	100,000
Payment relating to leases of low-value assets	19	33,792	33,792
Included in net cash (used in)/from financing activities			
Payment of lease liabilities		127,248	118,197
Total cash outflows for leases		222,840	251,989

Notes to statements of cash flows

A. Purchase of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment as follows :

	Note	2024 RM	2023 RM
Purchase of property, plant and equipment	3	2,761,658	17,142,404
Less : Acquired by means of hire purchase arrangements		–	(280,000)
		2,761,658	16,862,404

B. Cash and cash equivalents

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

	Note	2024 RM	Group 2023 RM	Company 2024 RM	2023 RM
Short term deposits placed with licensed banks	13	3,990,000	9,455,550	–	300,000
Cash and bank balances	13	14,218,159	14,047,812	3,451,603	717,892
		18,208,159	23,503,362	3,451,603	1,017,892

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2024 (CONT'D)

Reconciliation of movements of liabilities to cash flows arising from financing activities

Group	At 1 November 2022 RM	Drawdown of new term loan/ Hire purchase agreement RM	Repayment RM	At 31 October 2023/ 1 November 2023 RM	Drawdown of new term loan/ Addition of new leases RM	Repayment RM	At 31 October 2024 RM
Term loans	19,872,577	25,680,358	(4,547,997)	41,004,938	3,506,689	(4,970,108)	39,541,519
Hire purchase creditor	73,638	280,000	(148,041)	205,597	–	(92,905)	112,692
Lease liabilities	227,212	–	(118,197)	109,015	234,565	(127,248)	216,332
Total liabilities from financing activities	20,173,427	25,960,358	(4,814,235)	41,319,550	3,741,254	(5,190,261)	39,870,543

The notes on pages 114 to 159 are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

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

Principal place of business

Lot 24, Jalan Hi-Tech 4
Kulim Hi-Tech Park (Phase 1)
09000 Kulim
Kedah Darul Aman

Registered office

170-09-01 Livingston Tower
Jalan Argyll
10050 George Town
Pulau Pinang

The consolidated financial statements of the Company as at and for the financial year ended 31 October 2024 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interest in an associate.

The Company is principally engaged in investment holding activities. The principal activities of the subsidiaries are stated in Note 6 to the financial statements.

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

1. BASIS OF PREPARATION

(a) Statement of compliance

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

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

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

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

MFRS Accounting Standards, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

1. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (Cont'd)

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

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

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

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

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

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

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments, where applicable, in the respective financial years when the abovementioned accounting standards, interpretations or amendments become effective.

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

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis other than as disclosed in the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM, unless otherwise stated.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

1. BASIS OF PREPARATION (CONT'D)

(d) Use of estimates and judgements

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

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

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes :

(i) Note 8 - Deferred tax assets

Estimating the deferred tax assets to be recognised requires a process that involves determining appropriate tax provisions, forecasting future years' taxable income and assessing the Group's ability to utilise tax benefits through future earnings. The actual utilisation of tax benefit may be different from expected.

(ii) Note 9 - Net realisable value of inventories

The management reviews for obsolescence and decline in net realisable value below cost. This review requires judgement and estimates. Possible changes in these estimates could result in revision to the valuation of inventories.

2. CHANGES IN MATERIAL ACCOUNTING POLICIES

2.1 Material accounting policy information

The Group and the Company adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 – *Disclosures of Accounting Policies* from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group's and to the Company's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. PROPERTY, PLANT AND EQUIPMENT - GROUP

	Note	Buildings RM	Plant and machinery RM	Furniture fittings and office equipment RM	Motor vehicles RM	Capital expenditure -in-progress RM	Total RM
Cost							
At 1 November 2022		31,409,631	62,358,190	16,435,525	1,421,135	359,423	111,983,904
Additions		-	4,426,491	352,489	488,571	11,874,853	17,142,404
Disposals		-	(867,667)	-	-	-	(867,667)
At 31 October 2023/1 November 2023		31,409,631	65,917,014	16,788,014	1,909,706	12,234,276	128,258,641
Additions		-	112,430	129,030	-	2,520,198	2,761,658
Written off		-	-	(3,570)	-	-	(3,570)
Reclassification		-	65,050	-	-	(65,050)	-
Transfer to investment property	3.3	-	-	-	-	(14,314,883)	(14,314,883)
At 31 October 2024		31,409,631	66,094,494	16,913,474	1,909,706	374,541	116,701,846

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. PROPERTY, PLANT AND EQUIPMENT - GROUP (CONT'D)

	Buildings RM	Plant and machinery RM	Furniture fittings and office equipment RM	Motor vehicles RM	Capital expenditure -in-progress RM	Total RM
Depreciation and impairment loss						
At 1 November 2022						
- Accumulated depreciation	15,389,266	50,624,504	14,297,708	1,064,570	-	81,376,048
- Accumulated impairment loss	-	351,786	-	-	-	351,786
	15,389,266	50,976,290	14,297,708	1,064,570	-	81,727,834
Depreciation for the year	616,956	2,458,047	727,759	162,119	-	3,964,881
Disposals	-	(867,667)	-	-	-	(867,667)
At 31 October 2023/1 November 2023						
- Accumulated depreciation	16,006,222	52,214,884	15,025,467	1,226,689	-	84,473,262
- Accumulated impairment loss	-	351,786	-	-	-	351,786
	16,006,222	52,566,670	15,025,467	1,226,689	-	84,825,048
Depreciation for the year	615,267	2,256,115	591,476	166,700	-	3,629,558
Written off	-	-	(3,570)	-	-	(3,570)
At 31 October 2024						
- Accumulated depreciation	16,621,489	54,470,999	15,613,373	1,393,389	-	88,099,250
- Accumulated impairment loss	-	351,786	-	-	-	351,786
	16,621,489	54,822,785	15,613,373	1,393,389	-	88,451,036
Carrying amounts						
At 1 November 2022	16,020,365	11,381,900	2,137,817	356,565	359,423	30,256,070
At 31 October 2023/ 1 November 2023	15,403,409	13,350,344	1,762,547	683,017	12,234,276	43,433,593
At 31 October 2024	14,788,142	11,271,709	1,300,101	516,317	374,541	28,250,810

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

3. PROPERTY, PLANT AND EQUIPMENT - GROUP (CONT'D)

3.1 Assets under hire purchase arrangements

The carrying amounts of plant and equipment of the Group acquired under hire purchase arrangements were as follows :

	2024 RM	2023 RM
Motor vehicle	238,209	293,181

3.2 Security

Plant and equipment of the Group with carrying amount of RM238,209 (2023 : RM293,181) secures hire purchase creditor (see Note 16).

At 31 October 2024, buildings with a carrying amount of RM14,352,089 (2023 : RM14,943,129) are charged to a licensed bank as security for term loans granted to the Group (see Note 16).

3.3 Transfer to investment property

During the financial year ended 31 October 2024, one building in capital expenditure-in-progress was transferred to investment property upon completion of construction.

3.4 Material accounting policy information

(a) Recognition and measurement

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

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

(b) Depreciation

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

The depreciation rates for the current and comparative periods based on their estimated useful lives are as follows:

	%
Buildings	2
Plant and machinery	10
Furniture, fittings and office equipment	6.67 - 50
Motor vehicles	16

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period and adjusted as appropriate.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. RIGHT-OF-USE ASSETS - GROUP

	Land RM	Buildings RM	Total RM
At 1 November 2022	2,996,285	226,705	3,222,990
Depreciation	(87,706)	(120,096)	(207,802)
At 31 October 2023/1 November 2023	2,908,579	106,609	3,015,188
Additions	–	234,565	234,565
Depreciation	(87,706)	(125,583)	(213,289)
At 31 October 2024	2,820,873	215,591	3,036,464

The Group leases a number of land and buildings which have lease terms between 2 and 60 years.

4.1 Security

As at 31 October 2024, the land is charged to a licensed bank as security for term loans granted to the Group (see Note 16).

4.2 Extension options

Certain leases of buildings contain extension options exercisable by the Group for not more than 3 years before the end of the contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

	← 2024 →		← 2023 →	
	Lease liabilities recognised (discounted) RM	Potential future lease payments not included in lease liabilities (discounted) RM	Lease liabilities recognised (discounted) RM	Potential future lease payments not included in lease liabilities (discounted) RM
Buildings	216,332	333,978	109,015	342,778

4.3 Significant judgements and assumptions in relation to leases

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

4. RIGHT-OF-USE ASSETS - GROUP (CONT'D)

4.4 Material accounting policy information

Recognition exemption

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

5. INVESTMENT PROPERTIES - GROUP

	Note	At cost RM	Accumulated depreciation RM	Carrying amount RM
At 1 November 2022		15,770,512	(210,034)	15,560,478
Disposal		(500,000)	73,967	(426,033)
Depreciation for the year		–	(444,821)	(444,821)
At 31 October 2023/ 1 November 2023		15,270,512	(580,888)	14,689,624
Transfer from property, plant and equipment	3	14,314,883	(260,948)	14,053,935
Depreciation for the year		–	(443,654)	(704,602)
At 31 October 2024		29,585,395	(1,285,490)	28,299,905

5.1 The carrying amounts are represented by :

	2024 RM	2023 RM
Buildings	53,900	56,350
Leasehold land and buildings	28,246,005	14,633,274
	28,299,905	14,689,624

5.2 The following are recognised in profit or loss in respect of investment properties :

	2024 RM	2023 RM
Lease income	1,647,022	1,100,496
Gain on disposal of investment property	–	1,073,967
Direct operating expenses :		
- income generating investment properties	819,109	550,530

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

5. INVESTMENT PROPERTIES - GROUP

5.3 Operating lease payment receivables

The operating lease payments to be received are as follows :

	2024 RM	2023 RM
Less than one year	2,521,200	1,066,896
One to two years	2,521,200	–
Two to five years	1,785,850	–
	6,828,250	1,066,896

5.4 Fair value

The fair value of investment properties was based on the Directors' estimation using the latest available market information, their experience and knowledge in the location and category of property being valued. The fair value of the investment properties of the Group as at 31 October 2024 is classified as Level 3 of the fair value hierarchy and is determined to be approximately RM41,142,000 (2023 : RM14,826,000).

5.5 Security

As at 31 October 2024, the leasehold land and building is charged to a licensed bank as security for term loans granted to the Group (see Note 16).

5.6 Material accounting policy information

(a) Recognition and measurement

Items of investment properties are measured at cost less any accumulated depreciation and any accumulated impairment losses.

(b) Depreciation

Depreciation for investment properties are charged to profit or loss on a straight-line basis over the estimated useful lives of 50 years.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. INVESTMENT IN SUBSIDIARIES - COMPANY

	2024 RM	2023 RM
Cost of investment	68,469,745	68,469,745
Less : Impairment losses	(5,630,892)	(5,630,892)
	62,838,853	62,838,853

Details of the subsidiaries are as follows :

Name of entity	Principal activities	Effective ownership interest and voting interest	
		2024 %	2023 %
Wong Engineering Industries Sdn. Bhd.	Design and manufacture of high precision metal stamped parts and sheet metals	100	100
Wong Engineering Electronics Sdn. Bhd.	Manufacture of high precision turned metal components	100	100
WEC Marketing Sdn. Bhd.	Trading, marketing and retailing of industrial and consumer products	100	100
Wong Engineering Metals (M) Sdn. Bhd.	Dormant	100	100
WEC Construction Sdn. Bhd.	Provision of general building construction and infrastructure work	100	100
WEC Development Sdn. Bhd.	Yet to commence operations in the provision of property development and related business	100	100
<i>Subsidiaries of Wong Engineering Industries Sdn. Bhd.</i>			
Wong Exerion Precision Technology Sdn. Bhd.	Design, manufacture and supply of complex welded frames structure, related modules and systems	100	100
FWE Global Sdn. Bhd. ("FWE")	Dormant	51	51

The principal place of business of all the above subsidiaries is in Malaysia and all the above subsidiaries are incorporated in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

6. INVESTMENT IN SUBSIDIARIES - COMPANY (CONT'D)

6.1 Non-controlling interest in a subsidiary

The Group's subsidiary that has material non-controlling interest ("NCI") is as follows :

	2024 RM	FWE 2023 RM
NCI percentage of ownership interest and voting interest	49%	49%
Carrying amount of NCI	10,310	16,586
Loss allocated to NCI	(6,276)	(6,066)
Summarised financial information before intra-group elimination :		
As at 31 October		
Current assets	28,758	41,160
Current liabilities	(7,716)	(7,309)
Net assets	21,042	33,851
Year ended 31 October		
Revenue	–	–
Loss for the year	(12,809)	(12,379)
Total comprehensive expense	(12,809)	(12,379)
Cash flows used in operating activities	(12,402)	(13,356)
Net decrease in cash and cash equivalents	(12,402)	(13,356)
Dividend paid to NCI	–	–

6.2 Material accounting policy information

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Investment in shares	16,800,000	13,650,000	16,800,000	13,650,000
Share of post-acquisition reserves	(6,591,212)	(4,993,760)	–	–
	10,208,788	8,656,240	16,800,000	13,650,000

Details of the associate are as follows:

Name of entity	Principal place of business/ Country of incorporation	Nature of relationship	Effective ownership interest	
			2024	2023
			%	%
Broadway Lifestyle Sdn. Bhd. ("BLSB")*	Malaysia	Providing the Group with access to property development and building construction activities	35	35

* Associate not audited by KPMG PLT.

The following table summarises the information in the Group's associate, adjusted for any differences in accounting policies and reconciled the information to the carrying amount of the Group's interest in the associate:

	BLSB	
	2024 RM	2023 RM
Group		
Summarised financial information		
As at 31 October		
Non-current assets	87,615,794	88,929,766
Current assets	6,274,266	11,992,836
Non-current liabilities	(61,860,000)	(70,260,000)
Current liabilities	(3,275,006)	(6,343,398)
Net assets	28,755,054	24,319,204

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

7. INVESTMENT IN AN ASSOCIATE (CONT'D)

The following table summarises the information in the Group's associate, adjusted for any differences in accounting policies and reconciled the information to the carrying amount of the Group's interest in the associate:

	2024 RM	BLSB 2023 RM
Year ended 31 October		
Loss from continuing operations	(4,564,150)	(5,323,416)
Other comprehensive income	–	–
Total comprehensive expense	(4,564,150)	(5,323,416)
Included in the total comprehensive income is :		
Revenue	–	–
Reconciliation of net assets to carrying amount as at 31 October		
Group's share of net assets	10,064,269	8,511,721
Goodwill	144,519	144,519
Carrying amount in the statement of financial position	10,208,788	8,656,240

7.1 Material accounting policy information

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. DEFERRED TAX ASSETS

Recognised deferred tax assets/(liabilities)

Deferred tax assets and liabilities are attributable to the following :

	Assets		Liabilities		Net	
	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM
Group						
Property, plant and equipment	–	–	(2,140,124)	(2,275,960)	(2,140,124)	(2,275,960)
Right-of-use assets	–	–	(51,743)	(25,589)	(51,743)	(25,589)
Lease liabilities	51,920	26,165	–	–	51,920	26,165
Tax losses carry-forwards	42,358	31,311	–	–	42,358	31,311
Reinvestment allowances carry-forwards	228,197	1,606,880	–	–	228,197	1,606,880
Capital allowances carry-forwards	1,565,011	857,661	–	–	1,565,011	857,661
Provisions	1,076,765	574,875	–	–	1,076,765	574,875
Tax assets/(liabilities)	2,964,251	3,096,892	(2,191,867)	(2,301,549)	772,384	795,343
Set off of tax	(2,191,867)	(2,301,549)	2,191,867	2,301,549	–	–
Net tax assets	772,384	795,343	–	–	772,384	795,343

Deferred tax assets and liabilities are offset when there are legally enforceable rights to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same taxation authority.

Movements in temporary differences during the year

	At 1.11.2022 RM	Recognised in profit or loss (Note 22) RM	At 31.10.2023/ 1.11.2023 RM	Recognised in profit or loss (Note 22) RM	At 31.10.2024 RM
Group					
Property, plant and equipment	(2,099,137)	(176,823)	(2,275,960)	135,836	(2,140,124)
Right-of-use assets	(54,410)	28,821	(25,589)	(26,154)	(51,743)
Lease liabilities	54,531	(28,366)	26,165	25,755	51,920
Tax losses carry-forwards	243,948	(212,637)	31,311	11,047	42,358
Reinvestment allowances carry-forwards	3,452,506	(1,845,626)	1,606,880	(1,378,683)	228,197
Capital allowances carry-forwards	–	857,661	857,661	707,350	1,565,011
Provisions	424,230	150,645	574,875	501,890	1,076,765
	2,021,668	(1,226,325)	795,343	(22,959)	772,384

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. DEFERRED TAX ASSETS (CONT'D)

Unrecognised deferred tax assets

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

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unutilised reinvestment allowances carry-forwards	18,073,000	12,565,000	–	–
Unutilised tax losses carry-forwards	10,263,000	8,566,900	1,072,000	985,000
Unabsorbed capital allowances carry-forwards	34,700	20,600	–	–
	28,370,700	21,152,500	1,072,000	985,000

Deferred tax assets have not been fully recognised in respect of the above items because it is not probable that sufficient future taxable profits will be available against which the Group and the Company can utilise the benefits therefrom before their expiry.

The tax losses carry-forwards and reinvestment allowances carry-forwards are subject to a 10-year and 7-year time limit, respectively, under the current tax legislation of Malaysia.

Unabsorbed capital allowances carry-forwards do not expire under the current tax legislations in Malaysia.

The comparative figures have been restated to reflect the unutilised reinvestment allowances, unutilised tax losses and unabsorbed capital allowances available to the Group and the Company.

The unutilised reinvestment allowances and unutilised tax losses will expire in the following years of assessment ("YA") under the current tax legislation of Malaysia as shown below :

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unutilised reinvestment allowances				
Expire in YA2025	13,004,000	11,668,000	–	–
Expire in YA2027	306,000	267,000	–	–
Expire in YA2028	1,171,000	630,000	–	–
Expire in YA2029	1,915,000	–	–	–
Expire in YA2030	1,677,000	–	–	–
	18,073,000	12,565,000	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

8. DEFERRED TAX ASSETS (CONT'D)

Unrecognised deferred tax assets (Cont'd)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unutilised tax losses				
Expire in YA2028	4,339,000	4,294,000	708,000	708,000
Expire in YA2029	770,500	770,500	102,000	102,000
Expire in YA2030	713,000	713,000	74,000	74,000
Expire in YA2031	542,500	542,500	68,000	68,000
Expire in YA2032	661,000	1,296,000	25,000	25,000
Expire in YA2033	950,900	950,900	8,000	8,000
Expire in YA2034	2,286,100	–	87,000	–
	10,263,000	8,566,900	1,072,000	985,000

9. INVENTORIES - GROUP

	2024 RM	2023 RM
Raw materials	4,445,213	7,554,027
Work-in-progress	4,078,821	3,766,316
Finished goods	2,082,798	4,095,244
	10,606,832	15,415,587
Recognised in profit or loss :		
Inventories recognised as cost of sales in relation to the Group's precision engineering segment	32,985,840	35,847,603
Inventories written off	19,200	564,748
(Reversal of write-down)/Write-down to net realisable value	(126,112)	262,931
Write-down for slow moving inventories	2,112,115	187,822

The write-off, write-downs and reversal of write-down are included in cost of sales.

9.1 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the weighted average method.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. OTHER INVESTMENTS

	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
Non-current				
Fair value through other comprehensive income	105,356	105,356	–	–
Current				
Fair value through profit or loss	762,704	621,500	762,704	621,500
	868,060	726,856	762,704	621,500

11. TRADE AND OTHER RECEIVABLES

	Note	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
Non-current					
Non-trade					
Prepayment		14,874	16,733	–	–
Current					
Trade					
Trade receivables	11.1	7,820,609	9,763,414	–	–
Non-trade					
Amount due from subsidiaries	11.2	–	–	93,662	96,287
Amount due from a related party	11.3	169,948	–	–	–
Other receivables		99,861	34,145	–	–
Deposits	11.4	835,323	2,271,464	701,000	2,101,000
Prepayments		813,550	1,271,785	3,333	3,333
		1,918,682	3,577,394	797,995	2,200,620
		9,739,291	13,340,808	797,995	2,200,620

11.1 Trade receivables - Group

Included in trade receivables are retention sums of RM2,191,512 (2023: RM2,191,512) relating to construction projects. Retention sums are unsecured, interest free and expected to be collected as follows:

	2024 RM	2023 RM
Within 1 - 2 years	2,191,512	2,191,512

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

11.2 Amount due from subsidiaries - Company

The non-trade amount due from subsidiaries is unsecured, interest-free and repayable on demand.

11.3 Amount due from a related party - Group

The non-trade amount due from a related party is unsecured, interest-free and repayable on demand.

11.4 Deposits

Included in the deposits is an amount of RM700,000 (FY2023: RM2,100,000) which is for the subscription of additional Non-Cumulative Preference Shares ("NCPS") in BLSB.

12. FIXED DEPOSITS PLACED WITH LICENSED BANKS - GROUP

The entire fixed deposits of the Group represent deposits placed with licensed banks with maturity period of more than 3 months.

Fixed deposits placed with licensed banks are pledged as security for bank guarantees granted to the Group.

13. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Short term deposits placed with licensed banks	3,990,000	9,455,550	–	300,000
Cash and bank balances	14,218,159	14,047,812	3,451,603	717,892
	18,208,159	23,503,362	3,451,603	1,017,892

14. SHARE CAPITAL

	Group and Company			
	2024		2023	
	Number of shares	Amount RM	Number of shares	Amount RM
Issued and fully paid ordinary shares with no par value classified as equity instruments	252,141,973	57,909,068	252,141,973	57,909,068

14.1 Ordinary shares

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

14.2 Treasury shares

Treasury shares comprises cost of acquisition of the Company's own shares. At 31 October 2024, the Company held 2,189,800 (2023: 2,189,800) of the Company's own shares.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. RESERVES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Treasury shares	(910,629)	(910,629)	(910,629)	(910,629)
Retained earnings	7,562,132	19,017,899	25,780,376	22,379,077
	6,651,503	18,107,270	24,869,747	21,468,448

The movements of the above reserves are disclosed in the statements of changes in equity.

16. LOANS AND BORROWINGS - GROUP

	Note	2024 RM	2023 RM
Non-current			
Term loans	16.1	27,887,962	36,039,699
Hire purchase creditor	16.2	16,839	113,285
		27,904,801	36,152,984
Current			
Term loans	16.1	11,653,557	4,965,239
Hire purchase creditor	16.2	95,853	92,312
		11,749,410	5,057,551
		39,654,211	41,210,535

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

16. LOANS AND BORROWINGS - GROUP (CONT'D)

16.1 Term loans

Security

The term loans are secured over buildings (see Note 3), right-of-use assets (see Note 4) and leasehold land and building (see Note 5).

The term loans are also guaranteed by the Company

Breach of loan covenant

A subsidiary has a secured bank loan of RM8,667,000 at 31 October 2024. According to the terms of the agreement, this loan is repayable in tranches over the next 2 years. However, the loan contains a debt covenant stating that at anytime, the subsidiary's debt services coverage ratio (in the covenant defined as the subsidiary's net operating income divided by repayment of loan and interest expenses) cannot be less than 1.75 times and gearing ratio (in the covenant defined as the subsidiary's total bank borrowings divided by total net worth) cannot be more than 0.75 times. At 31 October 2024, the subsidiary's debt services coverage ratio and gearing ratio were 0.02 times and 0.77 times respectively. Consequently, the entire loan has been classified as current liability.

The bank has been notified and renegotiation on the rectification of such covenant is ongoing. The Directors of the subsidiary are confident that the subsidiary will be able to meet its obligation on the bank loan as and when it falls due in the normal course of business.

16.2 Hire purchase creditor

Security

The hire purchase is secured as the rights to the assets under hire purchase revert to the hire purchase creditor in the event of default.

17. TRADE AND OTHER PAYABLES

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Trade					
Trade payables	17.1	4,086,295	5,272,322	–	–
Non-trade					
Other payables		1,353,553	1,024,426	915	3,990
Deposit		902,124	6,500	–	–
Amount due to subsidiaries	17.2	–	–	1,621,391	907,615
Amount due to a related party	17.3	–	222,600	–	–
Accrued expenses		824,294	1,062,726	250,034	39,744
		3,079,971	2,316,252	1,872,340	951,349
		7,166,266	7,588,574	1,872,340	951,349

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

17. TRADE AND OTHER PAYABLES (CONT'D)

17.1 Trade payables - Group

Included in trade payables are retention sums of RM1,144,220 (2023 : RM1,593,726) relating to construction projects. Retention sums are unsecured, interest free and expected to be repayable as follows:

	2024 RM	2023 RM
Within 1 - 2 years	1,144,220	1,593,726

17.2 Amount due to subsidiaries - Company

Included in the non-trade amount due to subsidiaries of RM700,000 (FY2023: Nil) is earning interest at 1.50% above the cost of funds per annum.

Other than the above, the remaining non-trade amount due from subsidiaries is unsecured, interest-free and repayable on demand.

17.3 Amount due to a related party - Group

The non-trade amount due to a related party was unsecured, interest-free and repayable on demand.

18. REVENUE

	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
Revenue from contracts with customers	36,598,788	52,695,278	-	-
Other revenue				
- Dividend income	13,777	-	3,013,777	-
- Management fee from subsidiaries	-	-	236,500	207,000
	13,777	-	3,250,277	207,000
Total revenue	36,612,565	52,695,278	3,250,277	207,000

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. REVENUE (CONT'D)

18.1 Disaggregation of revenue

	Reportable segments				Total	
	Precision engineering		Construction and property development			
	2024 RM	2023 RM	2024 RM	2023 RM	2024 RM	2023 RM
Group						
Primary geographical markets						
Malaysia	24,363,192	36,489,560	591,971	362,986	24,955,163	36,852,546
Asia (excluding Malaysia)	7,253,704	8,572,366	–	–	7,253,704	8,572,366
Europe	3,858,782	5,881,579	–	–	3,858,782	5,881,579
Other countries	531,139	1,388,787	–	–	531,139	1,388,787
	36,006,817	52,332,292	591,971	362,986	36,598,788	52,695,278
Major products and services lines						
Sale of precision metal stamped parts and sheets metal	36,006,817	52,332,292	–	–	36,006,817	52,332,292
Construction contracts	–	–	591,971	362,986	591,971	362,986
	36,006,817	52,332,292	591,971	362,986	36,598,788	52,695,278
Timing of recognition						
At a point in time	36,006,817	52,332,292	–	–	36,006,817	52,332,292
Over time	–	–	591,971	362,986	591,971	362,986
	36,006,817	52,332,292	591,971	362,986	36,598,788	52,695,278
Revenue from contracts with customers	36,006,817	52,332,292	591,971	362,986	36,598,788	52,695,278

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. REVENUE (CONT'D)

18.2 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Sale of precision metal stamped parts and sheets metal	Revenue is recognised when the goods are delivered and accepted by the customers at their premises.	Credit period of 30 to 60 days from invoice date.	Not applicable.	Not applicable.	Not applicable.
Construction contract	Revenue is recognised over time using the output method.	Based on agreed milestones, certified by architects.	Not applicable.	Not applicable.	Defect liability period of 2 years is given to the customer.

18.3 Transaction price allocated to the remaining performance obligations

The amount of revenue from the Group's construction activities that are expected to be recognised in future relating to performance obligations that are unsatisfied or partially unsatisfied at the reporting date amounted to RM729,529 (2023 : RM1,321,500). The Group expects to recognise the revenue progressively over the remaining construction period of within a year (2023: within a year) based on the progress of satisfaction of the performance obligation.

18.4 Significant judgements and assumptions arising from revenue recognition

The Group applied judgements and assumptions that significantly affect the determination of the amount and timing of revenue recognised from contracts with customers. The Group recognised construction revenue and expenses in profit or loss over time using the output method where the percentage of completion is determined by comparing the actual costs incurred with the estimated total costs required to complete the construction. Significant judgements are required to estimate the total contract costs to complete. A change in the estimate will directly affect the revenue to be recognised.

19. RESULTS FROM OPERATING ACTIVITIES

Results from operating activities are arrived at after charging/(crediting) :

Note	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remunerations:				
- Audit fees	170,500	170,500	39,600	39,600
- Non-audit fees				
- KPMG PLT	4,600	4,600	4,600	4,600

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19. RESULTS FROM OPERATING ACTIVITIES (CONT'D)

Results from operating activities are arrived at after charging/(crediting) : (Cont'd)

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Material expenses/(income)					
Depreciation of property, plant and equipment	3	3,629,558	3,964,881	–	–
Depreciation of right-of-use assets	4	213,289	207,802	–	–
Depreciation of investment properties	5	704,602	444,821	–	–
Inventories written off	9	19,200	564,748	–	–
(Reversal of write-down)/Write-down to net realisable value	9	(126,112)	262,931	–	–
Write-down for slow moving inventories	9	2,112,115	187,822	–	–
Impairment loss on investment in subsidiary		–	–	–	186,000
Personnel expenses (including key management personnel)					
- Wages, salaries and others		13,553,642	14,728,085	–	–
- Contribution to Employees' Provident Fund		1,199,690	1,275,679	–	–
Fair value gain on quoted shares		(172,627)	(229,000)	(172,627)	(229,000)
Gain on disposal of property, plant and equipment		–	(83,385)	–	–
Gain on disposal of investment property		–	(1,073,967)	–	–
Gain on disposal of other investments		(546,218)	–	(546,218)	–
Dividend income		13,777	–	3,013,777	–
Rental income on premises		(1,710,667)	(1,167,566)	–	–
Net (gain)/loss on foreign exchange					
- Realised		493,029	163,663	–	–
- Unrealised		(67,454)	(184,145)	–	–
Expenses arising from leases:					
Expenses relating to short-term leases	a	61,800	100,000	–	–
Expenses relating to leases of low-value assets	a	33,792	33,792	–	–

Note a

The Group leases a number of hostels and IT equipment with contract terms of 1 to 3 years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensations are as follows :

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Directors				
- Fees	217,131	225,000	217,131	225,000
- Remuneration	927,092	1,027,092	–	–
- Others	32,424	34,785	11,500	12,000
	1,176,647	1,286,877	228,631	237,000

21. FINANCE COSTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest expense of financial liabilities that are not at fair value through profit or loss	1,892,872	1,395,622	29,444	–
Interest expense on lease liabilities	3,350	6,599	–	–
	1,896,222	1,402,221	29,444	–

22. TAX EXPENSE

Recognised in profit or loss

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current tax expense				
- Current year	–	139,193	–	–
- Prior year	(13,919)	7,711	–	–
Total current tax recognised in profit or loss	(13,919)	146,904	–	–
Deferred tax expense				
- Origination of temporary differences	12,978	1,437,003	–	–
- Prior year	9,981	(210,678)	–	–
Total deferred tax recognised in profit or loss	22,959	1,226,325	–	–
Real property gains tax on disposal of investment property	–	114,130	–	–
Total tax expense	9,040	1,487,359	–	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

22. TAX EXPENSE (CONT'D)

Reconciliation of tax expense

	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
(Loss)/Profit before tax	(11,453,003)	(6,096,742)	3,401,299	(191,481)
Income tax calculated using Malaysian tax rate of 24%	(2,748,721)	(1,463,218)	816,312	(45,955)
Non-deductible expenses	1,886,646	1,029,369	58,545	54,047
Tax incentives	–	(687,456)	–	–
Deferred tax assets not recognised	1,732,368	2,959,752	20,880	2,228
Non-taxable income	(902,004)	(372,146)	(895,830)	(10,320)
Real property gains tax on disposal of investment property	–	114,130	–	–
Others	44,689	109,895	93	–
	12,978	1,690,326	–	–
Over provision in prior years	(3,938)	(202,967)	–	–
	9,040	1,487,359	–	–

23. DILUTED/BASIC LOSS PER ORDINARY SHARE - GROUP

Basic loss per ordinary share

The calculation of basic loss per ordinary share was based on the loss attributable to ordinary shareholders of RM11,455,767 (2023 : RM7,578,035) and a weighted average number of ordinary shares outstanding, excluding treasury shares held by the Company, calculated as follows :

	2024	2023
Weighted average number of ordinary shares at beginning of year/31 October	249,952,173	249,952,173

Diluted loss per ordinary share

Diluted loss per ordinary share of the Group is calculated by dividing the loss attributable to ordinary shareholders and the weighted average number of shares in issue and issuable under the warrants. The warrants are excluded from the computation of diluted loss per ordinary shares as the warrants are out-of-the-money as at the end of the financial year and do not have any potential dilutive effect. Thus, the Group's diluted loss per ordinary share at the reporting date is equivalent to its basic loss per ordinary share as disclosed above.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. DIVIDENDS

Dividends recognised by the Company :

	Sen per share	Total amount RM	Date of payment
2023			
Final 2022 single tier	0.35	874,831	5 May 2023

The Directors do not recommend any dividend to be paid for the financial year under review.

25. OPERATING SEGMENTS

The Group has three (3) reportable segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the strategic business units, the Group's Chief Executive Officer (the Chief Operating Decision Maker "CODM") reviews internal management reports at least on a quarterly basis. The following summary describes the operations in each of the Group's reportable segments :

Precision engineering	The design and manufacture of high precision metal stamped parts and sheet metals
Construction and property development	Provision of general buildings construction and infrastructure work, and provision of property development and related business
Others	Investment holding

Segment assets

The total of segment asset is measured based on all assets of a segment, as included in the internal management reports that are reviewed by the CODM. Segment total assets is used to measure the return on assets of each segment.

Segment liabilities

Segment liabilities information is neither included in the internal management reports nor provided regularly to the CODM. Hence, no disclosure is made on segment liabilities.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. OPERATING SEGMENTS (CONT'D)

Segment capital expenditure

Segment capital expenditure is the total cost incurred during the financial year to acquire property, plant and equipment.

	Precision engineering RM	Construction and property development RM	Others RM	Total RM
Group				
2024				
Segment (loss)/profit	(9,865,912)	(1,654,350)	1,553,440	(9,966,822)
<i>Included in the measure of segment (loss)/profit are:</i>				
Revenue from external customers	36,006,817	591,971	13,777	36,612,565
Depreciation of property, plant and equipment	(3,621,699)	(7,859)	–	(3,629,558)
Depreciation of investment properties	–	–	(704,602)	(704,602)
Depreciation of right-of-use assets	(213,289)	–	–	(213,289)
Share of loss of an associate	–	(1,597,452)	–	(1,597,452)
<i>Not included in the measure of segment (loss)/profit but provided to CODM:</i>				
Finance costs	(883,525)	–	(1,012,697)	(1,896,222)
Finance income	387,722	–	22,319	410,041
Tax expense	(9,040)	–	–	(9,040)
Segment assets	64,264,967	14,124,178	33,218,545	111,607,690
<i>Included in the measure of segment assets are:</i>				
Investment in an associate	–	10,208,788	–	10,208,788
Additions to property, plant and equipment	2,759,719	1,939	–	2,761,658
Addition to investment property	–	–	14,314,883	14,314,883
Addition to right-of-use assets	234,565	–	–	234,565
2023				
Segment (loss)/profit	(5,537,726)	(2,575,863)	3,025,663	(5,087,926)
<i>Included in the measure of segment (loss)/profit are:</i>				
Revenue from external customers	52,332,292	362,986	–	52,695,278
Depreciation of property, plant and equipment	(3,951,538)	(13,343)	–	(3,964,881)
Depreciation of investment properties	–	–	(444,821)	(444,821)
Depreciation of right-of-use assets	(207,802)	–	–	(207,802)
Gain on disposal of investment property	–	–	1,073,967	1,073,967
Share of loss of an associate	–	(1,863,196)	–	(1,863,196)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. OPERATING SEGMENTS (CONT'D)

Segment capital expenditure (Cont'd)

	Precision engineering RM	and property development RM	Construction Others RM	Total RM
Group				
2023				
Segment (loss)/profit				
<i>Not included in the measure of segment (loss)/profit but provided to CODM:</i>				
Finance costs	(1,402,221)	–	–	(1,402,221)
Finance income	317,844	–	75,561	393,405
Tax expense	(1,487,359)	–	–	(1,487,359)
Segment assets	90,720,875	15,787,274	18,433,349	124,941,498
<i>Included in the measure of segment assets are:</i>				
Investment in an associate	–	8,656,240	–	8,656,240
Additions to property, plant and equipment	17,136,024	6,380	–	17,142,404

Geographical information

The Group's manufacturing activities are located in Malaysia while sales are mainly to Asia and Europe apart from domestic market.

In presenting information on the basis of geographical segments, segment revenue is based on geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include prepayment, financial instruments (including investment in an associate) and deferred tax assets.

	Group External revenue RM	Non-current assets RM
2024		
Malaysia	24,955,163	59,587,179
Asia (excluding Malaysia)	7,267,481	–
Europe	3,858,782	–
Others	531,139	–
	36,612,565	59,587,179

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

25. OPERATING SEGMENTS (CONT'D)

Geographical information (Cont'd)

	Group External revenue RM	Non-current assets RM
2023		
Malaysia	36,852,546	61,138,405
Asia (excluding Malaysia)	8,572,366	–
Europe	5,881,579	–
Others	1,388,787	–
	52,695,278	61,138,405

Major customers

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

	2024 RM	2023 RM	Segment
Customer A	5,031,867	8,369,483	Precision engineering
Customer B	3,988,070	7,983,310	Precision engineering
Customer C	3,915,059	3,614,132	Precision engineering
Customer D	3,590,437	7,048,126	Precision engineering
Customer E	3,502,338	8,850,262	Precision engineering

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. FINANCIAL INSTRUMENTS

26.1 Categories of financial instruments

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

- (a) Fair value through profit or loss ("FVTPL")
 - Designated upon initial recognition ("DUIR")
- (b) Amortised cost ("AC")
- (c) Fair value through other comprehensive income ("FVOCI")
 - Equity instrument designated upon initial recognition ("EIDUIR")

	Carrying amount RM	AC RM	FVTPL - DUIR RM	FVOCI - EIDUIR RM
2024				
Financial assets				
Group				
Other investments	868,060	–	762,704	105,356
Trade and other receivables (excluding prepayments)	8,925,741	8,925,741	–	–
Cash and cash equivalents	18,208,159	18,208,159	–	–
Fixed deposits placed with licensed banks	701,353	701,353	–	–
	28,703,313	27,835,253	762,704	105,356

Company

Other investments	762,704	–	762,704	–
Trade and other receivables (excluding prepayments)	794,662	794,662	–	–
Cash and cash equivalents	3,451,603	3,451,603	–	–
	5,008,969	4,246,265	762,704	–

	Carrying amount RM	AC RM
2024		
Financial liabilities		
Group		
Loans and borrowings	39,654,211	39,654,211
Trade and other payables	7,166,266	7,166,266
	46,820,477	46,820,477

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.1 Categories of financial instruments (Cont'd)

			Carrying amount RM	AC RM
2024				
Financial liabilities				
Company				
Trade and other payables			1,872,340	1,872,340
	Carrying amount RM	AC RM	FVTPL - DUIR RM	FVOCI - EIDUIR RM
2023				
Financial assets				
Group				
Other investments	726,856	–	621,500	105,356
Trade and other receivables (excluding prepayments)	12,069,023	12,069,023	–	–
Cash and cash equivalents	23,503,362	23,503,362	–	–
Fixed deposits placed with licensed banks	682,825	682,825	–	–
	36,982,066	36,255,210	726,856	105,356
Company				
Other investments	621,500	–	621,500	–
Trade and other receivables (excluding prepayments)	2,197,287	2,197,287	–	–
Cash and cash equivalents	1,017,892	1,017,892	–	–
	3,836,679	3,215,179	621,500	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.1 Categories of financial instruments (Cont'd)

	Carrying amount RM	AC RM
2023		
Financial liabilities		
Group		
Loans and borrowings	41,210,535	41,210,535
Trade and other payables	7,588,574	7,588,574
	<u>48,799,109</u>	<u>48,799,109</u>
Company		
Trade and other payables	951,349	951,349
	<u>951,349</u>	<u>951,349</u>

26.2 Net gains and losses arising from financial instruments

	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
Net gains/(losses) on :				
Financial assets at fair value through profit or loss				
- Designated upon initial recognition	718,845	229,000	718,845	229,000
Financial assets at amortised cost	(824,200)	358,547	22,319	75,561
Financial liabilities at amortised cost	(1,087,556)	(1,340,282)	(29,444)	-
	<u>(1,192,911)</u>	<u>(752,735)</u>	<u>711,720</u>	<u>304,561</u>

26.3 Financial risk management

The Group has exposures to the following risks from its use of financial instruments :

- Credit risk
- Liquidity risk
- Market risk

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.4 Credit risk

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

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Normally, credit evaluations are performed on customers requiring credit over a certain amount.

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

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

There are no significant changes as compared to previous year.

Exposure to credit risk, credit quality and collateral

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

Concentration of credit risk

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

	2024 RM	2023 RM
Group		
Domestic	6,519,755	7,785,290
Asia (excluding Malaysia)	588,823	904,559
Europe	582,040	1,031,877
Others	129,991	41,688
	7,820,609	9,763,414

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 90 days.

The Group uses an allowance matrix to measure ECLs of trade receivables for all segments except for construction segment. Invoices which are past due 90 days will be considered as credit impaired.

Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to 90 days past due.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.4 Credit risk (Cont'd)

Trade receivables(Cont'd)

Recognition and measurement of impairment losses (Cont'd)

Loss rates are based on actual credit loss experience over the past three years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

For construction contracts, as there is only one customer, the Group assessed the risk of loss of the customer individually based on its financial information and past trend of payments, where applicable. The customer has low risk of default.

The following table provides information about the exposure to credit risk and ECLs for trade receivables.

	Gross carrying amount RM	Loss allowance RM	Net balance RM
Group			
2024			
Current (not past due)	7,091,849	–	7,091,849
1 - 30 days past due	629,959	–	629,959
31 - 60 days past due	5,235	–	5,235
61 - 90 days past due	84,563	–	84,563
More than 90 days past due	9,003	–	9,003
	7,820,609	–	7,820,609
Credit impaired			
More than 90 days past due	454,869	(454,869)	–
	8,275,478	(454,869)	7,820,609
2023			
Current (not past due)	8,759,108	–	8,759,108
1 - 30 days past due	767,154	–	767,154
31 - 60 days past due	122,168	–	122,168
61 - 90 days past due	84,436	–	84,436
More than 90 days past due	30,548	–	30,548
	9,763,414	–	9,763,414
Credit impaired			
More than 90 days past due	454,869	(454,869)	–
	10,218,283	(454,869)	9,763,414

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.4 Credit risk (Cont'd)

Trade receivables(Cont'd)

Recognition and measurement of impairment losses (Cont'd)

Included in current (not past due) bracket are retention sums of RM2,191,512 (2023 : RM2,191,512). The retention sums are receivable upon expiry of the defect liability period of 24 months (2023: 24 months).

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk other than 3 (2023 : 3) customers who collectively contributed 56% (2023 : 54%) of the Group's trade receivables as at the end of the reporting period.

Cash and cash equivalents

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

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

Financial guarantees

Risk management objectives, policies and processes for managing the risk

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

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM39,542,000 (2023 : RM41,005,000) representing the outstanding banking facilities of the subsidiaries as at the end of the reporting period.

As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

The financial guarantees have not been recognised since the fair value on initial recognition was not material.

Recognition and measurement of impairment loss

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

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

The Company determines the probability of default of the loans and amount payable to vendor individually using internal and external information available.

Inter company advances

Risk management objectives, policies and processes for managing the risk

The Group and the Company provide unsecured advances to a related party and subsidiaries. The Group and the Company monitor the ability of the related party and subsidiaries to repay the advances on an individual basis.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.4 Credit risk (Cont'd)

Inter company advances (Cont'd)

Exposure to credit risk, credit quality and collateral

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

Advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

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

The following table provides information about the exposure to credit risk and ECLs for a related party's and subsidiaries' advances as at year end.

	Gross carrying amount RM	Impairment loss allowances RM	Net balance RM
Group			
2024			
Low credit risk	169,948	–	169,948
2023			
Low credit risk	–	–	–
Company			
2024			
Low credit risk	93,662	–	93,662
2023			
Low credit risk	96,287	–	96,287

26.5 Liquidity risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.5 Liquidity risk (Cont'd)

Maturity analysis

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

	Carrying amount RM	Contractual interest rate/ Discount rate per annum %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
2024							
Group							
<i>Non-derivative financial liabilities</i>							
Term loans	39,541,519	4.50 – 6.70	53,625,540	13,541,275	4,822,647	7,677,617	27,584,001
Lease liabilities	216,332	4.05 – 4.50	225,000	122,400	102,600	–	–
Hire purchase creditor	112,692	4.20	116,397	99,780	16,617	–	–
Trade and other payables	7,166,266	–	7,166,266	7,166,266	–	–	–
	<u>47,036,809</u>		<u>61,133,203</u>	<u>20,929,721</u>	<u>4,941,864</u>	<u>7,677,617</u>	<u>27,584,001</u>
Company							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	1,172,340	–	1,172,340	1,172,340	–	–	–
Amount due to subsidiaries	700,000	4.32	700,000	700,000	–	–	–
Financial guarantees	–	–	39,541,519	39,541,519	–	–	–
	<u>1,872,340</u>		<u>41,413,859</u>	<u>41,413,859</u>	<u>–</u>	<u>–</u>	<u>–</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.5 Liquidity risk (Cont'd)

Maturity analysis (Cont'd)

	2023	Contractual interest rate/ Discount rate per annum %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
Group							
<i>Non-derivative financial liabilities</i>							
Term loans	41,004,938	4.55 – 4.84	50,132,130	6,878,425	6,673,328	14,599,844	21,980,533
Lease liabilities	109,015	4.05	110,800	110,800	–	–	–
Hire purchase creditor	205,597	3.95	214,768	99,132	99,132	16,504	–
Trade and other payables	7,588,574	–	7,588,574	7,588,574	–	–	–
	<u>48,908,124</u>		<u>58,046,272</u>	<u>14,676,931</u>	<u>6,772,460</u>	<u>14,616,348</u>	<u>21,980,533</u>
Company							
<i>Non-derivative financial liabilities</i>							
Trade and other payables	951,349	–	951,349	951,349	–	–	–
Financial guarantees	–	–	41,004,938	41,004,938	–	–	–
	<u>951,349</u>		<u>41,956,287</u>	<u>41,956,287</u>	<u>–</u>	<u>–</u>	<u>–</u>

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.6 Market risk

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

26.6.1 Currency risk

The Group is exposed to foreign currency risk on sales and purchases that are denominated in a currency other than the functional currency of the Group entities. The currency giving rise to this risk is primarily U.S. Dollar ("USD").

Risk management objectives, policies and processes for managing the risk

In respect of monetary assets and liabilities held in currencies other than Ringgit Malaysia, the Group does not hedge this exposure. However, the Group keeps this policy under review.

Exposure to foreign currency risk

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

	Denominated in USD RM
Group	
2024	
Trade receivables	2,174,789
Bank balances	496,506
Trade payables	(112,667)
Net exposure	2,558,628
2023	
Trade receivables	3,442,410
Bank balances	1,146,459
Trade payables	(63,248)
Net exposure	4,525,621

Currency risk sensitivity analysis

A 5% (2023: 5%) strengthening of the RM against the following currency at the end of the reporting period would have decreased post-tax profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Profit or loss 2024 RM	2023 RM
Group		
USD	(97,228)	(171,974)

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.6 Market risk (Cont'd)

26.6.1 Currency risk (Cont'd)

Currency risk sensitivity analysis (Cont'd)

A 5% (2023 : 5%) weakening of the RM against the above currency at the end of the reporting period would have had equal but opposite effect on the above currency to the amount shown above, on the basis that all other variables remained constant.

26.6.2 Interest rate risk

The Group's fixed rate fixed deposits placed with licensed banks and loans and borrowings are exposed to a risk of change in their fair values due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates.

Exposure to interest rate risk

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

	2024 RM	2023 RM
Group		
Fixed rate instruments		
Financial assets	4,691,353	10,138,375
Financial liabilities	(329,024)	(314,612)
	<u>4,362,329</u>	<u>9,823,763</u>
Floating rate instruments		
Financial liabilities	(39,541,519)	(41,004,938)
Company		
Fixed rate instruments		
Financial assets	–	300,000
Floating rate instruments		
Financial liabilities	(700,000)	–

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.6 Market risk (Cont'd)

26.6.2 Interest rate risk

Interest rate risk sensitivity analysis

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

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

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

A change of 50 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) equity and post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	50 bp increase RM	Profit or loss 50 bp decrease RM
Group		
2024		
Floating rate instruments	(150,258)	150,258
2023		
Floating rate instruments	(155,819)	155,819
Company		
2024		
Floating rate instruments	(2,660)	2,660
2023		
Floating rate instruments	-	-

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables, and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

The table below analyses other financial instruments at fair value.

Group	Fair value of financial instruments carried at fair value					Fair value of financial instruments not carried at fair value					Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		Level 1 RM	Level 2 RM	Level 3 RM	Total RM			
2024												
Financial assets												
Other investments	762,704	105,356	-	868,060		-	-	-	-	868,060	868,060	
Financial liabilities												
Term loans	-	-	-	-		-	-	(39,541,519)	(39,541,519)	(39,541,519)	(39,541,519)	
Hire purchase creditor	-	-	-	-		-	-	(116,397)	(116,397)	(116,397)	(112,692)	
2023												
Financial assets												
Other investments	621,500	105,356	-	726,856		-	-	-	-	726,856	726,856	
Financial liabilities												
Term loans	-	-	-	-		-	-	(41,004,938)	(41,004,938)	(41,004,938)	(41,004,938)	
Hire purchase creditor	-	-	-	-		-	-	(214,768)	(214,768)	(214,768)	(205,597)	

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.7 Fair value information (Cont'd)

The table below analyses other financial instruments at fair value. (Cont'd)

Company	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value RM	Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM	Level 1 RM	Level 2 RM	Level 3 RM	Total RM		
2024										
Financial assets										
Other investments	762,704	-	-	762,704	-	-	-	-	762,704	762,704
2023										
Financial assets										
Other investments	621,500	-	-	621,500	-	-	-	-	621,500	621,500

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

26. FINANCIAL INSTRUMENTS (CONT'D)

26.7 Fair value information (Cont'd)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

There has been no transfer between the fair value levels during the financial year (2023: no transfer in either directions).

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 3 fair value

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. The fair values of hire purchase and floating rate term loan are calculated using discounted cash flows where the market rate of interest is determined by reference to similar borrowing arrangements which ranges from 4.20% to 6.70% (2023 : 3.95% to 4.84%).

27. CAPITAL MANAGEMENT

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

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

28. CAPITAL COMMITMENT - GROUP

	2024 RM	2023 RM
Plant and equipment		
Contracted but not provided for	68,660	113,191

29. RELATED PARTIES

Significant related party transactions

Related party transactions have been entered into in the normal course of business under negotiated terms. The significant related party transactions of the Group and the Company are shown below. The balances related to the below transactions are shown in Notes 11 and 17 to the financial statements. All the amounts outstanding are unsecured and are expected to be settled in cash.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

29. RELATED PARTIES (CONT'D)

Significant related party transactions (Cont'd)

- i) Transactions with companies in which certain Directors have controlling interests

	2024 RM	2023 RM
Group		
Project management fee	–	519,400
Office rental	14,400	14,400
Professional services	38,923	247,318

- ii) Transaction with companies controlled by a major shareholder of the Company

	2024 RM	2023 RM
Group		
Rental income of premises receivable	840,400	–
Repair and maintenance of forklift	–	15,257

- iii) Transactions with subsidiaries

	2024 RM	2023 RM
Company		
Dividend income	3,000,000	–
Management fee received	236,500	207,000

- iv) Transaction with associate of the Company in which a major shareholder has controlling interests

	2024 RM	2023 RM
Company		
Subscription of shares	3,150,000	–

- v) Transactions with key management personnel

There were no transactions with key management personnel other than as disclosed in Note 20 to the financial statements.

30. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The Company subscribed 2,100,000 and 1,050,000 new Redeemable Non-Cumulative Preference Shares ("RNCPS") in its associate, Broadway Lifestyle Sdn. Bhd. ("BLSB") on 17 November 2023 and 1 October 2024 respectively, for a total cash consideration of RM3,150,000.

STATEMENT BY DIRECTORS

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

In the opinion of the Directors, the financial statements set out on pages 106 to 159 are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 October 2024 and of their financial performance and cash flows for the financial year then ended.

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

.....
Yong Loy Huat
Director

.....
Eng Teik Hiang
Director

Penang,

Date : 21 February 2025

STATUTORY DECLARATION

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

I, **Yong Loy Huat**, the Director primarily responsible for the financial management of Wong Engineering Corporation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 106 to 159 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed **Yong Loy Huat**, NRIC: 540718-01-6085, at George Town in the State of Penang on 21 February 2025.

.....
Yong Loy Huat

Before me : 21 February 2025

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

WONG ENGINEERING CORPORATION BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Wong Engineering Corporation Berhad, which comprise the statements of financial position as at 31 October 2024 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 106 to 159.

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 October 2024, and of their financial performances and their cash flows for the year then ended in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board ("MFRS Accounting Standards"), IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Valuation of inventories

Refer to the accounting policy in Note 1(d)(ii) Basis of preparation - use of estimates and judgements, and Note 9 - Inventories to the financial statements.

The key audit matter

Raw materials, work-in-progress and finished goods are required to be stated at the lower of cost and net realisable value.

Identifying and determining the appropriate write-down amounts for raw materials, work-in-progress and finished goods require the use of judgement. Factors to consider for write-down by the Directors include among others, overall demand in semiconductors industry, age of the inventories held and the fluctuations in overall metal prices.

This is a key audit matter as the write-down of the inventories is inherently uncertain and Directors' judgement was involved.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

WONG ENGINEERING CORPORATION BERHAD (CONT'D)

How the matter was addressed in our audit

Our audit procedures performed in this area included, among others:

- Inquired the Directors and assessed their process in identifying slow-moving and obsolete inventories;
- Tested whether items in the system generated inventory ageing reports were classified within the appropriate ageing bracket;
- Evaluated the Group's basis of write-down for slow-moving and obsolete inventories as at 31 October 2024 based essentially on the age of the inventory with consideration of consumption history as well as the past and present sales; and
- Compared the carrying value of sampled finished goods as at 31 October 2024 to sales made to external customers subsequent to year end to test whether the finished goods were recorded at the lower of costs and net realisable value.

Assessment on recognition of deferred tax assets

Refer to the accounting policy in Note 1(d)(i) Basis of preparation - use of estimates and judgements, and Note 8 - Deferred tax assets to the financial statements.

The key audit matter

Since year of assessment 2018, the Group will no longer be able to recognise deferred tax assets on any unutilised reinvestment allowance and tax losses which are not utilised within seven years and ten years, respectively.

Hence, the Group performed assessments by forecasting six to seven years of taxable profits to determine the appropriate amounts of deferred tax assets to be recognised.

The key audit matter (continued)

This is one of the key audit matters because it requires significant judgements and involvement of our more experienced personnel in assessing the assumptions and judgements applied by the Group to determine the recognition of deferred tax assets.

How the matter was addressed in our audit

Our audit procedures performed in this area included, among others:

- Evaluated historical forecasting accuracy by comparing the prior year's taxable profit projections to actual results reported;
- Evaluated the key assumptions adopted, in particular, those relating to sales growth and gross profit margin, to determine reasonableness by comparing them with historical performance, and internal and external sources of information; and
- Determined that the Group recognised the carrying amount of deferred tax asset to the extent that it becomes probable that sufficient taxable profits would be available to utilise reinvestment allowances and tax losses carry-forwards before they expire.

We have determined that there is no key audit matter in the audit of the separate financial statements of the Company to communicate in our auditors' report.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

WONG ENGINEERING CORPORATION BERHAD (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 annual report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the annual report and, in doing so, consider whether the annual report is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the annual report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WONG ENGINEERING CORPORATION BERHAD (CONT'D)

Auditors' Responsibilities for the Audit of the Financial Statements (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 ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Other Matter

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Penang

Date : 21 February 2025

Chan Chee Keong
Approval Number : 03175/04/2025 J
Chartered Accountant

LIST OF GROUP PROPERTIES

AS AT 31 OCTOBER 2024

Location	Description	Land area/ Built-up Area	Tenure	Age of Building	Carrying amount as at 31 October 2024 RM'000	Date of Acquisition
Lot 24, Jalan Hi-Tech 4, Kulim Hi-Tech Park (Phase 1) 09000 Kulim, Kedah Darul Aman	Seven units of Industrial Factories and One unit of Office Block	7.759 acres/ 245,483 sq.ft.	60 years lease expiring on 17/3/2056	26 years	17,210	Land: 05/12/96 Building: 14/01/99
Lot 25, Jalan Hi-Tech 4, Kulim Hi-Tech Park (Phase 1) 09000 Kulim, Kedah Darul Aman	Two units of single storey detached factory	7.771 acres/ 163,174 sq.ft.	60 years lease expiring on 31/12/2056	24 years 1 year	29,992	26/8/2022 Building: 11/03/24
1759-1769 Taman Mutiara 6 09700 Karangan Kulim, Kedah Darul Aman	11 units Single Storey Terrace House	17,842 sq.ft.	Freehold	21 years	399	19-12-01
4-12A Blk 8, 3-01 & 3-02 Blk 9, R/Pangsa Taman Bagan Jalan Bagan 13400 Butterworth	3 units Flat	1,560 sq.ft.	Freehold	33 years	54	13-11-96

SHAREHOLDINGS STATISTICS

AS AT 20 JANUARY 2025

Issued Share Capital	: 252,141,973 Ordinary Shares (including 2,189,800 treasury shares)
Class of Securities	: Ordinary Shares
No. of Shareholders	: 3,985
Voting Rights	: One vote per ordinary share on a poll

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
1 - 99	262	6.574	10,473	0.004
100 - 1,000	312	7.829	119,232	0.047
1,001 - 10,000	1,678	42.107	9,507,437	3.803
10,001 - 100,000	1,528	38.343	45,879,451	18.355
100,001 - 12,497,607 (*)	202	5.069	101,051,930	40.428
12,497,608 and above (**)	3	0.075	93,383,650	37.360
Total:	3,985	100.000	249,952,173	100.000

Remark : * Less than 5% of issued shares
 ** 5% and above of issued shares

SUBSTANTIAL SHAREHOLDERS

Name	No. of Shares Direct	% of Issued Capital	No. of Shares Deemed*	% of Issued Capital
TNTT Realty Sdn. Bhd.	58,726,525	23.495	—	—
Ong Yoong Nyock	12,711,000	5.085	58,726,525*	23.495*
Yong Kwee Lian	700,000	0.280	58,726,525*	23.495*
Yong Loy Huat	47,999,875	19.204	—	—

* Deemed interest pursuant to Section 8 of the Companies Act 2016 held through TNTT Realty Sdn. Bhd.

DIRECTORS' INTEREST

Name	No. of Shares Direct	% of Issued Capital	No. of Shares Deemed*	% of Issued Capital
Dato' Sri Dr Hou Kok Chung	—	—	—	—
Yong Loy Huat	47,999,875	19.204	—	—
Anstey Yong Lee Teen	4,125,000	1.650	—	—
Low Seong Chuan	27,500	0.011	—	—
Eng Teik Hiang	—	—	19,250*	0.008*
Lau Chia En	—	—	—	—

* Held in the name of spouse and is treated as interest of the Director in accordance with Section 59(11)(c) of the Companies Act 2016.

SHAREHOLDINGS STATISTICS

AS AT 20 JANUARY 2025 (CONT'D)

LIST OF TOP 30 SHAREHOLDERS

NO	NAME	HOLDINGS	%
1	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TTTT REALTY SDN BHD	55,594,250	22.241
2	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG LOY HUAT (7000875)	19,364,400	7.747
3	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG LOY HUAT	18,425,000	7.371
4	AMSEC NOMINEES (TEMPATAN) SDN BHD AMBANK (M) BERHAD	10,741,000	4.297
5	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG LOY HUAT	10,210,475	4.084
6	AMBANK (M) BERHAD PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK (SMART)	4,400,000	1.760
7	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK	4,211,000	1.684
8	ANSTEY YONG LEE TEEN	4,125,000	1.650
9	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TTTT REALTY SDN BHD	3,033,000	1.213
10	TEH SAW PIN	2,943,000	1.177
11	WONG QUIN EE, QUEENIE	2,794,095	1.117
12	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK (M04)	2,000,000	0.800
13	TAY TECK HO	1,600,000	0.640
14	PHILLIP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD (EPF)	1,525,300	0.610
15	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHONG HOCK LIT (MY4390)	1,400,000	0.560
16	HEE CHOOI KEONG	1,352,300	0.541
17	CHUA KIM AIK	1,192,700	0.477
18	NG LINDA	1,144,100	0.457
19	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK	1,100,000	0.440
20	ABDUL HAFIZ BIN HASHIM	1,088,000	0.435
21	PHILLIP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	1,010,000	0.404
22	JEE TAI CHEW	1,007,680	0.403
23	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK (MY3272)	1,000,000	0.400
24	HENG SWEE NGEE	1,000,000	0.400
25	TAN SZE LAN	843,000	0.337
26	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LIM SOON LEE (E-MLB)	734,500	0.293
27	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR CHEW HUN SENG	709,000	0.283
28	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG KWEE LIAN	700,000	0.280
29	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ENG YOW CHOON (E-TSA)	700,000	0.280
30	CHUA ENG KA	646,000	0.258

WARRANT HOLDINGS STATISTICS

AS AT 20 JANUARY 2025

Total Number of Warrants Issued : 126,070,939
 Class of Securities : Warrants
 No. of Warrantholders : 2,914
 Exercise Price of Warrants : RM0.78 per warrant
 Expiry Date of Warrants : 26 April 2027

DISTRIBUTION OF WARRANT HOLDINGS

Size of Holdings	No. of Holders	%	No. of Warrants	%
1 - 99	634	21.757	26,037	0.020
100 - 1,000	275	9.437	130,073	0.103
1,001 - 10,000	1,279	43.891	5,360,737	4.252
10,001 - 100,000	605	20.761	20,156,221	15.987
100,001 - 6,303,545 (*)	118	4.049	52,439,246	41.595
6,303,546 and above (**)	3	0.102	47,958,625	38.040
Total:	2,914	100.000	126,070,939	100.000

Remark : * Less than 5% of issued warrants

** 5% and above of issued warrants

DIRECTORS' INTEREST

Name	No. of Warrants Direct	% of Issued Warrants	No. of Warrants Deemed*	% of Issued Warrants
Dato' Sri Dr Hou Kok Chung	—	—	—	—
Yong Loy Huat	23,766,737	18.852	—	—
Anstey Yong Lee Teen	2,062,500	1.636	—	—
Low Seong Chuan	13,750	0.011	—	—
Eng Teik Hiang	—	—	9,625*	0.008*
Lau Chia En	—	—	—	—

* Held in the name of spouse and is treated as interest of the Director in accordance with Section 59(11)(c) of the Companies Act 2016.

WARRANT HOLDINGS STATISTICS

AS AT 20 JANUARY 2025 (CONT'D)

LIST OF TOP 30 WARRANT HOLDERS

NO	NAME	HOLDINGS	%
1	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TTTT REALTY SDN BHD	29,297,125	23.238
2	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG LOY HUAT (7000875)	9,449,000	7.494
3	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG LOY HUAT	9,212,500	7.307
4	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR BAKAT IMPIAN SDN BHD (8124505)	5,370,500	4.259
5	HLB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YONG LOY HUAT	5,105,237	4.049
6	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK	3,605,500	2.859
7	AMBANK (M) BERHAD PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK (SMART)	2,200,000	1.745
8	ANSTEY YONG LEE TEEN	2,062,500	1.635
9	NG KIM HOCK	1,500,500	1.190
10	WONG QUIN EE, QUEENIE	1,297,047	1.028
11	TEH SAW PIN	1,124,200	0.891
12	LEE LAY IM	1,100,000	0.872
13	KOH BOON KAI	978,200	0.775
14	TAN CHEE KEONG	946,032	0.750
15	NG LINDA	882,000	0.699
16	TAY TECK HO	800,000	0.634
17	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG CHIN THIAM (REM 896)	760,000	0.602
18	CGS INTERNATIONAL NOMINEES MALAYSIA (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR MOK BI WAN (MY1681)	675,000	0.535
19	AMSEC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR SOH HOCK SENK	622,000	0.493
20	LEE YOKE KUAN	600,000	0.475
21	TA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ONG YOONG NYOCK	550,000	0.436
22	KHOO CHAI HENG	510,800	0.405
23	WONG HEN SANG	506,000	0.401
24	ISMAIL BIN ABD RAHMAN	500,000	0.396
25	TEY THIAN SING @ TEE THIAN KERN	500,000	0.396
26	PHILLIP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR PHILLIP CAPITAL MANAGEMENT SDN BHD	492,600	0.390
27	MAYBANK NOMINEES (TEMPATAN) SDN BHD CHERNG KOK PENG @ CH'NG KOK PENG	472,000	0.374
28	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MASHAYU BINTI MOHD RAHIM	470,300	0.373
29	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KWOK TONG LENG (CCTS)	470,000	0.372
30	THUM KWONG WEE	450,000	0.356

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No. of Shares held	CDS Account No.

*I/We
 *NRIC/Passport/Registration No. of and
 telephone no./email address being a *member/members of Wong Engineering
 Corporation Berhad (the "Company"), hereby appoint

Full Name, Address and Email Address (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding

* and/or

Full Name, Address and Email Address (in Block Letters)	NRIC/Passport No.	No. of Shares	% of Shareholding

or failing *him/her, the CHAIRMAN OF THE MEETING as *my/our *proxy/proxies, to vote for *me/us and on *my/our behalf at the Twenty-Eighth ("28th") Annual General Meeting ("AGM") of the Company, to be held at Auditorium Room, Level 1, Lot 204, Jalan Bukit Belimbing 26/38, Off Persiaran Tengku Ampuan, Lion Industrial Park Seksyen 26, 40400 Shah Alam, Selangor on Tuesday, 25 March 2025 at 10.00 a.m. or at any adjournment thereof.

Please indicate with an "X" in the appropriate space(s) provided below on how you wish your votes to be cast. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at *his/her discretion.

Ordinary Resolutions	For	Against
1 To approve the payment of Directors' fees of up to RM300,000 for the period from the next day of the 28th AGM until the conclusion of the next AGM in 2026.		
2 To approve the payment of benefits payable to the Directors of the Company of up to RM50,000 for the period from the next day of the 28th AGM until the conclusion of the next AGM in 2026.		
To re-elect the following Directors who are retiring in accordance with Clause 103 of the Company's Constitution and who, being eligible, offer themselves for re-election:		
3 Low Seong Chuan		
4 Anstey Yong Lee Teen		
5 To re-elect Dato' Sri Dr. Hou Kok Chung who is retiring in accordance with Clause 110 of the Company's Constitution and who, being eligible, offers himself for re-election.		
6 To re-appoint KPMG PLT as auditors of the Company for the financial year ending 31 October 2025 and to authorise the Directors to fix their remuneration.		
7 Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
8 Proposed Renewal of Authority for the Company to Buy-Back its Own Ordinary Shares.		
9 Proposed Renewal of Shareholders' Mandate for Existing Recurrent Related Party Transactions of a Revenue or Trading Nature.		

Signed this day of, 2025

Signature of Member/Common Seal

* Strike out whichever is not desired.

Notes:

1. A proxy must be of full age. A proxy may but need not be a member. For a proxy to be valid, the Proxy Form duly completed must be deposited at the Registered Office of the Company, 170-09-01 Livingston Tower, Jalan Argyll, 10050 George Town, Pulau Pinang, Malaysia not less than forty-eight (48) hours before the time for holding the meeting, PROVIDED that in the event a member duly executes the Proxy Form but does not name any proxy, such member shall be deemed to have appointed the Chairman of the meeting as his/her proxy, PROVIDED ALWAYS that the rest of the Proxy Form, other than the particulars of the proxy have been duly completed by the member.
2. A member entitled to attend, participate, speak and vote is entitled to appoint not more than two (2) proxies to attend, participate, speak and vote instead of him/her. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
3. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member 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. An Exempt Authorised Nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
5. If the appointor is a corporation, the Proxy Form must be executed under the corporation's common seal or under the hand of an officer or attorney duly authorised.
6. For purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn. Bhd. to make available to the Company, a Record of Depositors ("ROD") as at 17 March 2025 and only a Depositor whose name appears on such ROD shall be eligible to attend this meeting or appoint proxy to attend and/or vote on his/her behalf.

Personal Data Privacy

By submitting the duly executed Proxy Form, the member and his/her proxy consent to the Company and/or its agents/service providers to collect, use and disclose the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the 28th AGM of the Company and any adjournment thereof.



Fold this flap for sealing

Then fold here

AFFIX
STAMP

The Joint Company Secretaries
WONG ENGINEERING CORPORATION BERHAD
Registration No. 199601037606 (409959-W)
170-09-01 Livingston Tower,
Jalan Argyll,
10050 George Town, Pulau Pinang, Malaysia.

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WE *WONG ENGINEERING CORPORATION BERHAD*
Registration No.: 199601037606 (409959-W)

Lot 24, Jalan Hi-Tech 4, Kulim Hi-Tech Park (Phase 1)
09000 Kulim, Kedah Darul Aman, Malaysia
Tel: ++604 427 1788 Email: info@wec.com.my

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