



INNOVATING FOR

# EXCELLENCE

2025



Alliance Islamic Bank Berhad, the Sponsor of WTEC Group Berhad has reviewed this Annual Report pursuant to Rule 4.27 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad prior to the issuance of this Annual Report. Alliance Islamic Bank Berhad was also the Principal Advisor for the admission of WTEC Group Berhad to the ACE Market of Bursa Malaysia Securities Berhad.

ANNUAL REPORT

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# ABOUT US

WTEC Group Berhad (“WTEC”) is a Malaysia-based investment holding company listed on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”). WTEC and its subsidiaries (“the Group”) are specialising in the manufacturing and trading of precision-engineered technical foam and non-foam material solutions, with a strong focus on non-woven fabric applications.

Through its principal operating subsidiary, WTEC Sdn. Bhd., which was established in 2001, the Group has built over two decades of industry experience in delivering high-quality, customised material solutions to meet the stringent requirements of diverse industrial applications.



Headquartered in Semenyih, Selangor, Malaysia, the Group operates modern manufacturing facilities equipped with advanced production technologies. This enables consistent delivery of high-performance products, including polyurethane (“PU”), polyethylene (“PE”), nitrile butadiene rubber (“NBR”), and ethylene-vinyl acetate (“EVA”) foam, as well as non-woven fabric components and other specialised non-foam materials.

The Group’s products serve as essential input materials across a broad range of industries, including:



**Automotive**



**Electrical and electronics (“E&E”)**



**Construction**



**Medical and personal protective equipment (“Medical & PPE”)**



**Trading and general industrial applications**

With its core operations based in Malaysia and a growing regional presence, the Group is committed to delivering quality, reliability and consistency in every aspect of its operations. The Group continues to invest in research and development, process innovation and sustainable practices to support customers operating in increasingly competitive and technology-driven markets.

Following its listing on the Bursa Securities, WTEC is well-positioned to strengthen its market presence, enhance operational capabilities and pursue long-term growth opportunities.

The Group remains focused on delivering value to its shareholders and stakeholders, while upholding high standards of corporate governance, integrity and operational excellence. Through its commitment to innovation and quality, WTEC aims to be a trusted partner in providing advanced material solutions across the region.

# ABOUT US



## Our Vision

To be a leading provider of innovative and high-quality technical material solutions, recognised for excellence, reliability and continuous advancement in technology.



## Our Mission

To deliver superior technical foam and non-foam solutions that meet the evolving needs of customers across domestic and international markets, supported by innovation, operational excellence and strong customer partnerships.



## Our Core Values

### Innovation

We continuously innovate to enhance our products, processes and capabilities, ensuring that we remain competitive and responsive to evolving market demands.

### Research & Development

We prioritise research and development as a key driver of long-term growth, enabling us to deliver high-performance and sustainable solutions aligned with global industry trends.

### Collaboration

We foster strong and lasting relationships with our employees, customers and partners, built on trust, mutual respect and shared success.

### Customer Commitment

We are dedicated to delivering consistent product quality and reliable service, with the goal of achieving the highest level of customer satisfaction.

# KEY MILESTONES

## 2001-2002

Wansern Technology Sdn. Bhd. (now known as WTEC Sdn. Bhd.) was incorporated on 19 November 2001. Business operations commenced in 2002, focusing on the trading of PU foam products. Initial operations were conducted from a rented facility in Batu Pahat, Johor, with a sales office established in Puchong, Selangor.

## 2004

Operations were expanded to a rented factory in Shah Alam, Selangor, which functioned as a warehouse to support the Group's growing trading activities. The business operations were relocated from Puchong to this facility.

## 2005

The Group marked its initial expansion beyond the domestic market by securing its first export sales to Singapore in 2005, supplying PU foam products to a foam product manufacturer.

## 2006

Building on this early success, the Group further expanded into Thailand in 2006, supplying PU foam products to customers involved in the production of components for the electrical, electronics and automotive industries. These developments laid the foundation for the Group's growing regional presence and strengthened its capabilities in serving cross-border industrial customers.

The Group diversified into the manufacturing of foam products with the installation of vertical cutting and die-cutting machines. Production initially focused on serving the electrical, electronics and packaging industries.

## 2008

In the same year, SB Adhesive Specialist Sdn Bhd ("SBAS") was incorporated to undertake solvent-based adhesive lamination activities. A new factory was established in Balakong, Selangor, and all operations were consolidated at this facility.

The Group also expanded its export presence to Vietnam, supplying PU foam products to a manufacturer of foam and other functional parts for the electrical and electronics industry.

## 2010

A parcel of industrial land (approximately 75,620 square feet) in Semenyih, Selangor, was acquired for the development of a purpose-built manufacturing facility, now known as the PT 1558 Factory, which also the Group's head office.

## 2012

Wanmei Specialty Tech. Sdn. Bhd. was incorporated on 1 November 2010 and commenced business as a manufacturer of foam products in Batu Pahat, Johor.

# WTEC

# KEY MILESTONES

## 2025

On 29 April 2025, WTEC Group Berhad was successfully listed on the ACE Market of Bursa Malaysia Securities Berhad, marking a significant milestone in the Group's corporate development and strengthening its platform for future growth.

## 2024

In March 2024, operations at the PT 43141 Factory were discontinued, and machinery and equipment were relocated to a new facility in Bandar Teknologi Kajang, Semenyih, to optimise operational efficiency.

## 2023

The Group acquired the assets of SBAS, including a solvent-based adhesive lamination line, which was subsequently installed at the PT 1558 Factory to enhance production capabilities.

## 2021

The Group expanded its operational footprint with additional rented factory units in Bandar Teknologi Kajang, Semenyih, collectively referred to as the No. 3 Factory. These facilities support processes such as vertical cutting, contour cutting, die-cutting, punching and sewing.

## 2020

Operations commenced at an additional rented facility in Semenyih, Selangor, focusing on foam splitting and slitting processes to support increased production demand.

## 2015

The construction of the PT 1558 Factory in Semenyih, Selangor, was completed, and manufacturing and trading operations were progressively relocated from the Balakong facility. The new facility was subsequently equipped with a flame lamination line, strengthening the Group's capabilities in producing foam-backed laminated products.

## 2014

A high-frequency welding machine was installed at the Balakong Factory, enhancing the Group's capabilities in joining thermoplastic components and supporting more advanced industrial applications.

## 2013

The Group expanded its export market to Australia, supplying both manufactured and traded foam-based construction materials, further strengthening its international presence.

During the year, the Group also expanded its product range into Medical & PPE applications.

# IPO LISTING HIGHLIGHTS



## 20 March 2025 – Underwriting Agreement

WTEC Group Berhad entered into an **underwriting agreement with Alliance Islamic Bank Berhad** in connection with its Initial Public Offering (“IPO”), marking a key step in its listing preparation.

## 09 April 2025 – Prospectus Launch

WTEC **officially launched its prospectus** to the public, outlining the Group’s business, financial performance and details of its IPO exercise.



## 17 April 2025 – Public Issue Balloting

The Group **conducted its public issue balloting process** to allocate shares to successful applicants following the subscription of its IPO.

## 29 April 2025 – Listing on ACE Market of Bursa Securities

WTEC Group Berhad was **successfully listed on the ACE Market of Bursa Malaysia Securities Berhad**, marking a significant milestone in the Group’s corporate journey.



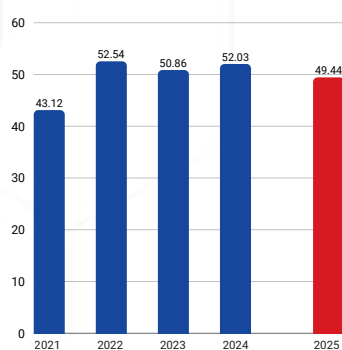
# FINANCIAL HIGHLIGHTS

Financial Year Ended 31 December					
(RM' million)	2021	2022	2023	2024	2025
<b>Income Statement</b>					
Revenue	43.12	52.54	50.86	52.03	49.44
Gross Profit ("GP")	9.81	13.72	18.39	20.06	16.46
Profit Before Taxation ("PBT")	4.61	7.90	12.37	11.33	6.81
Profit After Taxation ("PAT")	3.51	6.35	9.37	8.20	4.59
<b>Financial Position</b>					
Total Assets	36.60	41.96	41.34	44.63	68.00
Cash and Cash Equivalent	7.22	9.74	4.49	6.35	9.83
Total Equity	23.47	28.33	29.30	33.00	58.93
Total Liabilities	13.13	13.63	12.04	11.63	9.07
<b>Financial Ratio</b>					
Basic Earnings per Share (sen) **	0.73	1.32	1.95	1.71	0.96
GP Margin (%)	22.74	26.11	36.15	38.55	33.29
PAT Margin (%)	8.13	12.09	18.43	15.76	9.27

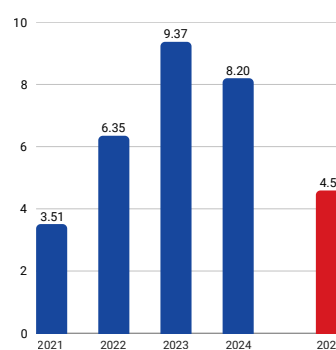
## Notes:

\*\* Computed based on the PAT divided by number of shares in issue of 480,000,000.

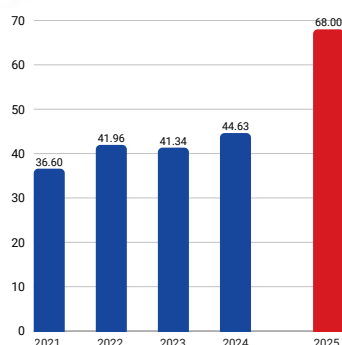
### Revenue (RM' million)



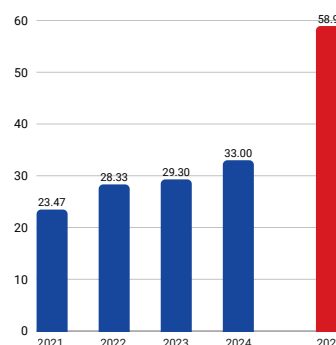
### PAT (RM' million)



### Total Assets (RM' million)



### Total Equity (RM' million)



# CORPORATE INFORMATION

## Board of Directors

**Teresa Tan Siew Kuan**  
*Independent*  
Non-Executive Chairperson

**Tan Kok Kheng**  
Group Managing Director

**Tiow See Yen**  
Group Executive Director

**Eu Tiong Nam**  
*Non-Independent*  
Non-Executive Director

**Christine Toh Hung Mei**  
*Independent*  
Non-Executive Director

**Chan Lay Khim**  
*Independent*  
Non-Executive Director

**Ir. Tee Kiam Hong**  
*Independent*  
Non-Executive Director

## Audit and Risk Management Committee

Chan Lay Khim (*Chairperson*)  
Ir. Tee Kiam Hong  
Christine Toh Hung Mei

## Nomination Committee

Christine Toh Hung Mei (*Chairperson*)  
Chan Lay Khim  
Ir. Tee Kiam Hong

## Remuneration Committee

Ir. Tee Kiam Hong (*Chairman*)  
Chan Lay Khim  
Christine Toh Hung Mei

## Sponsor

**Alliance Islamic Bank Berhad**  
(Registration No. 200701018870  
(776882-V))

Menara Alliance Bank,  
No. 159, Jalan Ampang  
50450 Kuala Lumpur  
Tel: 03-26043935

## Company Secretaries

Yeow Sze Min (MAICSA 7065735)  
SSM PC No. 201908003120

Lim Lih Chau (LS0010105)  
SSM PC No. 201908001454

## Auditors

**Crowe Malaysia PLT**  
(LLP No. 201906000005 (LLP0018817-  
LCA) & AF 1018)

52, Jalan Kota Laksamana 2/15,  
Taman Kota Laksamana,  
Seksyen 2, 75200 Melaka  
Tel: 06-2825 995

## Registered Office

Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur, Wilayah  
Persekutuan.  
Tel: 03-2084 9000  
Fax: 03-2094 9940  
Email: info@sshsb.com.my

## Principal Place of Business

PT. 1558, Kawasan Perindustrian  
Kajang Jaya, 43500 Semenyih  
Selangor Darul Ehsan.  
Tel: 03-8920 7980/7981  
Fax: 03-8920 7982  
Website: [www.wtecgroupp.com.my](http://www.wtecgroupp.com.my)

## Share Registrar

**Securities Services (Holdings)  
Sdn. Bhd.**

(Registration No.  
197701005827(36869-T))  
Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur, Wilayah  
Persekutuan.  
Tel: 03-2084 9000  
Fax: 03-2094 9940  
Email: info@sshsb.com.my

## Principal Banker

Alliance Islamic Bank Berhad  
Hong Leong Bank Berhad /  
Hong Leong Islamic Bank Berhad  
United Overseas Bank (Malaysia)  
Berhad

## Stock Exchange Listing

Listed on the ACE Market of Bursa  
Malaysia Securities Berhad on 29  
April 2025

Stock Name: WTEC  
Stock Code: 0352  
Sector: Industrial Products and  
Services

# CORPORATE STRUCTURE

**WTEC GROUP  
BERHAD**

202401017425  
(1563275-K)  
("WTEC")

**100%**

**WTEC  
SDN BHD**

200101028926  
(564684-H)  
("WTECSB")

**100%**

**WANMEI  
SPECIALTY TECH  
SDN BHD**

201001036557  
(920480-V)  
("WANMEI")

**40%**

**SB ADHESIVE  
SPECIALIST  
SDN BHD**

200801021596  
(822914-H)  
("SBAS")

# BOARD OF DIRECTORS' PROFILE



## Teresa Tan Siew Kuan

Independent Non-Executive Chairperson

 Malaysian  57 years old  Female

Date of Appointment : 19 August 2024  
Board Meetings Attended : 4/4

Madam Teresa Tan Siew Kuan holds a Bachelor of Economics from the University of Adelaide, Australia, and is a member of the Malaysian Institute of Accountants as well as a Fellow of Certified Practising Accountants, Australia (FCPA).

She brings over 30 years of experience across audit, taxation, corporate finance and investment banking. She began her career in 1992 in audit with Kassim Chan & Co (now Deloitte PLT), before gaining tax experience with Coopers & Lybrand (now PricewaterhouseCoopers). She subsequently built a career in corporate finance and advisory with Malaysian International Merchant Bankers Berhad (now Hong Leong Investment Bank Berhad) and Kenanga Investment Bank Berhad, where she advised corporate and institutional clients, including public listed companies.

She later transitioned into academia as a lecturer in accounting and auditing, before returning to the financial services industry in business development roles. She subsequently served as Chief Financial Officer of TT Vision Holdings Berhad from 2017 to 2019, where she was involved in overseeing the company's listing on the LEAP Market of Bursa Malaysia Securities Berhad.

She currently provides business and management consultancy services. She is also an Independent Non-Executive Director of IQ Group Holdings Berhad as well as BWYS Group Berhad and 3REN Berhad.

# BOARD OF DIRECTORS' PROFILE

## Tan Kok Kheng

Group Managing Director

 Malaysian  61 years old  Male

Date of Appointment : 03 May 2024

Board Meetings Attended : 4/4



Mr. Tan Kok Kheng holds a Bachelor of Mechanical Engineering from Universiti Teknologi Malaysia and has over 30 years of experience in engineering, manufacturing and operations management.

He began his career with Bridgestone Armstrong (M) Sdn Bhd, where he developed technical expertise in foam-related manufacturing processes and advanced into senior leadership roles, including Technical Manager, Factory Manager and Deputy General Manager.

In 2001, he co-founded WTECSB and has since played a pivotal role in the Group's growth and development. He has held various leadership positions within the Group and is currently responsible for overseeing overall operations, including technical, production and strategic planning functions. He also leads the Group's research and development initiatives, resource planning and day-to-day operational management.

He does not hold directorships in any other public or listed companies in Malaysia. He is currently a Director of the Company's subsidiaries and associate.

# BOARD OF DIRECTORS' PROFILE



## Tiow See Yen

Group Executive Director

 Malaysian  56 years old  Male

Date of Appointment : 03 May 2024

Board Meetings Attended : 4/4

Mr. Tiow See Yen graduated from Sekolah Menengah Chung Hwa in 1989 and obtained a certificate in Japanese language from Advanced Academy, Nagoya Japan in September 1994.

He has extensive experience in sales, marketing and business development within the manufacturing and engineering sectors. He began his career with Asian Resinated Felt Sdn Bhd and subsequently joined Bridgestone Armstrong (M) Sdn Bhd, where he held progressively senior roles in marketing and sales.

In 2001, he co-founded WTECSB and has since been instrumental in driving the Group's commercial growth. He currently oversees sales and marketing functions, client acquisition and retention, as well as procurement and material quality management. He also plays a key role in optimising operational processes and ensuring efficient project delivery.

In addition, he is involved in workforce planning and talent management to support the Group's operational requirements.

He does not hold directorships in any other public or listed companies in Malaysia. He is currently a Director of the Company's subsidiaries.

# BOARD OF DIRECTORS' PROFILE

## Eu Tiong Nam

Non-Independent Non-Executive Director

 Malaysian  58 years old  Male

Date of Appointment : 19 August 2024

Board Meetings Attended : 4/4

Mr. Eu Tiong Nam completed his education at Sekolah Tinggi Batu Pahat in 1988 with Sijil Tinggi Persekolahan Malaysia (STPM).

He began his career as a Laboratory Analyst with Mobil Oil Singapore Pte Ltd, where he was involved in product testing, before returning to Malaysia to manage his family businesses, overseeing strategy, operations, financial management and compliance.

He was an initial shareholder and director of WTECSB upon its incorporation in 2001. He is not involved in the day-to-day operations of the Group.

He is currently a Director of Wansern Foam Industry Sdn Bhd, a supplier of polyurethane foam. Both entities operate in distinct business segments, and he abstains from any deliberations or decisions involving transactions with the Company.

He does not hold directorships in any other public or listed companies in Malaysia. He is currently a Director of the Company's subsidiaries.



# BOARD OF DIRECTORS' PROFILE



## Christine Toh Hung Mei

Independent Non-Executive Director



Malaysian



45 years old



Female

Date of Appointment : 19 August 2024

Board Meetings Attended : 4/4

Ms. Christine Toh Hung Mei is the Chairperson of the Nomination Committee and a member of the Audit and Risk Management Committee as well as the Remuneration Committee.

She holds a Bachelor of Commerce and Bachelor of Business Systems from Monash University, as well as a Bachelor of Laws (Hons) from the University of London. She is a Chartered Accountant registered with the Malaysian Institute of Accountants and a Fellow of the Chartered Institute of Arbitrators.

She has a diverse professional background spanning audit, corporate advisory, internal audit, accounting and legal practice. She began her career in Hong Kong with BDO McCabe Lo Ltd before continuing her career in Malaysia across audit and consulting roles. She later transitioned into legal practice, specialising in construction disputes, litigation and arbitration.

She is currently the Managing Partner of Christine Toh & Co. She also serves as an Independent Non-Executive Director of HE Group Berhad, as well as Sorento Capital Berhad and ISF Group Berhad.

# BOARD OF DIRECTORS' PROFILE

## Chan Lay Khim

Independent Non-Executive Director

 Malaysian  59 years old  Female

Date of Appointment : 19 August 2024

Board Meetings Attended : 4/4

Ms. Chan Lay Khim is the Chairperson of the Audit and Risk Management Committee and a member of the Nomination Committee as well as the Remuneration Committee.

She holds a Bachelor of Accounting from the University of Malaya and is a member of the Malaysian Institute of Accountants.

She has over 25 years of experience in audit and taxation. She began her career with Arthur Andersen & Co, where she progressed to Audit Manager before transitioning to the tax division. Following the merger with Ernst & Young Tax Consultants Sdn Bhd, she continued her career as a Tax Senior Manager, where she was involved in tax advisory, compliance and due diligence for corporate clients, including involvement in IPO-related work.

She retired from Ernst & Young Tax Consultants Sdn Bhd in 2020.

She does not hold directorships in any other public or listed companies in Malaysia.



# BOARD OF DIRECTORS' PROFILE



## Ir. Tee Kiam Hong

Independent Non-Executive Director

 Malaysian  58 years old  Male

Date of Appointment : 19 August 2024

Board Meetings Attended : 4/4

Ir. Tee Kiam Hong is the Chairman of the Remuneration Committee and a member of the Audit and Risk Management Committee as well as the Nomination Committee.

He holds a Bachelor of Civil Engineering (Hons) from the University of Malaya, a Master of Business Administration from Cardiff Metropolitan University, and additional qualifications in financial accounting and project management. He is a Professional Engineer registered with the Board of Engineers Malaysia, a member of the Institution of Engineers Malaysia and an ordinary member of The Institute of Corporate Directors Malaysia.

He has extensive experience in engineering, project management, corporate strategy and investment decision-making. He began his career with L&M Piling Sdn Bhd and subsequently held senior management roles within L&M Corporation Berhad, where he was involved in corporate restructuring initiatives. He later held leadership roles in project management and strategic planning across various organisations, contributing to value creation and sustainable growth.

He currently serves as an Independent Non-Executive Director of Unique Fire Holdings Berhad.

### Notes:

- None of the Directors have any family relationship with any Director and/or major shareholder of the Company.
- Save as disclosed above, none of the Directors have any conflict of interest or potential conflict of interest, including interests in any competing business with the Company or its subsidiaries.
- Other than traffic offences, if any, none of the Directors have been convicted of any offences within the past five (5) years or have been imposed with any public sanction or penalty by regulatory authorities during the financial year ended 31 December 2025.

# KEY SENIOR MANAGEMENT'S PROFILE



**Wong Mok Hui**

Production Manager

 Malaysian  57 years old  Male

Mr. Wong Mok Hui completed his secondary 2 education in Sekolah Menengah Shaikh Ahmad, Seremban in 1984.

He has over 30 years of experience in manufacturing and production operations. He began his career in 1989 with Bridgestone Armstrong (M) Sdn Bhd, where he progressed through various roles from Machine Operator to Senior Executive, gaining extensive hands-on experience in production management, process optimisation and operational efficiency.



He joined WTECSB in 2008 and has since played a key role in strengthening the Group's manufacturing capabilities. He was promoted through several positions before assuming his current role as Production Manager in 2012.

He is responsible for overseeing production operations, ensuring efficient coordination across departments, maintaining product quality standards and driving continuous improvement in manufacturing processes. He also ensures compliance with health and safety requirements across production activities.



**Chieu Pi Yoon**

Human Resources &  
Administrative Manager

 Malaysian  43 years old  Female

Ms. Chieu Pi Yoon obtained a Diploma in Accounting from the London Chamber of Commerce and Industry (LCCI) and has more than 20 years of experience in administrative and operational functions.

She began her career in administrative and clerical roles before joining WTECSB in 2008. Over the years, she has developed a deep understanding of the Group's operations and has taken on increasing responsibilities, leading to her appointment as Human Resources and Administrative Manager in 2022.




In her current role, she oversees human resource management, including recruitment, payroll and employee relations, as well as administrative operations. She also supports procurement, logistics coordination and liaises with suppliers to ensure smooth day-to-day operations of the Group.

# KEY SENIOR MANAGEMENT'S PROFILE



## Kua Kok Foo

Materials Planning Manager

 Malaysian  51 years old  Male

Mr. Kua Kok Foo obtained a Bachelor of Arts (Hons) in Communication and Psychology from the National University of Malaysia and has over 25 years of experience in production planning, materials management and supply chain coordination.




He began his career in production planning and material control, where he was involved in sourcing, inventory management and coordinating production requirements. He later gained further experience in procurement and supplier management before joining WTECSB in 2009.

He has since progressed within the Group and was appointed to his current role in 2016. He is responsible for planning and coordinating material requirements, maintaining optimal inventory levels and aligning production schedules with customer demand. He also monitors key performance indicators related to production planning and inventory management to support efficient operations.



## Hoo Kok Wee

Sales and Marketing Manager

 Malaysian  43 years old  Male

Mr. Hoo Kok Wee completed his secondary education at SMK Tinggi in 2000.

He has over 20 years of experience in sales and marketing across various industries. He began his career in advertising sales before gaining further experience in consumer products, merchandising and business development roles.

He joined WTECSB in 2010 and has since built a strong track record in sales growth and customer relationship management. He was promoted to Sales Manager in 2024 and redesignated to Sales and Marketing Manager in 2025.

In his current role, he is responsible for developing and implementing sales strategies, managing client relationships and driving revenue growth. He plays a key role in expanding the Group's customer base, strengthening market presence and leading negotiations with clients.

## KEY SENIOR MANAGEMENT'S PROFILE



### Goh Shuw Hur

Financial Controller



Malaysian



41 years old



Male

Mr. Goh Shuw Hur obtained a Bachelor of Commerce (Hons) in Accounting from Universiti Tunku Abdul Rahman and is a member of Certified Practising Accountants, Australia (CPA) and the Malaysian Institute of Accountants.

He has more than 17 years of experience in audit, financial reporting and corporate finance. He began his career in audit firms before spending over a decade with Crowe Malaysia PLT, where he progressed to Senior Audit Manager. During his tenure, he was involved in audits of public listed companies, initial public offering exercises and financial due diligence for corporate transactions.

He subsequently gained industry experience as a Senior Finance Manager before joining WTECSB in 2023 as Financial Controller.

He is responsible for overseeing the Group's finance and accounting functions, including financial reporting, budgeting, tax management and ensuring compliance with applicable accounting standards.

#### **Notes:**

- None of the Key Senior Management hold any directorships in public companies or listed corporations in Malaysia.
- None of the Key Senior Management have any family relationship with any Director and/or major shareholder of the Company.
- None of the Key Senior Management have any conflict of interest or potential conflict of interest, including any interest in competing businesses with the Company or its subsidiaries.
- Other than traffic offences, if any, none of the Key Senior Management have been convicted of any offences within the past five (5) years or have been imposed with any public sanction or penalty by regulatory authorities during the financial year ended 31 December 2025.

# CHAIRPERSON'S STATEMENT

“

**Dear Valued Shareholders,**

**On behalf of the Board of Directors, I am pleased to present the first Annual Report of WTEC Group Berhad for the financial year ended 31 December 2025.**

**Teresa Tan Siew Kuan**

*Independent Non-Executive Chairperson*

The financial year under review of year 2025 marks an important milestone for the Group, following its successful listing on the ACE Market of Bursa Securities on 29 April 2025. This achievement represents a significant step in the Group's corporate journey and reflects our continued progress in strengthening the Group's corporate profile, governance framework and long-term sustainable growth foundation.

Amid a dynamic operating environment, the Group continued to build on its established expertise in technical foam and non-foam solutions, serving key industries such as automotive and electrical & electronics across Malaysia and Vietnam. The Board is encouraged by the Group's steady operational performance and management's continued efforts to enhance capabilities, improve efficiencies and strengthen its market position.

The Board remains committed to upholding high standards of corporate governance, fostering sustainable business practices and ensuring disciplined execution of the Group's strategic priorities. These remain central to delivering sustainable long-term value to shareholders.



Looking ahead, the Group is well-positioned to pursue further growth, supported by its ongoing initiatives to expand capacity, strengthen operational capabilities and explore strategic collaborations, while maintaining a prudent and disciplined approach amid prevailing market conditions.

On behalf of the Board, I would like to extend our sincere appreciation to our shareholders for their continued support and confidence. I would also like to thank our management team, employees, business partners, advisers and all stakeholders for their dedication and contributions to the Group's progress.

Thank you.

**Madam Teresa Tan Siew Kuan**  
*Independent Non-Executive Chairperson*

# GROUP MANAGING DIRECTOR'S STATEMENT



“

Dear valued shareholders and stakeholders,

On behalf of the Board of Directors, I am pleased to present WTEC Group Berhad's first Annual Report as an ACE Market-listed company on Bursa Securities for the financial year ended 31 December 2025 ("FYE 2025"). FYE 2025 marks a significant milestone for the Group, following the successful completion of its IPO and listing on the Bursa Securities on 29 April 2025. This achievement reflects the Group's established operating track record, disciplined execution and readiness to transition into a publicly listed entity.

**Tan Kok Kheng**  
*Group Managing Director*

## Financial Performance

For FYE 2025, the Group recorded revenue of RM49.44 million, representing a modest decline of approximately 5.00% from RM52.03 million in the previous financial year. This was primarily attributable to softer demand in selected foam applications and construction-related projects amid cautious customer spending and competitive market conditions.

Despite the revenue moderation, the Group delivered a gross profit of RM16.46 million, translating into a healthy gross profit margin of 33.29%. Profit before tax stood at RM6.81 million, while profit after tax ("PAT") was RM4.59 million, representing a PAT margin of 9.27%. Return on equity was approximately 7.78%, reflecting resilient profitability.

**RM49.44M**  
Revenue

**RM16.46M**  
Gross Profit

**RM4.59M**  
PAT

**33.29%**  
Gross Margin

**RM8.44M**  
EBITDA

# GROUP MANAGING DIRECTOR'S STATEMENT

## Key financial highlights include:

- Sustained gross margin supported by operational efficiencies and a focus on higher-value customised products;
- EBITDA of approximately RM8.44 million, underscoring healthy cash generation from operations; and
- A strengthened financial position post-IPO, with improved liquidity to support future growth initiatives.

The Group's ability to preserve margins amid softer revenue conditions demonstrates the resilience of its business model and disciplined cost management.

## Corporate Governance and Sustainability

As a newly listed company, the Group has placed strong emphasis on strengthening its corporate governance framework, internal controls and risk management practices. The Board remains committed to maintaining high standards of transparency, accountability and compliance in line with Bursa Securities' requirements.

At the same time, the Group continues to integrate sustainability considerations into its operations, with a focus on responsible business practices, operational efficiency and long-term value creation for all stakeholders.

## Dividend

In recognition of the Group's financial performance, the Board declared an interim single-tier dividend of 0.50 sen per ordinary share, amounting to RM2.40 million for FYE 2025. This represents a payout ratio of approximately 52.29% based on the Group's net profit of RM4.59 million. The dividend was paid on 27 March 2026.

## Prospects

Malaysia's economic outlook remains supportive, underpinned by resilient domestic demand and continued expansion in key sectors such as manufacturing and services. Growth in the E&E industry, driven by global technology demand, as well as ongoing developments in the automotive sector, particularly in electric vehicles ("EVs"), are expected to create opportunities across the industrial value chain.



These trends are relevant to the Group's core business, particularly in the supply of foam and non-woven products for automotive interiors, electronic insulation and other industrial applications.

In line with its IPO plans, the Group is progressing with its capacity expansion initiatives, including the acquisition and renovation of a new factory, as well as the procurement of additional machinery and equipment. These initiatives are expected to enhance production capacity, improve automation levels and strengthen operational scalability.

Leveraging its established capabilities in quality and customised solutions, the Group is well-positioned to capture opportunities arising from industry growth. Management remains focused on executing its growth strategies, enhancing operational efficiency and delivering sustainable, margin-accretive growth.

## Appreciation

I would like to extend our sincere appreciation to our shareholders for your trust and support throughout our listing journey and beyond.

I would also like to thank our dedicated management team and employees for their commitment and contributions, as well as our customers, suppliers, bankers and advisors for their continued support.

We remain focused on disciplined execution, innovation and sustainable growth to deliver long-term value for all stakeholders.

Thank you.

**Mr. Tan Kok Kheng**  
Group Managing Director

# MANAGEMENT DISCUSSION & ANALYSIS

## Overview



FYE 2025 marked a significant milestone for WTEC Group Berhad and its subsidiaries ("the Group"), following its successful listing on the ACE Market of Bursa Securities ("Listing") on 29 April 2025.

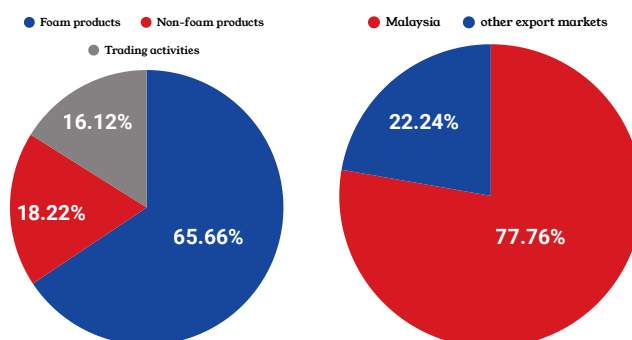
The public issue pursuant to the IPO raised gross proceeds of approximately RM22.54 million, which strengthened the Group's capital position and enhanced its financial flexibility to support its expansion plans. This milestone reflects investors' confidence in the Group's more than two decades of experience in the technical foam industry and its established track record as a provider of customised foam and non-foam material solutions to industrial customers.

The Group specialises in the manufacturing and supply of technical foam and non-foam products, supported by a range of integrated in-house capabilities such as lamination, contour cutting, adhesive coating and precision converting. These capabilities enable the Group to deliver tailored solutions that meet the specific and often stringent requirements of its customers across diverse industrial applications.

The Group serves a diversified customer base across key end-user industries, including automotive, E&E, construction, Medical & PPE, as well as other general industrial applications. This exposure helps to mitigate over-reliance on any single sector while supporting the Group's revenue sustainability.

In FYE 2025, foam products contributed 65.66% of total revenue, while non-foam products accounted for 18.22%, with the remaining 16.12% contributed by trading activities. Malaysia remained the Group's principal market, contributing 77.76% of total revenue,

with the balance derived from Vietnam and other export markets.



The Group maintained a strong customer base of 222 active customers, of which 177 were recurring customers. Notably, four of the Group's top five customers have maintained business relationships with the Group spanning 17 to 19 years, reflecting the Group's strong customer retention and product reliability.

## Business Overview

The Group operates through three principal segments:



**Manufacturing of foam products**



**Manufacturing of non-foam products**



**Trading of foam and related materials**

The manufacturing of foam products involves the production of semi-finished and finished components using materials such as PU, PE, EVA, and NBR. These materials are widely used across industrial applications due to their durability, flexibility and cushioning properties.

The manufacturing of non-foam segment focuses on production of non-woven fabric components and related products, including cloth padding, release liners and protective materials, which are used primarily in automotive.

In addition, the Group undertakes trading activities involving PU foam, non-woven fabrics, double-sided tapes and finished products such as cleaning sponges and construction materials, enabling it to offer a comprehensive product range to its customers.

# MANAGEMENT DISCUSSION & ANALYSIS

## Financial Performance

Income Statement Highlights	FYE 2025	FYE 2024*	Changes	
			RM' million	%
Revenue (RM' million)	49.44	52.03	(2.59)	(4.98)
Gross Profit ("GP") (RM' million)	16.46	20.06	(3.60)	(17.95)
Profit before tax ("PBT") (RM' million)	6.81	11.33	(4.52)	(39.89)
Profit after tax ("PAT") (RM' million)	4.59	8.20	(3.61)	(44.02)
GP Margin (%)	33.29	38.55	-	-
PBT Margin (%)	13.78	21.77	-	-
PAT Margin (%)	9.27	15.76	-	-

\* Financial year ended 31 December 2024

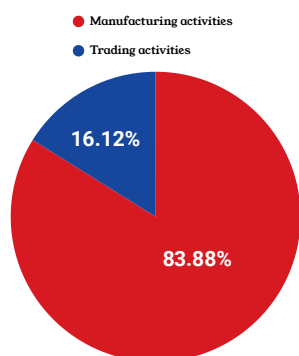
### Revenue

The Group recorded revenue of RM49.44 million in FYE 2025, representing a modest decline of approximately 5.00% from RM52.03 million in FYE 2024.

This was primarily attributable to softer demand in selected foam applications and construction-related projects, amid cautious customer spending and competitive market conditions.

Manufacturing activities remained the Group's core revenue driver, contributing 83.88% (RM41.48 million) of total revenue, while trading activities accounted for 16.12% (RM7.96 million).

The Group's revenue base remained well-diversified, with the automotive, E&E, construction, and Medical & PPE sectors collectively contributing more than 80% of total revenue for the year.



### Profitability and Margins

Gross profit stood at RM16.46 million in FYE 2025, translating into a gross profit margin of 33.29%, compared to 38.55% in FYE 2024.

The margin compression was primarily due to higher raw material costs and changes in product mix. Nevertheless, the Group maintained relatively healthy margins through disciplined cost management, efficient sourcing and a continued focus on higher-value customised solutions.

PBT stood at RM6.81 million, with a PBT margin of 13.78%, reflecting the impact of:

- 1) **One-off listing expenses** of RM1.42 million in connection with the Group's Listing;
- 2) **Higher selling and distribution expenses** associated with business development activities; and
- 3) **Increased administrative expenses** arising from post-listing compliance requirements and **foreign exchange fluctuations**.

# MANAGEMENT DISCUSSION & ANALYSIS

Excluding the one-off listing expenses, adjusted PBT and PAT would have been RM8.23 million and RM6.01 million respectively, translating into adjusted PBT and PAT margins of 16.65% and 12.16% respectively.

EBITDA for FYE 2025 stood at RM8.44 million, reflecting the Group's strong cash-generating capability from its core operations.

## Operational Review

The Group maintained stable operational performance throughout FYE 2025, with no major supply chain disruptions or capacity constraints. Operations continued to run smoothly, supported by established supplier relationships, effective production planning and internal process controls.

The Group's core manufacturing processes including lamination, contour cutting, die-cutting, welding and sewing – continued to support customised requirements to customers across its key end-user industries.

Following its Listing, the Group commenced the deployment of IPO proceeds towards capacity expansion initiatives. These include the proposed acquisition and renovation of a new factory, as well as the procurement of additional machinery which are intended to enhance production efficiency and scalability to support future growth.

The Group also continued to invest in advanced equipment, including laser cutting and specialised processing machinery, to strengthen its technical capabilities and improve production precision.



Laser cutting-  
high precision cutting



Peeling machine



Autonic Sponge Ball  
Polishing Machine



PUR Hot Melt  
Adhesive Machine

These investments reflect the Group's ongoing commitment to operational excellence, continuous improvement and the delivery of value-added solutions to its customers.

## Cash Flow

	FYE	
	2025 RM'000	2024 RM'000
Net cash from operating activities	6,112	7,584
Net cash for investing activities	(21,852)	(1)
Net cash from/(for) financing activities	19,253	(5,731)
<b>Net increase in cash and cash equivalents</b>	<b>3,513</b>	<b>1,852</b>
<b>Cash and Cash Equivalents</b>	<b>9,832</b>	<b>6,346</b>

The Group recorded a net increase in cash and cash equivalents of RM3.51 million in FYE 2025, bringing total cash and cash equivalents to RM9.83 million (or RM28.19 million including short-term investments).

**Operating activities** generated net cash inflows of RM6.11 million, supported by efficient receivables collection, partially offset by timely payments to suppliers.

**Investing activities** recorded net cash outflows of RM21.85 million, mainly attributable to capital expenditure, placement of fixed deposits and short-term investments.

**Financing activities** generated net cash inflows of RM19.25 million, primarily driven by IPO proceeds of RM22.54 million, partially offset by listing expenses and repayment of borrowings.

Overall, the Group's strengthened liquidity position provides a solid foundation to support its operational needs and growth initiatives.

# MANAGEMENT DISCUSSION & ANALYSIS

## Financial Position

Key highlights as at 31 December 2025 versus 31 December 2024 are summarised below:

	FYE 2025	FYE 2024
Total Assets (RM' million)	68.00	44.63
Total Liabilities (RM' million)	9.07	11.63
Total Equity (RM' million)	58.93	33.00
Total Borrowing (RM' million)	0.95	1.77
Gearing Ratio (Times)	0.02	0.05
Current Ratio (Times)	6.41	2.54

The Group's financial position strengthened significantly in FYE 2025 following its Listing.

Total assets increased by 52.36% to RM68.00 million, driven by higher cash balances, short-term investments and capital expenditure.

Total liabilities decreased by 22.01% to RM9.07 million, mainly due to lower borrowings and improved working capital management.

Total equity rose to RM58.93 million, supported by IPO proceeds and retained earnings.

The Group's gearing ratio improved to 0.02 times (FYE 2024: 0.05 times), while its current ratio strengthened to 6.41 times (FYE 2024: 2.54 times), reflecting a strong liquidity position and low leverage.

## Utilisation of IPO Proceeds

Purposes	Proposed Utilisation		Actual Utilisation	Balance Utilisation	Estimated Timeframe for Utilisation
	RM'000	%	RM'000	RM'000	(From The Listing Date)
Purchase and renovation of new factory	9,425	41.81	-	9,425	Within 24 months
Purchase of new machinery and equipment	3,000	13.31	595	2,405	Within 24 months
Sales and marketing expenses	1,000	4.44	77	923	Within 12 months
Working capital	5,117	22.70	4,671	446	Within 12 months
Estimated listing expenses	4,000	17.74	4,000	-	Within 3 months
<b>Total</b>	<b>22,542</b>	<b>100.00</b>	<b>9,343</b>	<b>13,199</b>	

As at FYE 2025, the Group had utilised RM9.34 million, representing 41.44% of the total IPO proceeds of RM22.54 million.

The remaining RM13.20 million (58.56%) is allocated for ongoing and future initiatives, including the acquisition and renovation of a new factory, procurement of machinery, sales and marketing activities, and working capital requirements.

The utilisation of proceeds is in line with the Group's stated plans and timelines.

# MANAGEMENT DISCUSSION & ANALYSIS

## Key Risks and Challenges

The Group remains exposed to several key risks that may impact its operations and financial performance. The Board and Management continue to monitor these risks closely and implement appropriate mitigation measures:

### 1) Commodity price risk

The Group's operations are dependent on petrochemical-based raw materials, particularly PU foam. Fluctuations in global crude oil prices and supply conditions may affect input costs and margins.

To mitigate this, the Group continuously monitor the global crude oil price trend and prevailing supply conditions. Where appropriate, management engages with customers to re-negotiate selling prices, optimise product mix and revises delivery arrangement with customers to minimise the Group's exposure. In addition, the Group maintains close relationships with key suppliers to ensure continuity of supply and competitive pricing.

### 2) Customer and supplier concentration risk

The Group is dependent on key customers and suppliers for revenue generation and raw material supply. Any loss of major customers, reduction in order volumes or disruption in supplier relationships could have an adverse effect on the Group's business and financial performance.

To mitigate this risk, the Group continuously strengthens relationships with existing customers and suppliers while actively expanding its customer base and sourcing network to reduce concentration risk.



### 3) Regulatory and Economic Risk

The Group operates in a business environment that is subject to regulatory requirements, as well as fluctuations in macroeconomic conditions, foreign exchange movements and changes in market dynamics. Adverse developments in regulations or economic conditions may impact operating costs, demand levels and business continuity.

The Group actively monitors regulatory developments, economic trends and industry conditions to ensure compliance and adapt its business strategies accordingly.

## Outlook and Prospects



Looking ahead to the financial year ending 31 December 2026, the Board remains cautiously optimistic about the Group's prospects.

Malaysia's economic outlook is expected to remain supportive, underpinned by domestic demand and continued expansion in key manufacturing sectors. Growth in the E&E industry and ongoing developments in the automotive sector, particularly in electric vehicles, are expected to present opportunities across the value chain.

With its strengthened capital position post-listing, the Group is focused on executing its expansion plans, enhancing operational efficiency and scaling its production capabilities. At the same time, the Group continues to prioritise prudent cost management and disciplined capital allocation.

Leveraging its established expertise in customised foam and non-foam solutions, integrated in-house capabilities and long-standing customer relationships, the Group believes it is well-positioned to capture growth opportunities and deliver sustainable, margin-accretive performance.

# SUSTAINABILITY STATEMENT

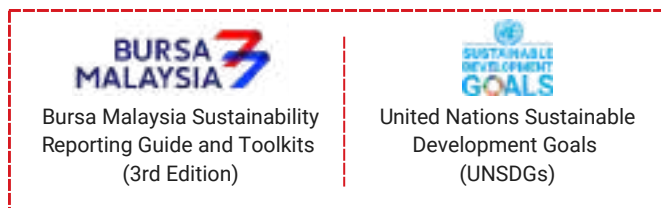
## About This Report

This Sustainability Statement (“SS2025”) details the efforts and achievements of the Group in Economic, Environmental, Social and Governance (“EESG”) matters for FYE 2025. We consider sustainability a fundamental part of our business, essential to creating long-term value for all stakeholders.

The Statement aims to transparently present both the positive and negative impacts of the Group’s operations on stakeholders and the environment, and to explain how these influences shape the organisation’s future. It emphasises how these factors are integral to the decision-making of WTEC’s Board and Management, informing the development of our sustainability strategy, goals and targets.

## Reporting Framework

SS2025 has been prepared in accordance with the following reporting framework and guidelines:



We have noted the direction of the National Sustainability Reporting Framework (“NSRF”), launched by the Securities Commission Malaysia in September 2024, which draws on IFRS S1 and IFRS S2 sustainability disclosure standards. Mandatory adoption for ACE Market issuers commences from the financial year ending on or after 31 December 2027. We are committed to progressively preparing our reporting practices to meet these future requirements.

## Scope, Boundary and Limitations

SS2025 encompasses the operations and activities of WTEC Group Berhad and all its subsidiaries – WTEC Sdn Bhd and Wanmei Specialty Tech Sdn Bhd, across all manufacturing facilities and operational sites in Malaysia for FYE 2025. The reporting boundary is determined based on entities over which the Group exercises operational control.

Unless otherwise stated, all EESG disclosures cover all entities and sites within this boundary.

Activities conducted by third-party contractors, suppliers or customers outside the Group’s operational control are excluded.

Entity	Role	Location	Included
<b>WTEC Group Berhad</b>	Investment holding company (parent)	Semenyih, Selangor	Yes
<b>WTEC Sdn Bhd</b>	Principal operating subsidiary – manufacturing & trading for foam and non-foam	Semenyih, Selangor	Yes
<b>Wanmei Specialty Tech Sdn Bhd</b>	Wholly-owned subsidiary – Trading for foam and non-foam	Semenyih, Selangor	Yes

SB Adhesive Specialist Sdn Bhd (“SBAS”), in which WTEC Sdn Bhd holds a 40% equity interest, is classified as an associate company and is not included within the reporting boundary of this Sustainability Statement. As WTEC does not exercise operational control over SBAS, its environmental, social and governance data are not consolidated into this report. WTEC will review the inclusion of associate entities in future reporting periods as our sustainability data collection capabilities mature.

Disclosures are presented where possible and cover material information for the reporting period from 1 January 2025 to 31 December 2025 as the baseline year.

## Data Quality and Basis of Reporting

The Board of Directors of WTEC Group Berhad acknowledges its responsibility for the information presented in SS2025 and has approved the contents of this Sustainability Statement on 24 April 2026. All data has been sourced from internal systems and verified by the relevant business units or information owners, supported by employee survey feedback and management interviews conducted in FYE 2025. As this is WTEC’s inaugural Sustainability Statement, SS2025 has not been subjected to internal or external assurance. We are committed to progressively strengthening our data assurance practices in future reporting periods.

# SUSTAINABILITY STATEMENT

## Group Managing Director's Message

**Dear Stakeholders,**  
 I am pleased to present WTEC's inaugural Sustainability Statement for the financial year ended 31 December 2025. This marks an important milestone in our journey as a newly listed company on Bursa Malaysia's ACE Market, where we are accountable not only for our financial results but also for our broader responsibilities to our employees, communities and the environment.

FYE 2025 was a year of strengthening foundational work. We formalised our sustainability governance structure, established a dedicated Sustainability Management Committee, and conducted our inaugural materiality assessment. For the first time, we systematically calculated our greenhouse gas emissions across Scope 1, 2 and 3, establishing 2025 as our baseline year.

On the environmental front, we transitioned part of our vehicle fleet to hybrid and plug-in hybrid models, adopted an electrical forklift, implemented rainwater harvesting at headquarters, and engaged a licensed contractor for scheduled waste management. We are committed to installing rooftop solar PV systems and EV charging facilities progressively.

Our workforce of 197 employees is our greatest asset. We achieved zero workplace fatalities, maintained a low employee turnover rate of 8.25%, and invested RM184,515.00 in 35 training programmes.

Our employees and management rated Occupational Health & Safety as the highest-priority sustainability topic in our materiality assessment, affirming that our safety-first culture is deeply embedded.

In governance, we maintained zero confirmed incidents of anti-bribery and corruption, zero data privacy breaches, and zero environmental or social non-compliance fines throughout the year. Looking ahead, we will set measurable GHG reduction targets, strengthen supplier EESG engagement, and progressively align with the NSRF as its requirements come into effect.

We are grateful for the dedication of our team and the trust of our stakeholders as we embark on this journey. Together, we are committed to building a more responsible, resilient and sustainable WTEC.

**Tan Kok Kheng**  
*Group Managing Director*

### Key Highlights & Achievements



**RM37.53M**

Total Economic Value Distributed to Stakeholders



**5,357.41 tCO2e**

Total GHG Emissions (Scope 1, 2 & 3)



**82.75%**

Average Customer Satisfaction Score



**66.79%**

Procurement Spend to Local Suppliers



**197**

Total Workforce (99.49% Permanent Employees)



**355 hrs**

Total Training Hours



**8.25%**

Employee Turnover Rate



**Zero**

Fatalities



**Zero**

Confirmed Incidents of Corruption

# SUSTAINABILITY STATEMENT

## Sustainability Governance Structure

The EESG agenda is integrated and promoted across WTEC via a structured three-tier sustainability governance framework established in FYE 2025. A dedicated Sustainability Management Committee was established in FYE 2025, playing a crucial role in driving our EESG initiatives across all departments. In alignment with the Malaysian Code on Corporate Governance (“MCCG”) 2021 and the Bursa Malaysia Sustainability Reporting Guide (3rd Edition), we are revising our Board Charter to formally embed the Board’s responsibilities for sustainability and climate change management.



Roles	Responsibilities	Composition
<b>Board of Directors</b>	Provides ultimate accountability and strategic oversight of all sustainability, ESG and climate matters; ensures integration into the risk management framework	Executive and Non-Executive Directors
<b>Sustainability Management Committee</b>	Leads strategic ESG management; supports the Board in risk and sustainability function; drives ESG implementation; develops strategies and targets; evaluates progress on ESG goals	Group MD and ED, Heads of Production, HR, Procurement, Material Planning, Sales, Finance
<b>Sustainability Working Committee</b>	Day-to-day operationalisation of ESG initiatives; drives implementation within respective functions; gathers ESG performance data	Managers and Executive staffs relevant functions

## ESG Policies and Frameworks

WTEC’s commitment to responsible conduct is codified in a structured framework of internal policies, codes and terms of reference. We ensure continued effectiveness by regularly reviewing and updating these documents in line with leading practices and regulatory requirements.

# SUSTAINABILITY STATEMENT

## Policy/ Document:



## EESG Scorecard

Pillar	Key ESG Initiatives and Targets	FYE 2025 Status
Economic	Maintain $\geq 60\%$ local procurement spend	Achieved (66.79%)
	Maintain 100% customer complaint resolution rate	Achieved
Environment	Energy & Emission Management: electrical forklift, Hybrid Electric Vehicles ("HEV") and Plug-in Hybrid Electric Vehicles ("PHEV") vehicles applied	In Progress
	Water Consumption: harvested rainwater applied for office sewerage	In Progress
	Waste Management: scheduled waste managed per Environmental Quality Act	In Progress
Social	Zero fatalities per annum	Achieved
	Zero Lost Time Injury	In Progress (3 cases)
	Employee satisfaction score $\geq 70\%$	In Progress
	Community sponsorship $\geq 3$ per year	Achieved (3 beneficiaries)
	Zero substantiated human rights violations	Achieved
Governance	Zero confirmed Incidents of Anti-Bribery and Corruption ("ABC") Violation per annum	Achieved
	Zero substantiated incidence of data privacy and security breach annually	Achieved
	Zero fines received from environmental and social non-compliance annually	Achieved








## Stakeholder Engagement

WTEC's inclusive EESG strategy is built on meaningful communication with its stakeholders, defined as any individuals or groups that can influence or are affected by our operations. Engaging this broad group is key to building lasting relationships.

Our strategic focus is guided by the principle of double materiality. We evaluate both our impact on the environment and society, and the impact of external ESG factors on our long-term value and sustainability. This comprehensive view across different timeframes shapes our core priorities.

# SUSTAINABILITY STATEMENT

By applying this approach, we effectively identify, prioritise, and manage material ESG topics. Our goal is to balance responsibilities by mitigating negative consequences and capitalizing on opportunities to create positive value for stakeholders and the environment, thereby enhancing WTEC long-term prosperity.

Stakeholder	Key Engagement Methods	Concerns & Interests	Our Response
 <b>Customers</b>	<ul style="list-style-type: none"> <li>Corporate website</li> <li>Satisfaction surveys</li> <li>Direct account management</li> </ul>	<ul style="list-style-type: none"> <li>Product quality</li> <li>Delivery reliability</li> <li>ESG requirements in supply chain</li> </ul>	<ul style="list-style-type: none"> <li>82.75% customer satisfaction</li> <li>100% complaint resolution</li> </ul>
 <b>Employees</b>	<ul style="list-style-type: none"> <li>Employee handbook</li> <li>Employee survey</li> <li>Corporate website</li> <li>Email</li> </ul>	<ul style="list-style-type: none"> <li>Employee benefits and welfare</li> <li>Workplace health and safety</li> <li>Company direction and growth plans</li> <li>Human rights</li> </ul>	<ul style="list-style-type: none"> <li>Zero fatalities</li> <li>355 training hours</li> <li>Competitive benefits</li> <li>Annual bonus</li> </ul>
 <b>Investors / Shareholders</b>	<ul style="list-style-type: none"> <li>Annual report</li> <li>Quarterly results</li> <li>AGM</li> <li>Bursa announcements</li> <li>Shareholder circular</li> </ul>	<ul style="list-style-type: none"> <li>Sustainable financial returns</li> <li>Transparency</li> <li>Operational efficiency</li> <li>Business strategy, risk management and corporate governance</li> <li>Effective leadership</li> </ul>	<ul style="list-style-type: none"> <li>Timely disclosures</li> <li>Interim dividend declared</li> <li>Inaugural sustainability statement</li> </ul>
 <b>Suppliers / Business Associates</b>	<ul style="list-style-type: none"> <li>Procurement system</li> <li>Performance evaluation</li> <li>Meeting</li> <li>Events and campaigns</li> </ul>	<ul style="list-style-type: none"> <li>Procurement processes</li> <li>Health and safety</li> <li>Business continuity and opportunities</li> <li>Quality standard</li> </ul>	<ul style="list-style-type: none"> <li>70% local suppliers</li> <li>Formal qualification process</li> <li>Anti-Bribery &amp; Corruption ("ABC") policy published on website</li> </ul>
 <b>Media</b>	<ul style="list-style-type: none"> <li>Press release</li> <li>Media interview</li> <li>Media tour</li> <li>Press conference</li> </ul>	<ul style="list-style-type: none"> <li>Strategy and direction</li> <li>Product launches</li> <li>Market and industry insights</li> <li>Business continuity and opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Proactive engagement with media platforms</li> <li>Consistent and transparent public communication</li> <li>Messaging aligned with corporate values and practices</li> </ul>
 <b>Regulators / Government</b>	<ul style="list-style-type: none"> <li>Meeting</li> <li>Compliance submissions</li> <li>Industry workshops</li> </ul>	<ul style="list-style-type: none"> <li>Legal compliance</li> <li>Product quality</li> <li>Environmental impacts</li> <li>Labour law</li> <li>Social contributions</li> </ul>	<ul style="list-style-type: none"> <li>Zero non-compliance fines</li> <li>Full Employees Provident Fund ("EPF") /Social Security Organisation ("SOCSO") compliance</li> <li>ACE Market obligations met</li> </ul>
 <b>Local Communities</b>	<ul style="list-style-type: none"> <li>CSR activities</li> <li>Social media</li> <li>Community engagement</li> </ul>	<ul style="list-style-type: none"> <li>Environmental impact</li> <li>Job creation</li> <li>Community contribution</li> <li>Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>RM4,000 donated to 3 beneficiary organisations in FYE 2025</li> </ul>

# SUSTAINABILITY STATEMENT

## Trade Memberships and Associations

### Membership:

- Federation of Malaysian Manufacturers (FMM)
- ESG Association of Malaysia (ESGAM) – since 2023
- Chinese Chamber of Commerce and Industry of Kuala Lumpur & Selangor (KLSCCCI)

## Materiality Assessment

### Purpose of Materiality Assessment

A materiality assessment is a structured process to identify and prioritise the sustainability topics that are most significant to both our business and our stakeholders. Rather than reporting on every possible sustainability issue, materiality assessment enables WTEC to focus its efforts and disclosures on the matters that genuinely matter, those that have the greatest potential impact on our business performance, and those that most influence the decisions and expectations of our stakeholders.

For WTEC, conducting a rigorous materiality assessment serves several important purposes:

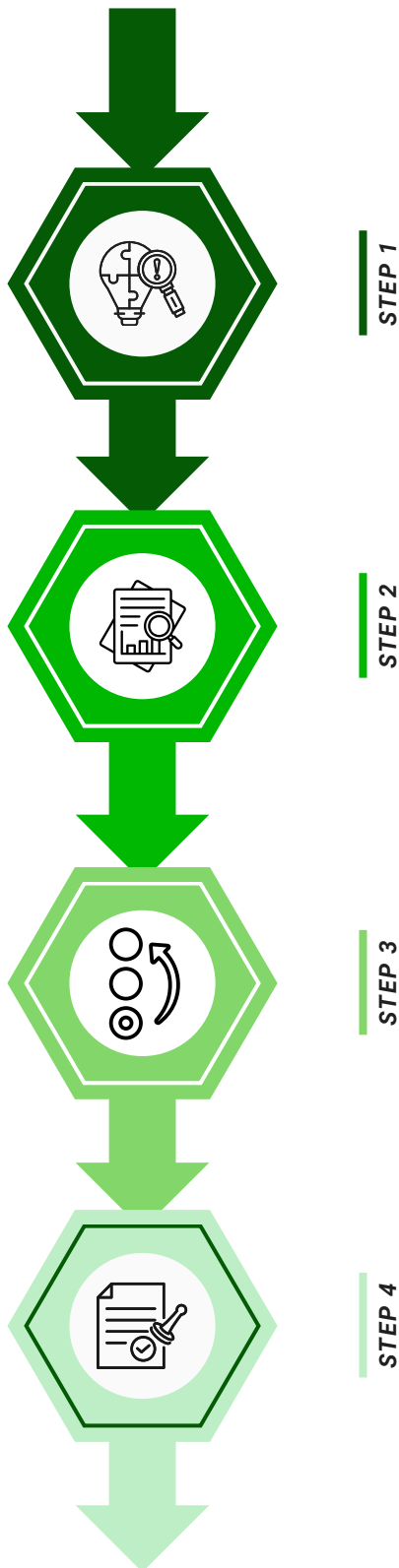
- Ensuring that our Sustainability Statement focuses on what is truly relevant to our business and stakeholders, rather than producing a generic checklist-driven report
- Fulfilling the requirements of the Bursa Malaysia Sustainability Reporting Guide (3rd Edition), which requires listed issuers to identify, assess and disclose material economic, environmental and social risks and opportunities
- Providing a sound basis for setting sustainability targets and allocating management attention and resources to where they have the greatest impact
- Building trust and credibility with our investors, customers, employees, regulators and the broader community by demonstrating a disciplined, evidence-based approach to sustainability governance

As this is WTEC's inaugural Sustainability Statement, FYE 2025 serves as the baseline year for our materiality assessment. We are committed to reviewing and updating our materiality assessment periodically, at a minimum every three years, or sooner if significant changes occur in our business environment, regulatory landscape or stakeholder expectations.

### Materiality Assessment Process

WTEC's inaugural Materiality Assessment Exercise ("MAE") was conducted in FYE 2025 through a structured, four-step process designed to capture the perspectives of both internal stakeholders (employees across all levels and departments) and management (senior leadership representing all key business functions). The process is outlined below.

# SUSTAINABILITY STATEMENT



STEP 1

### Issue Identification

A universe of 12 potential sustainability topics was identified based on the Bursa Malaysia Sustainability Reporting Guide (3rd Edition) themes, WTEC’s industry context as a technical foam manufacturer, and the key sustainability matters commonly reported by peers in the manufacturing sector. Topics were organised across four EESG pillars: Economic, Environmental, Social and Governance.

STEP 2

### Stakeholder Engagement

Two structured surveys were administered to capture stakeholder perspectives on the significance of each identified topic.

1. Employee Sustainability Survey: distributed to all employees across all group entities in both English and Bahasa Malaysia. A total of 93 responses were received – 48 in Bahasa Malaysia and 45 in English – representing a broad cross-section of production, warehouse, quality control, engineering, administrative and management staff.
2. Management Materiality Assessment: completed by 6 members of WTEC’s senior management, including the Group Managing Director, Group Executive Director, HR Manager, Sales & Marketing Manager, Planning Manager and Financial Controller. Respondents rated each topic on a scale of 1 (Not Important) to 5 (Very Important) from their respective perspectives.

STEP 3

### Prioritisation and Matrix Generation

Survey responses were analysed and averaged for each topic across both respondent groups. Employee survey scores form the Stakeholder Importance axis (Y-axis) of the Materiality Matrix, reflecting the topics that employees – as WTEC’s primary internal stakeholders – consider most significant. Management assessment scores form the Business Importance axis (X-axis), reflecting the topics that leadership considers most critical to WTEC’s long-term business performance and risk management. Topics were then plotted on the Materiality Matrix to identify their relative prioritisation.

STEP 4

### Validation, Approval and Reporting

The materiality assessment findings, including the Materiality Matrix and list of material topics, were reviewed and validated by WTEC’s management team and presented to the Board of Directors. The Board reviewed and approved the material topics and confirmed their alignment with WTEC’s business strategy and sustainability commitments. The validated material topics form the basis of WTEC’s Sustainability Statement for FYE 2025 and will guide the Group’s sustainability agenda and reporting in the coming years.

Survey participants: 93 employees (48 Bahasa Malaysia, 45 English) + 6 senior management respondents = 99 total respondents  
 Rating scale: 1 = Not Important | 2 = Slightly Important | 3 = Moderately Important | 4 = Important | 5 = Very Important  
 Materiality threshold: Topics scoring above 4.0 on both axes were classified as material to WTEC

# SUSTAINABILITY STATEMENT

## Materiality Matrix

The Materiality Matrix below presents the results of WTEC's FYE 2025 Materiality Assessment Exercise. Each of the 12 identified topics is plotted based on its average score from the employee survey (Y-axis: Stakeholder Importance) and management assessment (X-axis: Business Importance). The matrix is divided into three zones:

- **High Priority (upper right quadrant)** – Topics that are highly important to both stakeholders and WTEC's business. These receive the most prominent coverage and management attention in SS2025.
- **Medium Priority (lower right quadrant)** – Topics that are significant to WTEC's business but require further stakeholder engagement to elevate their profile.
- **Monitor (upper left quadrant)** – Topics that stakeholders consider important but that currently have lower business significance. These are monitored and will be reassessed in future materiality cycles.

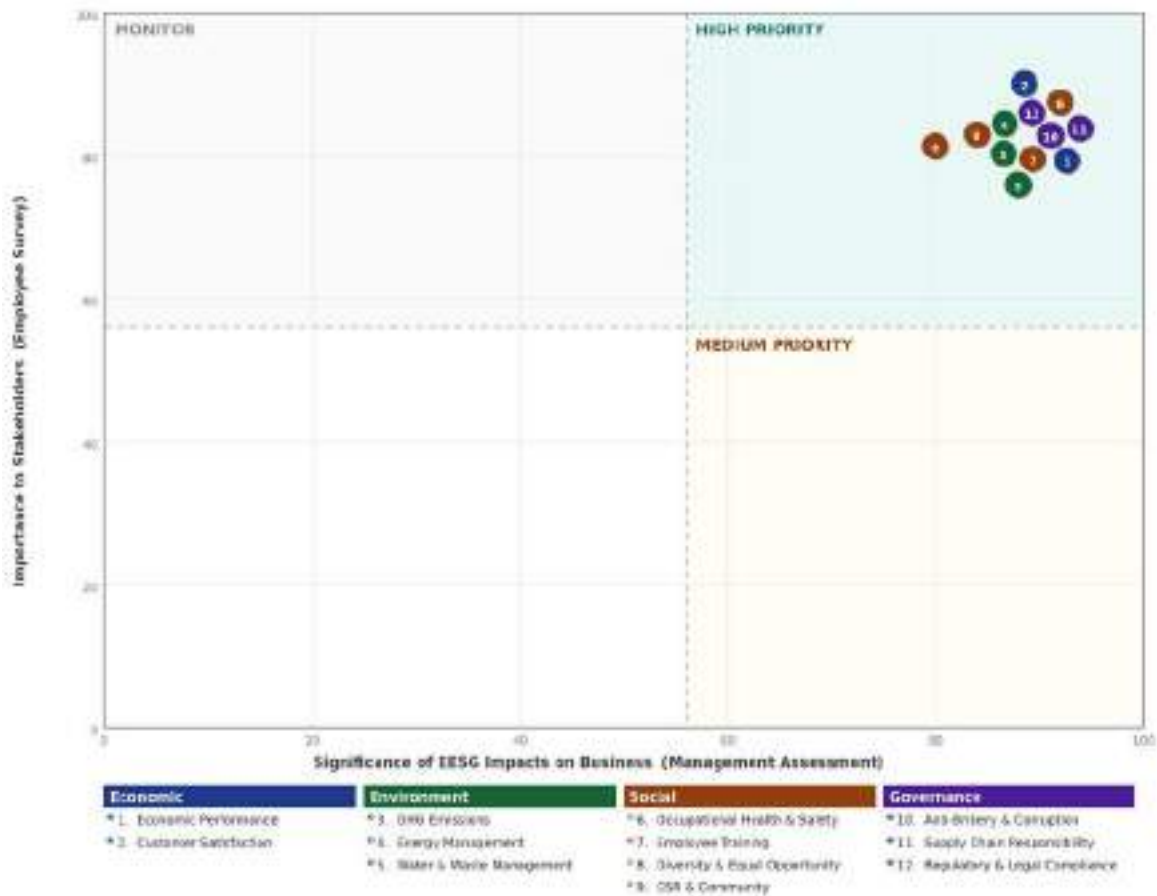


Figure 1: WTEC Group Berhad FYE 2025 Materiality Matrix | Source: Employee Survey (n=93) and Management Assessment (n=6)

The FYE 2025 Materiality Matrix reveals several important insights about how WTEC's employees and management perceive sustainability priorities.

All 12 identified topics scored above 4.3 on both axes, reflecting a strengthening and broad consensus among both employees and management that sustainability matters genuinely and significantly to WTEC's operations and stakeholder relationships. This is a positive and encouraging finding for an inaugural materiality assessment, indicating that sustainability awareness is already embedded across the organisation rather than being limited to management or senior leadership.

# SUSTAINABILITY STATEMENT

## Material Topics

Based on the materiality assessment results, the following 12 topics have been identified as material to WTEC. All topics are disclosed with management approach narratives, performance data and targets in the Reporting Metrics sections of this statement.

Material Topic	UNSDG Indicators	Priority
<b>Economic</b>		
Economic Performance	  	High
Customer Satisfaction		High
<b>Environment</b>		
GHG Emissions	 	High
Energy Management		High
Water & Waste Management		High
<b>Social</b>		
Occupational Health & Safety	  	High
Employee Training & Development		High
Diversity & Equal Opportunity	 	High
CSR & Community Contribution		High
<b>Governance</b>		
Anti-Bribery & Corruption	  	High
Supply Chain Responsibility		High
Regulatory & Legal Compliance		High

## Sustainability Risks and Opportunities

WTEC has identified key sustainability risks and opportunities across all EESG pillars. These are managed through our operational policies, governance structures and the initiatives disclosed in this statement. The table below presents a consolidated view of our material sustainability risks, their potential impacts, associated opportunities and our management responses.

# SUSTAINABILITY STATEMENT

Material Matter	Risks	Potential Impact	Opportunities	Management Approach
Economic Performance	Demand volatility in key industries (automotive, E&E, construction) may affect revenue stability and profitability	Reduction in revenue and profitability, pressure on job security and business continuity	Diversified customer base across 8+ industries reduces concentration risk, active market monitoring	<ul style="list-style-type: none"> <li>Diversified customer base</li> <li>82.75% Customer satisfaction maintained</li> <li>IATF 16949 quality certification retained</li> </ul>
	Rising raw material costs (PU foam, adhesives, non-woven materials) due to global supply chain pressures	Margin compression; reduced competitiveness on pricing	Waste reduction and material optimisation lowers cost and environmental impact simultaneously	<ul style="list-style-type: none"> <li>66.79% local procurement</li> <li>Continuous material usage optimisation</li> <li>Strategic supplier relationships maintained</li> </ul>
Customer Satisfaction	Failure to meet customer quality or delivery expectations in sectors with stringent requirements (automotive, E&E)	Loss of key customers; contract termination; impact on revenue and reputation	Strengthening satisfaction record supports long-term contract renewals and referrals to new customers	<ul style="list-style-type: none"> <li>82.75% average satisfaction score</li> <li>100% complaint resolution rate</li> <li>ISO 9001:2015 and IATF 16949:2016 certified</li> </ul>
GHG Emissions	Tightening environmental regulations and growing customer expectations on carbon footprint in supply chain	Non-compliance risk; potential loss of customers with green procurement policies; reputational damage	Proactive GHG baseline tracking positions WTEC ahead of future regulatory requirements	<ul style="list-style-type: none"> <li>FYE 2025 GHG baseline established (5,357.41 tCO<sub>2</sub>e)</li> <li>Vehicle fleet progressively transitioning to HEV/PHEV</li> </ul>
Energy Management	Rising electricity and fuel costs due to energy price inflation and grid dependency	Increased operating expenses; reduced margins; exposure to carbon pricing risk	Energy efficiency improvements reduce long-term operating costs and support environmental credentials	<ul style="list-style-type: none"> <li>Electric forklift and HEV/PHEV vehicles adopted in FYE 2025</li> <li>Rooftop solar Photovoltaic ("PV") system installation planned for Headquarters ("HQ")</li> </ul>
Water & Waste Management	Non-compliant scheduled waste disposal or inefficient water usage attracting regulatory scrutiny	Regulatory penalties under Environmental Quality Act; environmental liability; reputational damage	Waste reduction and material recycling lowers disposal costs and supports circular economy principles	<ul style="list-style-type: none"> <li>Licensed scheduled waste contractor engaged</li> <li>Department of Environment ("DOE") manifests maintained</li> <li>Rainwater harvesting implemented at HQ</li> </ul>

# SUSTAINABILITY STATEMENT

Material Matter	Risks	Potential Impact	Opportunities	Management Approach
<b>Occupational Health &amp; Safety</b>	Workplace accidents in a manufacturing environment involving machinery, chemicals and heavy materials	Regulatory penalties; compensation claims; reputational damage; operational disruption	Strengthening safety record enhances employee trust, customer confidence and WTEC's employer brand	<ul style="list-style-type: none"> <li>• Department of Occupational Safety and Health ("DOSH")-registered Safety &amp; Health Committee ("SHC")</li> <li>• 7 annual safety training programmes</li> <li>• First aid and ERT training</li> <li>• Formal accident investigation process</li> </ul>
<b>Employee Training</b>	Skill gaps as automation and quality standards in automotive/E&E sectors evolve rapidly	Reduced productivity and product quality; risk of losing key customer certifications	Skilled, certified workforce drives quality improvements, customer retention and operational excellence	<ul style="list-style-type: none"> <li>• RM184,515 invested in 35 training programmes</li> <li>• 107 employees upskilled</li> <li>• Kaizen and 5S culture embedded</li> </ul>
<b>Diversity &amp; Equal Opportunity</b>	Recruitment and retention challenges in competitive manufacturing labour market, particularly for skilled technical roles	High turnover; loss of institutional knowledge; increased recruitment and training costs	Inclusive and fair workplace culture supports long-term workforce stability and employee motivation	<ul style="list-style-type: none"> <li>• Employee turnover rate of 8.25% in FYE 2025</li> <li>• Competitive benefits package</li> <li>• Anti-harassment policy in place</li> </ul>
<b>CSR &amp; Community</b>	Limited community engagement budget and capacity as a growing manufacturer may affect local stakeholder relations	Reputational impact; reduced employee pride and community goodwill	Growing community contribution enhances WTEC's employer brand and supports recruitment of local talent	<ul style="list-style-type: none"> <li>• RM4,000 donated to 3 beneficiary organisations in FYE 2025</li> <li>• ESGAM Associate Member</li> <li>• Committed to ≥3 community engagements in FYE 2026</li> </ul>

# SUSTAINABILITY STATEMENT

Material Matter	Risks	Potential Impact	Opportunities	Management Approach
<b>Anti-Bribery &amp; Corruption</b>	Bribery and corruption risks in procurement dealings and supplier or customer relationships	Regulatory sanctions under Malaysian Anti-Corruption Commission (“MACC”) Act; reputational damage; financial penalties; loss of business licences	Strengthening governance track record enhances investor confidence and access to better financing terms	<ul style="list-style-type: none"> <li>• Zero Anti-Bribery and Corruption (“ABC”) violations in FYE 2025</li> <li>• ABC Policy and Whistleblower Policy published on corporate website</li> </ul>
<b>Supply Chain Responsibility</b>	Supplier concentration risk and inability to meet ESG requirements of major customers in automotive and E&E sectors	Supply disruption; loss of key customers who impose supplier ESG screening criteria	Strengthening local supplier base reduces concentration risk and supports domestic economic development	<ul style="list-style-type: none"> <li>• 80 registered suppliers -70% local</li> <li>• Formal supplier qualification process</li> <li>• Supplier ESG engagement planned for FYE 2026</li> </ul>
<b>Regulatory &amp; Legal Compliance</b>	Non-compliance with Bursa ACE Market listing requirements, labour law, or environmental regulations	Fines, penalties, trading suspension; reputational damage; investor confidence loss	Full compliance demonstrates responsible governance and strengthens long-term stakeholder trust	<ul style="list-style-type: none"> <li>• Zero non-compliance fines in FYE 2025</li> <li>• Full EPF/ SOCSO/ Employment Insurance System (“EIS”) compliance confirmed</li> <li>• Quarterly Audit &amp; Risk Management Committee (“ARMC”) and Board review</li> </ul>

# SUSTAINABILITY STATEMENT

## ECONOMIC PERFORMANCE

WTEC is committed to responsible business practices as we pursue financial growth. Strong economic performance is the foundation that enables us to invest in our people, manage our environmental footprint, uphold governance standards and fulfil our obligations to all stakeholders. As a newly listed company, maintaining financial resilience and transparency is paramount to building long-term investor confidence.

### Key Metrics



### UNSDGs Alignment



### Economic Value Distribution

The table below presents the total economic value distributed by WTEC Group in FYE 2025, reflecting our commitment to shared prosperity across our entire stakeholder ecosystem. WTEC's economic contribution extends beyond shareholder returns to encompass the value we create for employees, the government, our financiers and the communities in which we operate.

Economic Value Distribution	FYE 2025 (RM'000)
Total Monetary Value / Spend on Procurement	21,889
Total Payout to Employees in Salaries and Benefits (Excluding Directors)	8,856
Net Taxes Paid to Government	3,136
Net Repayments to Financiers	1,245
Dividend Returns to Shareholders	2,400
<b>TOTAL ECONOMIC VALUE DISTRIBUTED</b>	<b>37,526</b>

In FYE 2025, WTEC's total capital expenditure amounted to RM1,452,165.00, reflecting ongoing investment in facilities and equipment. Notable investments included the acquisition of two PHEV vehicles (Jaeo PHEV) and two HEV vehicles (GWM Haval H6), and an electric forklift (RM76,000.00), underscoring our progressive transition towards a lower-emission vehicle fleet.



### Customer Satisfaction and Complaints

Customer satisfaction is a core measure of WTEC's business performance and relationship quality. We conduct annual satisfaction surveys across our key accounts, covering product quality, delivery reliability, responsiveness and service levels. In FYE 2025, surveys were conducted across 20 major customers representing 75.86% of total Group revenue, achieving a strong average satisfaction score of 82.75%. All 9 customer complaints received during the year were fully resolved within the reporting period, reflecting WTEC's commitment to responsive customer service.

# SUSTAINABILITY STATEMENT

## ECONOMIC PERFORMANCE (CONT'D)

Customer Satisfaction Indicator	FYE 2025
Customer Satisfaction Score (average across 20 customers) (%)	82.75
Customer Survey Coverage (% of total revenue)	75.86
Number of Customer Complaints Received	9.00
Number of Customer Complaints Resolved	9.00
Complaint Resolution Rate (%)	100.00
Number of Complaints from Regulatory Bodies	Zero
Number of Complaints from Community / Neighbours / Public	Zero

### Local Procurement

At WTEC, we define local procurement as buying goods and services from national vendors, a practice we prioritize to create shared value. This commitment boosts the local economy by keeping capital within the country, creating jobs, and can lead to lower consumer prices. Operationally, it reduces production delays and mitigates budget volatility through more reliable supply chains.

We make exceptions only when local options cannot meet specific technical requirements, such as for specialized products or key imported machinery.

Our approach is strategic and centralized. Executive leadership sets the direction, while our Procurement Departments manage implementation through a defined process that includes cost planning and actively balancing local and imported materials to develop a stronger domestic supply chain.

Supply Chain Indicator	FYE 2025
Total Registered Suppliers	80
Registered Local Suppliers	56 (70.00% of registered suppliers)
Registered International Suppliers	24 (30.00% of registered suppliers)
Total Procurement Spending (RM'000)	21,889
Local Procurement Spending (RM'000)	14,620
International Procurement Spending (RM'000)	7,269
Local Procurement as % of Total Spend	66.79%

In FYE 2025, WTEC directed 66.79% of total procurement spend – equivalent to RM14.62 million – to local suppliers, demonstrating our strong commitment to the Malaysian economy. Our registered supplier base comprises 56 local businesses out of 80 registered suppliers (70.00%), underscoring the integral role domestic vendors play in our supply chain strategy.

# SUSTAINABILITY STATEMENT

## ENVIRONMENTAL IMPACT

As a foam manufacturer, WTEC recognises that our operations generate environmental impacts through energy consumption, material usage, water use and waste generation. FYE 2025 is our first year of systematically measuring and reporting our environmental performance across all operational sites. We view this baseline year as an important starting point – the foundation from which we will track progress, identify improvement opportunities and strengthen our environmental practices over time.

During FYE 2025, we took several meaningful steps to reduce our environmental footprint: we adopted an electric forklift and transitioned part of our company vehicle fleet to hybrid and plug-in hybrid models, implemented rainwater harvesting at our Group headquarters for sewerage use, and engaged a licensed contractor for the proper collection, treatment and disposal of scheduled waste in accordance with the Environmental Quality Act 1974.

### Key Metrics



**5,357.41 tCO2e**  
Total GHG Emissions  
(Scope 1, 2 & 3)



**652,393.30 kWh**  
Total Energy Consumption  
(Electricity)



**4,529 m<sup>3</sup>**  
Total Water Consumption

### UNSDGs Alignment



### Energy and Emissions Management

Energy consumption at WTEC's factory sites is primarily driven by electricity usage for production machinery, lighting and air conditioning, supplemented by fuel consumption from our company vehicle fleet. We actively monitor energy consumption across all four operational premises and are taking progressive steps to improve energy efficiency. In FYE 2025, the adoption of an electric forklift and the transition of four company vehicles to hybrid or plug-in hybrid models have directly contributed to reducing fuel consumption.

The following tables present our energy consumption data for FYE 2025. As this is our inaugural year of environmental data collection, no prior-year comparative data is available. We are committed to building a consistent data baseline for future comparison.

#### Fuel Consumption

Fuel Type	Unit	FYE 2025
Diesel (vehicles and equipment)	Litres	39,654.44
Petrol (company vehicles)	Litres	7,387.79
LPG (production operations)	Tonnes	5.95

#### Electricity Consumption

Operational Site	FYE 2025 (kWh)
PT 1558 Factory, Semenyih	440,470.00
No. 11 Factory, Semenyih	63,187.00
No. 3 Factory, Semenyih	147,674.00
Plot 1542 Warehouse, Semenyih	1,062.30
<b>TOTAL</b>	<b>652,393.30</b>

# SUSTAINABILITY STATEMENT

## ENVIRONMENTAL IMPACT (CONT'D)

### Energy Intensity

Energy Intensity Indicator	FYE 2025
Total Electricity Consumption (kWh)	652,393.30
Group Revenue (RM'000)	49,444
Energy Intensity (kWh / RM'000 revenue)	13.20

### GHG Emissions

For the first time in FYE 2025, WTEC systematically calculated its greenhouse gas (“GHG”) emissions across Scope 1 (direct emissions from owned sources), Scope 2 (indirect emissions from purchased electricity) and Scope 3 (value chain emissions). FYE 2025 serves as WTEC’s GHG baseline year. The emission factors and calculation methodology applied are consistent with the GHG Protocol Corporate Accounting and Reporting Standard.



#### Scope 1 – Direct emissions (fuel combustion from vehicles and equipment)

At WTEC, we operate from 1 owned business premise and 4 rented premises, supported by a fleet of 19 company vehicles consisting of 5 trucks and 14 cars.

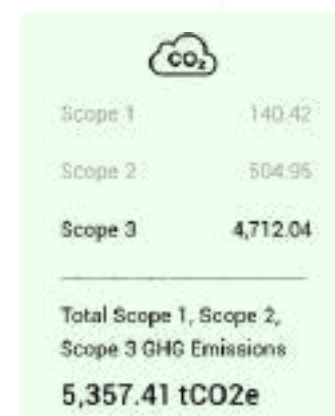
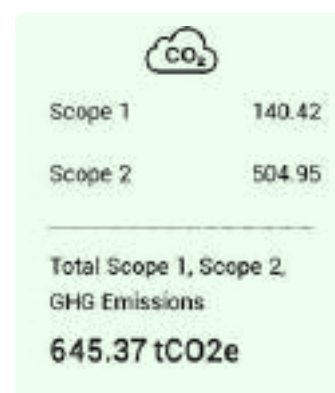
#### Scope 2 – Indirect emissions (purchased electricity)

Our business operation consists of 4 locations. Hence, the emissions from Scope 2 are provided by Electricity consumption data is calculated based on the utility bills from Tenaga Nasional Berhad (TNB).

#### Scope 3 – Other indirect emissions (materials & others)

The largest contributor to our Scope 3 emissions is PU Foam, accounting for an estimated 3,102.29 tCO<sub>2</sub>e out of our total estimated Scope 3 emissions of 4,712.04 tCO<sub>2</sub>e. These emissions primarily arise from the upstream production within the PU foam supply chain. Given the nature of our technical foam converting operations, PU Foam represents a significant material input across our production processes.

The Scope 3 emissions disclosed represent an internal estimation based on available activity data and developed with the support of an independent ESG consultant, and are subject to further review and refinement in subsequent reporting periods as our data collection methodology matures.



# SUSTAINABILITY STATEMENT

## ENVIRONMENTAL IMPACT (CONT'D)

Emission Intensity Indicator	FYE 2025
Total GHG Emissions (tCO <sub>2</sub> e)	5,357.41
Group Revenue (RM'000)	49,444
Emission Intensity (tCO <sub>2</sub> e / RM'000 revenue)	0.11

### Water Management

Water management is a critical aspect of sustainable urban development, particularly in high-density cities like Kuala Lumpur, where demand for water continues to rise. Water infrastructure faces increasing stress due to rapid urbanization and the growing impacts of climate change, which exacerbate water scarcity. As a manufacturer, WTEC acknowledges its role in promoting responsible water usage, both in manufacturing activities and within the communities.

Efficient water management is essential not only for environmental sustainability but also for ensuring long-term resource availability for urban populations. To mitigate these challenges, we are committed to implementing efficient water management practices across our operations. Our focus is on reducing water consumption and promoting conservation measures wherever possible. Currently, WTEC primarily sources water from municipal supplies, and we continuously explore opportunities to enhance water efficiency in our developments.

In FYE 2025, WTEC's total water consumption across all operational sites was 4,529 m<sup>3</sup>. As this is our baseline year, we are working to establish site-level water metering to enable more granular tracking in future reporting periods.

Water Indicator	FYE 2025 (m <sup>3</sup> )
Water withdrawal from municipal supply (potable)	4,529
Harvested rainwater (used for sewerage at HQ)	Implemented – quantity being tracked from FYE 2026
Total water consumption	4,529
Wastewater discharged to off-site treatment plant	4,529

### Waste Management

Waste generated from WTEC's manufacturing operations consists primarily of domestic waste (general factory and office waste) and scheduled waste arising from production processes, including adhesive glue residues. We manage waste in accordance with the Environmental Quality Act 1974 and the Environmental Quality (Scheduled Wastes) Regulations 2005.

Scheduled waste is collected, treated and disposed of by a licensed third-party contractor appointed in accordance with DOE requirements. Domestic waste is managed through the local municipal waste collection service. We are exploring opportunities to reduce waste generation through better material utilisation and to expand recycling practices across our sites in FYE 2026.

Waste Indicator	FYE 2025 (Tonnes)
Domestic waste (general factory and office waste)	180.00
Scheduled waste – recovered / treated by licensed contractor	0.70
Total waste generated	180.70

# SUSTAINABILITY STATEMENT

## ENVIRONMENTAL IMPACT (CONT'D)



### Resource Consumption

WTEC's primary raw materials are technical foam inputs and associated converting materials. Tracking resource consumption is important for understanding our material efficiency and identifying opportunities to reduce waste and costs. The table below presents our key material inputs for FYE 2025. We are committed to progressively improving material utilisation rates and exploring sustainable sourcing options in collaboration with our suppliers.

Raw Material	FYE 2025 (Tonnes)
PU Foam	620.46
Glue (adhesive)	176.76
Double Sided Tapes	129.31
Non-Woven Material	108.05
Water Based Adhesive	20.10
Hardener	4.08
<b>TOTAL</b>	<b>1,058.76</b>

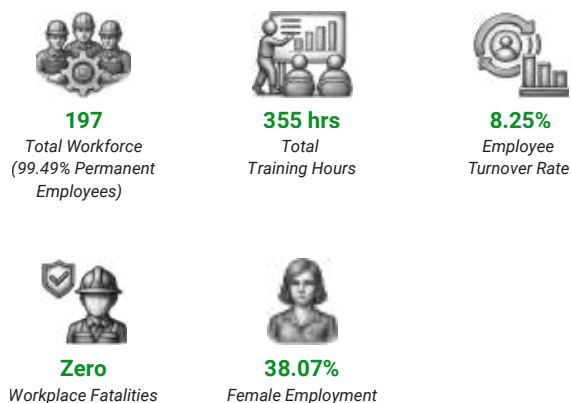
# SUSTAINABILITY STATEMENT

## SOCIAL RESPONSIBILITY

### Our People and Community

Our employees are the cornerstone of WTEC's success. With manufacturing operations across multiple sites in Semenyih and Batu Pahat, our workforce is diverse, skilled and united by a shared commitment to quality and continuous improvement. We are committed to providing a safe, fair and inclusive workplace where every employee has the opportunity to grow, contribute and thrive. Beyond our factory gates, we recognise our responsibility to the communities where we operate and seek to make a positive contribution.

### Key Metrics



### UNSDGs Alignment



### Workforce and Diversity

As at 31 December 2025, WTEC employed 197 employees across all group entities and sites. 99.49% are on permanent contracts, reflecting our commitment to stable employment. We recorded 10 new local hires and an employee turnover rate of 8.25%, reflecting a workplace culture that employees value.

Workforce Indicator	FYE 2025
Total Employees (excluding Board)	197
Permanent Employees	196 (99.49%)
Contract / Temporary Employees	1 (0.51%)
Male Employees	122 (61.93%)
Female Employees	75 (38.07%)
Malaysian Employees	115 (58.38%)
Foreign Workers	82 (41.62%)
New Local Hires (FYE 2025)	10
Employee Turnover Rate (%)	8.25

### Board and Managerial Diversity

WTEC is committed to fostering diversity and equal opportunity at all levels. Our Board of Directors comprises 7 members, of whom 3 (42.86%) are female – a strong representation that reflects our commitment to gender diversity in leadership.

# SUSTAINABILITY STATEMENT

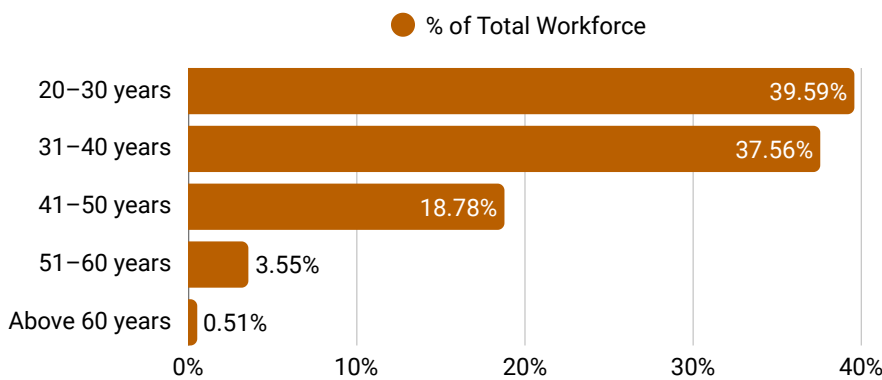
## SOCIAL RESPONSIBILITY (CONT'D)

Diversity Indicator	Total	Female	Male
Board of Directors	7	3 (42.86%)	4 (57.14%)
Managerial Staff	8	2 (25.00%)	6 (75.00%)
Total Workforce (excl. Board)	197	75 (38.07%)	122 (61.93%)

### Age Diversity

Our workforce spans a broad age range from 20 to 64 years, bringing together the experience of seasoned professionals and the energy of younger talent. This generational diversity supports knowledge transfer, mentorship and long-term organisational resilience.

#### Age Diversity (Total number of employees: 197)



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

### Occupational Health & Safety



The safety of our employees is a non-negotiable priority at WTEC. Operating across multiple factory sites involving machinery, chemical solvents and heavy materials, we maintain a comprehensive occupational health and safety (“OHS”) management system anchored in clear policies, regular training, formal incident investigation protocols and proactive hazard management. Our Safety & Health Committee (“SHC”) is registered with the Department of Occupational Safety and Health (“DOSH”) and meets regularly to review safety performance and implement improvements.

In FYE 2025, WTEC recorded 3 Lost Time Injury (“LTI”) cases resulting in 9.5 man-days lost. Importantly, zero fatalities were recorded across all operational sites – an outcome we are proud of and firmly committed to maintaining. When a workplace accident or near-miss occurs, management responds promptly by administering first aid, arranging appropriate medical attention, conducting a formal root cause investigation and implementing remedial actions to prevent recurrence. Our target for FYE 2026 is to further reduce the number of LTI cases.

# SUSTAINABILITY STATEMENT

## SOCIAL RESPONSIBILITY (CONT'D)

OHS Indicator	FYE 2025
Safety & Health Committee (SHC) – DOSH Registered	Yes
Total Lost Time Injuries (LTI cases)	3
Total Man-Days Lost	9.5 days
Fatalities	Zero
DOSH Notices / Stop-Work Orders / Fines Received	Zero
Number of Annual Safety Training Programmes	7
First Aid Training Provided	Yes – to designated employees at each site
SOCSO / EIS Coverage – All Eligible Employees	Confirmed

### Employee Training and Development

WTEC views investment in employee training and development as a strategic priority. A capable, well-trained and motivated workforce is essential to maintaining the quality standards demanded by our customers in the automotive, electronics and aviation industries, and to embedding a culture of continuous improvement throughout our operations.

In FYE 2025, WTEC invested RM184,515.00 across 35 training programmes covering a wide range of disciplines including quality management systems, occupational safety, environmental compliance, professional governance and leadership skills. A total of 107 employees were upskilled during the year, with both local and foreign workers participating in the training programmes.

Training Indicator	FYE 2025
Total Training Expenditure (RM)	184,515
Total Training Hours	355
Average Training Hours per Employee	2
Total Training Programmes Conducted	35 (17 Internal, 18 External)
Total Employees Upskilled	107 (Local: 70, Foreign: 37)
Internal Training Hours	34
External Training Hours	321



# SUSTAINABILITY STATEMENT

## SOCIAL RESPONSIBILITY (CONT'D)

### Key Training Areas in FYE 2025



### Employee Wellbeing and Benefits

WTEC is committed to the wellbeing of all employees, providing a comprehensive package of statutory and discretionary benefits that support financial security, health and work-life quality. All eligible employees are covered under EPF, SOCSO and EIS contributions, which are fully compliant and up to date. Beyond these statutory obligations, the Group provides the following additional benefits:

 <p><b>01</b></p> <p><b>Annual Performance Bonus</b> Discretionary bonus based on individual and company performance</p>	 <p><b>02</b></p> <p><b>Transport Allowance</b> Provided to eligible employees to support daily commute</p>	 <p><b>03</b></p> <p><b>Outstation Allowance</b> Provided for work-related travel assignments away from base location</p>	 <p><b>04</b></p> <p><b>Ranking Allowance</b> Additional allowance based on job grade and seniority</p>
 <p><b>05</b></p> <p><b>Uniform</b> Work uniform provided to all production and operational staff</p>	 <p><b>06</b></p> <p><b>Personal Accident (PA) Insurance</b> Group PA insurance coverage for all employees</p>	 <p><b>07</b></p> <p><b>Panel Clinic</b> Access to designated panel clinics for outpatient medical treatment</p>	 <p><b>08</b></p> <p><b>Festival Celebration</b> Festive celebrations for key cultural events, fostering team cohesion</p>
 <p><b>09</b></p> <p><b>Hostel Facilities</b> Accommodation maintained and equipped for foreign workers</p>			

# SUSTAINABILITY STATEMENT

## SOCIAL RESPONSIBILITY (CONT'D)

Our workplace culture is guided by the principles of Continuous Improvement and Operational Excellence, embedded through daily 5S practices and Kaizen methodology across all factory sites. WTEC maintains an Anti-Harassment and Equal Opportunity Policy to ensure all employees are treated with dignity and respect, regardless of gender, race, nationality or employment type.

### Community Engagement and Social Contribution

As a responsible corporate citizen, WTEC recognises its role in contributing positively to the communities in Semenyih and Batu Pahat where we operate. While our community engagement programme is at an early stage, we made meaningful contributions in FYE 2025 through targeted charitable donations to three beneficiary organisations, totalling RM4,000.00. We also actively engage with the broader sustainability community through our Associate Membership in the ESG Association of Malaysia (ESGAM) since 2023, and participated in the ESG Forum: Navigating the Future of Sustainability Reporting at SME Venture@ASEAN 2025.

Beneficiary Organisation	Nature of Contribution	Amount (RM)
Pertubuhan Rumah Kebajikan Chrestus	Cash donation (tax-exempted)	1,500.00
Tabung Kebajikan Perubatan Malaysia	Cash donation (tax-exempted)	1,500.00
Pay Fong Middle School, Melaka	Cash donation	1,000.00
<b>TOTAL</b>		<b>4,000.00</b>

In FYE 2026, we are committed to maintaining at least 3 community engagement activities or beneficiary contributions, and will explore opportunities for more structured employee volunteering as our programme develops.



# SUSTAINABILITY STATEMENT

## GOVERNANCE

### Corporate Governance and Ethical Conduct

Sound governance is the backbone of a sustainable and trustworthy business. At WTEC, we conduct our operations with the highest standards of integrity, transparency and accountability. FYE 2025 was a year of significant governance strengthening as a newly listed company: we established a Sustainability Management Committee, published key policies on our corporate website, completed Bursa Mandatory Accreditation Programme training for Directors, and commenced revising our Board Charter to embed sustainability responsibilities.

### Key Metrics



### UNSDGs Alignment



### ESG Governance Structure

WTEC's sustainability governance is structured across three tiers, all established in FYE 2025. The Board of Directors holds ultimate accountability for the Group's sustainability performance, supported by the Sustainability Management Committee ("SMC") led by the Group Managing Director and Group Executive Director, and operationalised by the Sustainability Working Committee ("SWC") which drives day-to-day ESG implementation. The Board was formally briefed on WTEC's ESG governance structure, planning and progress at the Board meeting held on 23 February 2026.

In alignment with the recommendations of the MCGG 2021 and the Bursa Malaysia Sustainability Reporting Guide (3rd Edition), WTEC is revising its Board Charter to formally embed the Board's oversight responsibilities for sustainability. A formal Group-wide Sustainability Policy and Risk Management Framework are currently being developed and are expected to be finalised in FYE 2026.

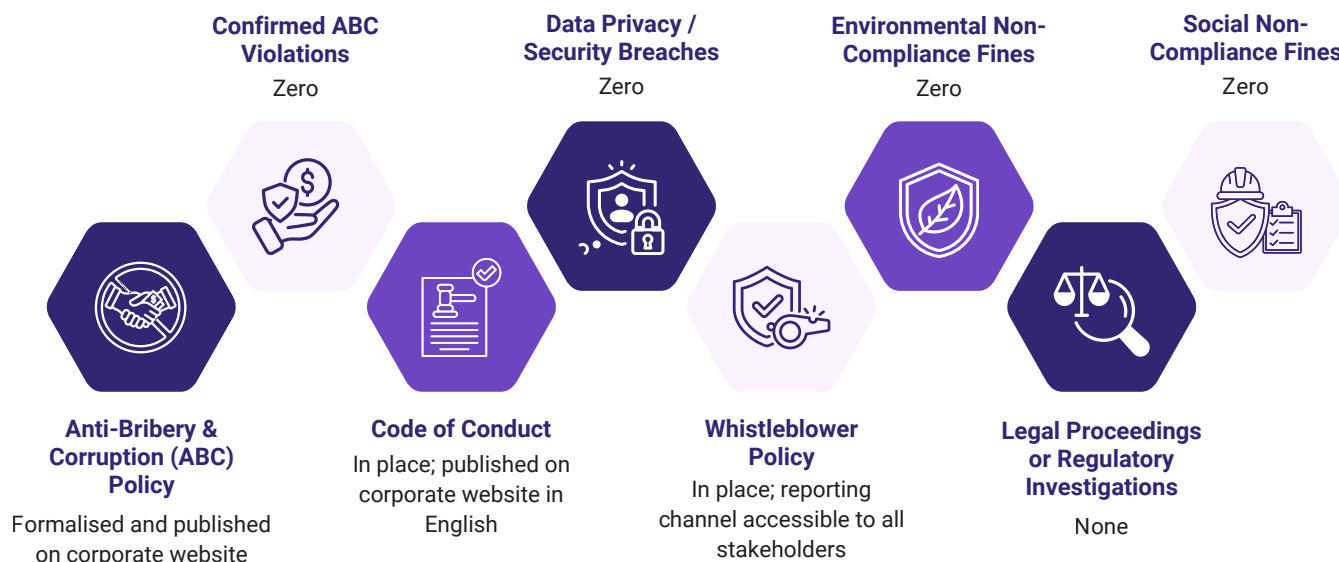
### Anti-Bribery, Corruption and Business Ethics

WTEC maintains a zero-tolerance stance on bribery, fraud, corruption and all forms of unethical conduct. Our ABC Policy, Whistleblower Policy and Code of Conduct are formalised documents published on WTEC's corporate website ([www.wtecgroupp.com.my](http://www.wtecgroupp.com.my)) and communicated to all employees and stakeholders, including our suppliers. In FYE 2025, zero confirmed incidents of anti-bribery and corruption violations were recorded, and zero data privacy or security breaches occurred.

WTEC's Finance team operates under comprehensive Standard Operating Procedures ("SOPs"), with all financial entries supported by relevant source documentation and subjected to multilevel review and approval before monthly accounts are finalised. Quarterly financial results are presented to the Board at the respective ARMC and Board meetings.

# SUSTAINABILITY STATEMENT

## GOVERNANCE (CONT'D)



### Supply Chain Responsibility

WTEC's supply chain encompasses 80 registered suppliers of raw materials, services and logistics. We prioritise engaging manufacturers directly over trading houses, as this provides greater consistency in material quality, technical support and supply reliability. Our Procurement Department manages supplier relationships through a structured qualification process that evaluates suppliers based on their capability to meet our technical specifications, consistency of quality, compliance with applicable regulations and capacity to provide after-sales technical support.

While formal ESG-specific supplier requirements are still being developed, our Anti-Bribery & Corruption Policy is published on our corporate website and is accessible to all suppliers. Looking ahead, WTEC intends to progressively engage key suppliers on ESG-related activities and explore sourcing from suppliers with recognised sustainability credentials, in line with the expectations of our customers in the automotive and electronics sectors.

Supply Chain Indicator	FYE 2025
Total Registered Suppliers	80
Local (Malaysian) Registered Suppliers	56 (70.00% of registered suppliers)
International Registered Suppliers	24 (30.00% of registered suppliers)
Formal Supplier Evaluation Process	Yes – capability, quality compliance, technical support
Formal Supplier ESG Requirements	In progress – to be implemented in FYE 2026
Supplier ABC Communication	ABC Policy published on corporate website, accessible to all suppliers

# SUSTAINABILITY STATEMENT

## GOVERNANCE (CONT'D)



### Regulatory Compliance and Quality Certifications

WTEC is committed to full compliance with all applicable laws, regulations and industry standards across all group entities and operational sites. In FYE 2025, zero environmental non-compliance fines, zero social non-compliance fines and zero labour or human rights violations were recorded. All statutory contributions – EPF, SOCSO, EIS and HRDCorp – are fully compliant and up to date for all eligible employees.

WTEC holds active quality management certifications under both ISO 9001:2015 and IATF 16949:2016, which are independently audited and maintained. These certifications demonstrate our systematic approach to quality management and our capability to consistently deliver products meeting the stringent requirements of automotive and electronics customers.

Certification / Standard	Scope	Status
ISO 9001:2015	Quality Management System – foam manufacturing and converting services	Active – Certificate No. 122012 (NQA)
IATF 16949:2016	Automotive Quality Management System	Active – certified by NQA
EPF / SOCSO / EIS Contributions	All eligible employees	Confirmed compliant
DOE Scheduled Waste Registration	Licensed scheduled waste contractor appointed	Compliant per Environmental Quality Act 1974
Bursa Malaysia ACE Market Listing Requirements	All ACE Market obligations	Compliant – listed 29 April 2025

# SUSTAINABILITY STATEMENT

## Conclusion and Future Initiatives

FYE 2025 has been a year of meaningful firsts for WTEC. As a newly listed company on Bursa Malaysia's ACE Market, we have established our baseline GHG emissions data, conducted our inaugural materiality assessment, formalised our sustainability governance structure, and transparently disclosed our performance across all four EESG pillars for the first time.

We are honest about the areas where our sustainability programme is still maturing. Our Group-wide Risk Management Framework is being finalised, our supplier ESG engagement is at an early stage, and our environmental targets have yet to be formally quantified. We believe transparency about these gaps is the only credible foundation for genuine progress.

We are committed to progressively strengthening our sustainability practices, data systems and disclosures as the mandatory requirements for ACE Market issuers evolve towards the National Sustainability Reporting Framework (NSRF) adoption in FYE 2027. We will continue to engage our stakeholders, invest in our people and manage our environmental and governance responsibilities with increasing rigour.

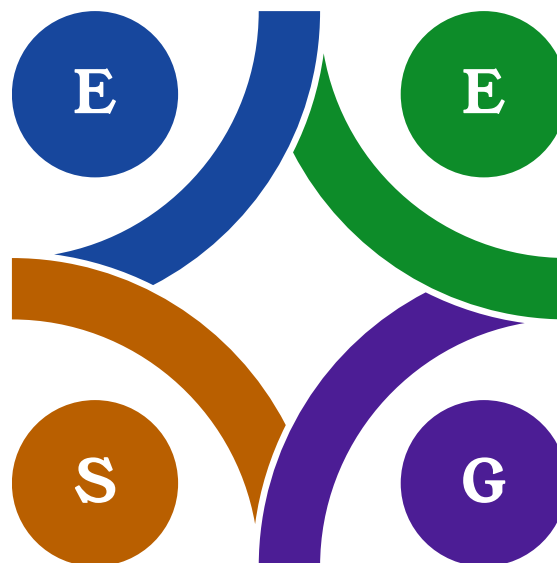
## Key Commitments for FYE 2026

### Economic

- Maintain financial stability and profitability
- Achieve or exceed FYE 2025 revenue performance
- Maintain 100% customer complaint resolution rate

### Social

- Reduce Lost Time Injuries to fewer than 3 cases
- Maintain zero fatalities
- Conduct formal employee satisfaction survey with target score of  $\geq 70\%$
- Maintain  $\geq 3$  community engagement activities or charitable contributions
- Explore structured employee volunteering programme



### Environment

- Install rooftop solar PV system at Group headquarters
- Complete transition of all new company vehicles to HEV/PHEV/EV models
- Install EV charging infrastructure at premises
- Extend rainwater harvesting to all owned factory premises
- Implement formal recycling awareness programme across all sites
- Begin formal energy reduction target-setting

### Governance

- Finalise Group-wide Risk Management Framework and Sustainability Policy
- Complete revised Board Charter embedding sustainability oversight responsibilities
- Implement formal supplier ESG engagement programme
- Pilot ESG criteria in supplier evaluation for key raw material vendors
- Evaluate feasibility of obtaining internal or external assurance for FYE 2026 sustainability disclosures



Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Anti-Corruption	No. of corruption-related legal cases	Cases	0	To maintain Zero	No assurance
Anti-Corruption	No. of employees trained on anti-corruption policies	Persons	All Directors (Bursa MAP)	To expand to all employees	No assurance
Community / Society	Total Corporate Social Responsibility / Community contribution	RM	4,000.00	To maintain at least / more than 3 activities	No assurance
Diversity	% of female directors	%	42.86%	To maintain the %	No assurance
Energy Management	Total Energy Consumption (Electricity)	KWH	652,393.30	To monitor and reduce	No assurance
Energy Management	Energy intensity	KWH/RM'000 revenue	13.20	To monitor and reduce	No assurance
Health & Safety	Number of work-related fatalities	Cases	0	To maintain Zero	No assurance
Health & Safety	Lost Time Injury (LTI) cases	Cases	3.00	To reduce below 3	No assurance
Health & Safety	Man-days lost due to injury	Days	9.50	To reduce	No assurance
Labour Practices & Standards	Employee turnover rate	%	8.25	To maintain below 10%	No assurance
Labour Practices & Standards	% of permanent employees	%	99.49	To maintain the %	No assurance
Supply Chain Management	% of local (Malaysian) procurement spend	%	66.79	To maintain above 60%	No assurance
Supply Chain Management	Number of registered local suppliers	Supplier	56.00	To maintain	No assurance
Data Privacy & Security	Number of data privacy breaches	Cases	0	To maintain Zero	No assurance
Water	Total water consumption	M3	4,529.00	To monitor and reduce	No assurance
GHG Emissions (additional)	Total Scope 1 emissions	tCO <sub>2</sub> e	140.42	Baseline FY2025	No assurance
GHG Emissions (additional)	Total Scope 2 emissions	tCO <sub>2</sub> e	504.95	Baseline FY2025	No assurance
GHG Emissions (additional)	Total Scope 3 emissions	tCO <sub>2</sub> e	4,712.04	Baseline FY2025	No assurance

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Footnote Sustainability Matter	This row has been deleted.				
Community / Society	Number of beneficiaries of community investment	Number	3	at least 3 engagements	No assurance
Footnote Sustainability Matter	This row has been added.				
Diversity	* Total Workforce (Excluded Board) - Female	%	38.07%	To maintain the %	No assurance
Footnote Metric	To consistent the metric description with Sustainability Statement. The underlying data and scope remain unchanged.				
Diversity	Total Workforce (Excluded Board) - Male	%	61.93%	-	No assurance
Footnote Sustainability Matter	This row has been added.				
Diversity	% of male directors	%	57.4%	-	No assurance
Footnote Sustainability Matter	This row has been added.				
Diversity	Age group of total workforce (% of total) - 20-30 years	%	39.59%	-	No assurance
Footnote Sustainability Matter	This row has been added.				
Diversity	Age group of total workforce (% of total) - 31-40 years	%	37.56%	-	No assurance
Footnote Sustainability Matter	This row has been added.				
Diversity	Age group of total workforce (% of total) - 41-50 years	%	18.78%	-	No assurance
Footnote Sustainability Matter	This row has been added.				

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance
Diversity	Age group of total workforce (% of total) - 51-60 years	%	3.55%	-	No assurance
Footnote Sustainability Matter This row has been added.					
Diversity	Age group of total workforce (% of total) - Above 60 years	%	0.51%	-	No assurance
Footnote Sustainability Matter This row has been added.					

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of WTEC Group Berhad (“the Company”) recognises that strong corporate governance is fundamental to safeguarding shareholders’ interests and protecting the interests of all stakeholders. The Board remains committed to ensuring that the principles of good governance, including transparency, accountability and integrity, are embedded across the Company and its subsidiaries’ (“the Group”) operations.

This Corporate Governance Overview Statement (“CG Overview Statement” or “this Statement”) has been prepared in compliance with Rule 15.25 of the ACE Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“ACE LR”) and has set out an overview on the application of the principles of corporate governance as prescribed by the Malaysian Code on Corporate Governance (“MCCG”).

This CG Overview Statement outlines how the Group has applied the following three (3) principles of the MCCG during the financial year ended 31 December 2025 (“FYE 2025”):

<b>PRINCIPLE A</b>
Board Leadership and Effectiveness
<b>PRINCIPLE B</b>
Effective Audit and Risk Management
<b>PRINCIPLE C</b>
Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This Statement should be read together with the Corporate Governance Report, which is available on the Company’s website at [www.wtecgroupp.com.my](http://www.wtecgroupp.com.my) and via Bursa Securities’ website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

## **PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS**

### **1. BOARD RESPONSIBILITIES**

The Board is responsible for the overall performance, strategic direction and governance of the Group. It provides leadership, sets the strategic direction, and ensures effective oversight of Management in delivering sustainable long-term value to stakeholders.

In discharging its fiduciary duties, the Board is guided by a formal Board Charter, which sets out its roles, responsibilities, matters reserved for its decision, and those delegated to Management. The Board Charter, together with the Code of Conduct and Ethics, is available on the Company’s website at [www.wtecgroupp.com.my](http://www.wtecgroupp.com.my).

To support effective governance, the Board has established the following Board Committees:

- Audit and Risk Management Committee (“ARMC”)
- Nomination Committee (“NC”)
- Remuneration Committee (“RC”)

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 1. BOARD RESPONSIBILITIES (CONT'D)

Each Committee operates within clearly defined Terms of Reference (“TOR”) and reports to the Board with recommendations for consideration and approval. The TORs are available on the Company’s website at [www.wtecgroupp.com.my](http://www.wtecgroupp.com.my).

The roles of the Chairman and the Group Managing Director are clearly separated. The Chairman leads the Board and ensures effective governance and Board effectiveness, while the Group Managing Director is responsible for the day-to-day management of the Group and implementation of the Board’s decisions. This separation ensures a balance of authority and accountability.

The Board is supported by two (2) qualified and experienced Company Secretaries, who are registered with the Companies Commission of Malaysia. They play an advisory role to the Board on governance, regulatory compliance and Board procedures. All Directors have unrestricted access to their advice and services.

The Board has adopted the following policies to reinforce ethical conduct and governance, including:

- Whistleblowing Policy
- Anti-Bribery and Corruption Policy
- Directors’ Fit and Proper Policy

These policies are reviewed periodically and are available on the Company’s website.

The Board recognises the importance of sustainable business practices in creating long-term value for shareholders and other stakeholders, and acknowledges that responsible business conduct is fundamental to achieving operational excellence. In this regard, the Board has integrated Environmental, Social and Governance (“ESG”) considerations into the Group’s overall strategy and decision-making processes. The Board provides oversight and direction on sustainability-related matters, while Management is responsible for implementation and execution of the Group’s sustainability initiatives and action plans. Sustainability performance and initiatives are further disclosed in the Sustainability Statement in this Annual Report.

### 2. BOARD COMPOSITION

The Board currently comprises seven (7) members, and the composition of the current Board is set out in the table below:

No.	Directors	Designation
1	Teresa Tan Siew Kuan	Independent Non-Executive Chairperson
2	Tan Kok Kheng	Group Managing Director
3	Tiow See Yen	Group Executive Director
4	Eu Tiong Nam	Non-Independent Non-Executive Director
5	Christine Toh Hung Mei	Independent Non-Executive Director
6	Chan Lay Khim	Independent Non-Executive Director
7	Ir. Tee Kiam Hong	Independent Non-Executive Director

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 2. BOARD COMPOSITION (CONT'D)

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

The current Board composition provides an appropriate balance of skills, experience and independence. Collectively, the Directors bring diverse expertise in areas such as finance, engineering, legal, corporate advisory and business management, enabling effective oversight of the Group's operations.

The Board also maintains gender diversity, with three (3) female Directors on the Board, namely, Ms. Teresa Tan Siew Kuan, Ms. Christine Toh Hung Mei and Ms. Chan Lay Khim, representing approximately 43% of the Board. This commitment to gender diversity not only adheres to best practices but also enhances the Board's effectiveness by incorporating a wide range of perspectives and experiences in the decision-making process.

The NC is responsible for identifying and recommending suitable candidates for Board appointment, as well as evaluating the effectiveness of the Board, Board Committees and individual Directors. The Board retains ultimate responsibility for appointments.

The Company was listed on the ACE Market of Bursa Securities on 29 April 2025 and hence, the activities undertaken by the NC during the FYE 2025 and up to the date of this Statement were as follows:-

- Assessed the balance of skills, knowledge and experience of the Board
- Conducted annual performance evaluations of the Board, Board Committees and individual Directors
- Reviewed the independence of Independent Directors
- Assessed the effectiveness of the ARMC
- Review and recommended the re-election of Directors at the Annual General Meeting ("AGM")

The Board undertakes an annual evaluation process, which includes assessments of attendance, preparedness, participation, contribution and independence.

The Board meets at least once every quarter, with additional meetings convened as required. All Directors complied with the minimum attendance requirements under the ACE LR during FYE 2025.

The attendance records of each Board member at the Board and Board Committees meetings during the FYE 2025 are as follows:

Directors	Number of Meeting Attended			
	Board	ARMC	NC*	RC*
Teresa Tan Siew Kuan	4/4	-	-	-
Tan Kok Kheng	4/4	-	-	-
Tiow See Yen	4/4	-	-	-
Eu Tiong Nam	4/4	-	-	-
Christine Toh Hung Mei	4/4	3/3	-	-
Chan Lay Khim	4/4	3/3	-	-
Ir. Tee Kiam Hong	4/4	3/3	-	-

\* No NC and RC meetings were held during FYE 2025.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 2. BOARD COMPOSITION (CONT'D)

The Board acknowledges the importance of continuous professional development. During the financial year, all Directors attended relevant training programmes covering areas such as corporate governance, sustainability, taxation, risk management and regulatory developments, in compliance with Rule 15.08 of the ACE LR.

The details of the Directors' training programmes during FYE 2025 are as follows:

Directors	Training/ Seminar Attended
Teresa Tan Siew Kuan	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme Part II: Leading for Impact ("MAP Part II")</li> <li>• Share Capital - Issuance and Alteration</li> <li>• CFO Circle Webinar : Strategic Leadership in the Age of AI and RPA - Driving Purpose and Innovation</li> <li>• Tax Seminar on Budget 2026</li> </ul>
Tan Kok Kheng	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme Part I in relation to the Directors' roles, duties and liabilities ("MAP Part I")</li> <li>• PLC Leadership Engagement Session – Session 2</li> <li>• Bursa Malaysia - Board Simulation : Balancing Risks &amp; Opportunity in Sustainability Leadership</li> <li>• ESG Forum 2025: Navigating the Future of Sustainability Reporting</li> <li>• NSRF Data to Disclosures Forum</li> </ul>
Tiow See Yen	<ul style="list-style-type: none"> <li>• MAP Part I</li> <li>• PLC Leadership Engagement Session – Session 2</li> </ul>
Eu Tiong Nam	<ul style="list-style-type: none"> <li>• MAP Part I</li> </ul>
Christine Toh Hung Mei	<ul style="list-style-type: none"> <li>• Perfection of Transfer and Charge</li> <li>• MAP Part II</li> <li>• Year in Review: Case Law Updates on Adjudication</li> <li>• Setting the Stage: An Analysis on the Powers, Duties and Obligations of the Arbitral Tribunal</li> <li>• From an Adjudicator's Perspective: Issues and Challenges in the Conduct of Adjudication Proceedings</li> <li>• Arbitration in Action: The Conduct of Effective Hearings</li> <li>• The Basics of Family Law</li> <li>• The Final Step: Keeping an Eye on Effective and Enforceable Awards</li> <li>• The Art of Drafting Enforceable Adjudication Decisions</li> <li>• Case Law Updates on Arbitration within and beyond Malaysia</li> <li>• Managing Construction Projects: Strategies for Compliance, Control and Commercial Management</li> <li>• Housing Development Late Delivery and Defect Law &amp; Practice</li> <li>• AIAC's Adjudicators CCD Workshop Series 2025 - Open Forum Discussion on CIPAA and Adjudication</li> <li>• Voices in Arbitration: Let's Discuss!</li> </ul>

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 2. BOARD COMPOSITION (CONT'D)

Directors	Training/ Seminar Attended
Chan Lay Khim	<ul style="list-style-type: none"> <li>• MAP Part I</li> <li>• 2026 Budget Seminar</li> <li>• Navigating the National Sustainability Reporting Framework: Insights on Implementation</li> </ul>
Ir. Tee Kiam Hong	<ul style="list-style-type: none"> <li>• Advocacy Dialogue &amp; Debate Session: Impact in Action: From leadership to Stewardship.</li> <li>• Introduction to Environmental, Social and Governance.</li> <li>• E-invoicing Essentials for Board Directors: Navigating the New Compliance Landscape.</li> <li>• MAP Part II</li> <li>• Leading for Longevity: The Board's Role in Driving Innovation</li> <li>• Reverse Governance: What if the Algorithm Assess the Board?</li> <li>• Tax &amp; Legal Forum 2025</li> <li>• Corporate Governance for Management and Employees</li> </ul>

### 3. REMUNERATION

The Company has established a formal and transparent Remuneration Policy to attract, retain and motivate Directors and Key Senior Management.

The Remuneration Committee ("RC") assists the Board in reviewing and recommending the remuneration framework for Directors. The remuneration structure is aligned with the Company's performance, responsibilities and market practices.

Directors abstain from deliberations on their own remuneration. The fees of Non-Executive Directors are subject to shareholders' approval at the AGM.

Details of Directors' and senior management remuneration, including breakdowns and remuneration bands, are as per below:

#### The Company

Name of Directors	Fee (RM'000)	Allowance (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefit-in-kind (RM'000)	Other emoluments* (RM'000)	Total (RM'000)
Teresa Tan Siew Kuan	46	5	-	-	-	-	51
Tan Kok Kheng	-	-	-	-	-	-	-
Tiow See Yen	-	-	-	-	-	-	-
Eu Tiong Nam	-	-	-	-	-	-	-
Christine Toh Hung Mei	28	5	-	-	-	-	33
Chan Lay Khim	28	5	-	-	-	-	33
Ir. Tee Kiam Hong	28	5	-	-	-	-	33

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

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

### 3. REMUNERATION (CONT'D)

#### The Group

Name of Directors	Fee (RM'000)	Allowance (RM'000)	Salary (RM'000)	Bonus (RM'000)	Benefit-in-kind (RM'000)	Other emoluments* (RM'000)	Total (RM'000)
Teresa Tan Siew Kuan	46	5	-	-	-	-	51
Tan Kok Kheng	300	-	600	400	24	191	1,515
Tiow See Yen	300	-	600	400	24	191	1,515
Eu Tiong Nam	300	-	-	-	-	-	300
Christine Toh Hung Mei	28	5	-	-	-	-	33
Chan Lay Khim	28	5	-	-	-	-	33
Ir. Tee Kiam Hong	28	5	-	-	-	-	33

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

The key senior management's remuneration as follows:-

Range of Remuneration	Number of Senior Management
150,001 - 200,000	2
200,001 - 250,000	2
250,001 - 300,000	1

The aggregate remuneration (including salaries, bonus, allowances, benefits-in-kind or other emoluments) paid to the key senior management for FYE 2025 was RM1,035,503. The Board considers the remuneration information of senior management to be confidential and proprietary, and to respect their privacy, will not disclose the said information in detail. The Board viewed that the disclosure of key senior management's remuneration on an unnamed basis in the bands of RM50,000 is adequate.

## PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

### 1. ARMC

The ARMC supports the Board in overseeing financial reporting, audit processes, internal controls, risk management and related party transactions.

The ARMC comprises three (3) members, all of whom are Independent Non-Executive Directors, in compliance with the ACE LR. The ARMC is chaired by Ms. Chan Lay Khim, an Independent Non-Executive Director who is distinct from the Chairman of the Board. The majority of the members of the ARMC are financially literate, whilst the Chairperson of the ARMC is a member of the Malaysian Institute of Accountants.

None of the members of the ARMC was a former partner of the external audit firm of the Company and to uphold utmost independence, the Board has no intention to appoint any former partner of the external audit firm of the Company as a member of the ARMC.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### **1. ARMC (CONT'D)**

The ARMC maintains a transparent and professional relationship with the external auditors, who have direct access to the Committee to highlight any matters requiring attention.

The ARMC also reviews and assesses the performance, suitability and independence of both external and internal auditors on an annual basis.

### **2. RISK MANAGEMENT AND INTERNAL CONTROL**

The Board is responsible for maintaining a sound system of risk management and internal control to safeguard the Group's assets and stakeholders' interests.

The Group's internal control framework encompasses financial, operational and compliance controls and is designed to manage both existing and emerging risks.

To provide additional assurance, the Company engages independent outsourced internal auditors who are independent of the activities and operations of the Group to provide objective assessments of the adequacy and effectiveness of internal controls. The internal auditors report directly to the ARMC to ensure independence.

The Board receives regular updates on risk management and internal control matters and continuously reviews the effectiveness of the system.

Further details are set out in the Statement on Risk Management and Internal Control in this Annual Report.

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

### **1. COMMUNICATION WITH STAKEHOLDERS**

The Board recognises the importance of maintaining transparent and effective communication with shareholders and stakeholders.

The Company ensures timely disclosure of material information through Bursa Securities and maintains a corporate website where stakeholders can access information on the Group's operations, financial performance, governance practices and corporate announcements.

Shareholders may communicate with the Company through designated channels available on the Company's website at [www.wtecgroupp.com.my](http://www.wtecgroupp.com.my).

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

### **2. CONDUCT OF GENERAL MEETINGS**

The AGM serves as an important platform for engagement between the Board and shareholders.

In line with Practice 13.1 of MCCG, the notice convening the forthcoming AGM of the Company ("Notice") will be issued to shareholders at least twenty-eight (28) days before the date of the AGM, which gives shareholders sufficient time to prepare themselves to attend the forthcoming AGM or to appoint a proxy to attend and vote on their behalf.

All resolutions set out in the Notice will be put to vote by poll, and the results will be announced to Bursa Securities at the end of the meeting day.

Members of the Board, senior management, external auditors and relevant advisors will be present at the AGM to address shareholders' queries and provide clarification on the Group's performance and operations.

The Company is committed to facilitating meaningful shareholder participation and continuously enhancing the conduct of its forthcoming AGM. Furthermore, to enhance transparency and keep shareholders well-informed, a minutes for the key matters discussed at the forthcoming AGM will also be published on the Company's website at [www.wtecgroup.com.my](http://www.wtecgroup.com.my) for the shareholders' information.

### **STATEMENT BY THE BOARD**

The Board has reviewed and approved this CG Overview Statement and is satisfied that the Company has substantially applied the principles and practices of the MCCG, complied with the relevant provisions of the ACE LR and adhered to applicable laws and regulations throughout FYE 2025.

The Board remains committed to continuously strengthening its corporate governance practices to enhance transparency, accountability and long-term stakeholder value.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## INTRODUCTION

The Board of the Company is pleased to present the Audit and Risk Management Committee (“ARMC”) Report for FYE 2025.

## PURPOSE

The ARMC assists the Board in fulfilling its oversight responsibilities in relation to financial reporting, internal control systems, risk management and audit functions.

In particular, the ARMC reviews the Group’s quarterly and annual financial statements prior to submission to the Board for approval and ensures compliance with applicable accounting standards and regulatory requirements. The ARMC also evaluates the adequacy and effectiveness of the Group’s internal control and risk management systems and, where necessary, makes recommendations to Management for improvement.

## COMPOSITION AND MEETINGS

The ARMC comprises three (3) Independent Non-Executive Directors, in compliance with Rule 15.09 of the ACE LR of Bursa Securities and the MCCG.

The ARMC is chaired by Ms. Chan Lay Khim, an Independent Non-Executive Director and a member of the Malaysian Institute of Accountants, in compliance with Rule 15.09(1)(c) of the ACE LR. The Chairperson of the ARMC is not the Chairperson of the Board, in line with Practice 9.1 of the MCCG.

The ARMC held three (3) meetings during FYE 2025 since the Company’s listing on 29 April 2025 (“Listing”). The attendance of the members is as follows:

Name	Designation	Directorship	Attendance
Chan Lay Khim	Chairperson	Independent Non-Executive Director	3/3
Christine Toh Hung Mei	Member	Independent Non-Executive Director	3/3
Ir. Tee Kiam Hong	Member	Independent Non-Executive Director	3/3

## AUTHORITY AND RESPONSIBILITIES

The ARMC operates within its Terms of Reference (“TOR”), which is available on the Company’s website at [www.wtecgroup.com.my](http://www.wtecgroup.com.my).

The ARMC has full and unrestricted access to both the Internal and External Auditors and is authorised to meet with them without the presence of Management or other Directors, where necessary.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## SUMMARY OF ACTIVITIES

During FYE 2025, the ARMC carried out its responsibilities in accordance with its TOR. The key activities undertaken by the ARMC from the date of the Listing up to the date of this ARMC Report are summarised below:

### (1) Financial Reporting

- Reviewed the Group's quarterly financial results, focusing on significant accounting policies, unusual transactions, and compliance with applicable accounting standards and regulatory requirements prior to recommending them to the Board for approval.
- Reviewed the annual audited financial statements together with the External Auditors before submission to the Board.
- Discussed with Management and the External Auditors the accounting principles applied, significant judgements made, and key audit findings arising from the statutory audit.

### (2) Corporate Reporting

- Reviewed the Statement on Risk Management and Internal Control for inclusion in the Annual Report.
- Reviewed this ARMC Report prior to its inclusion in the Annual Report.

### (3) External Audit

- Reviewed and approved the External Auditors' audit planning memorandum, including audit scope, approach, areas of emphasis and timeline.
- Reviewed the audit fees and non-audit fees payable to the External Auditors.
- Reviewed the External Auditors' findings, including key audit matters and recommendations highlighted in the Management Letter, together with Management's responses.
- Met with the External Auditors without the presence of Management to discuss any matters of concern and to ensure that the audit was conducted without restriction.
- Assessed the suitability, independence and performance of the External Auditors, taking into account their expertise, resources and audit quality, and recommended their re-appointment to the Board.

### (4) Internal Audit

- Reviewed and approved the internal audit plans for FYE 2025 and the financial year ending 31 December 2026, as well as the internal audit fees.
- Reviewed internal audit reports, including findings, recommendations and Management's responses, and monitored the implementation of corrective actions.
- Assessed the adequacy of the scope, functions, resources and competency of the internal audit function.

### (5) Other Matters

- Reviewed the related party transactions and/or recurrent related party transactions, if any, that transpired within the Group to ensure that the transactions entered into were at arm's length basis and on normal commercial terms.
- Reviewed potential conflict of interest situations that may arise and measures to mitigate the conflict of interest (if any) and concluded that there were no additional examination or mitigation measures were deemed necessary from the conflict of interest disclosed.

# AUDIT AND RISK MANAGEMENT COMMITTEE REPORT

## INTERNAL AUDIT FUNCTION

In preparation for the Company's Listing, the Group engaged GovernanceAdvisory.com Sdn. Bhd. ("GA"), an independent professional consulting firm, to review the adequacy and effectiveness of its internal control systems. GA is independent of the activities and operations of the Group.

Following the Listing, GA was retained as the Group's Internal Auditors and reports directly to the ARMC. GA conducts independent assessments of the Group's risk management and internal control systems and confirms its independence in carrying out its duties.

During FYE 2025, the internal audit review covered the following area:

Audit Period	Reporting Month	Entity	Area Reviewed
July – September 2025	November 2025	WTEC Sdn. Bhd.	Inventory Management

The internal audit findings, together with Management's responses and corrective actions, were presented to the ARMC. The ARMC monitored the implementation of the recommended improvements.

The total cost incurred for the outsourced internal audit function for FYE 2025 was RM16,000.

## RELATIONSHIPS WITH AUDITORS

The Group has established a transparent and appropriate relationship with both the External and Internal Auditors. Such a relationship allows the Group to seek professional advice on matters relating to compliance and corporate governance. The internal audit function of the Group is outsourced to a third party, providing direct and regular reports to the ARMC. Both the External and Internal Auditors have direct reporting and access to the ARMC to ensure that issues highlighted are addressed independently, objectively and impartially without any undue influence of the Management. The Board, through the ARMC, shall maintain appropriate, formal and transparent relationships with the External and Internal Auditors. The ARMC will meet the External and Internal Auditors without the presence of Management, whenever necessary, which demonstrates their independence, objectivity and professionalism.

## CONCLUSION

The Board is satisfied that the ARMC has effectively discharged its responsibilities in accordance with its Terms of Reference during FYE 2025. This Report is made in accordance with the resolution of the Board of Directors dated 24 April 2026.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

Pursuant to Rule 15.26(b) of the ACE LR of Bursa Securities, the Board of the Company is pleased to present this Statement on Risk Management and Internal Control. The Statement encapsulates key features of the risk management and internal control system of the Group during the financial year under review.

This Statement has been prepared in accordance with the guidelines set out in the Statement on Risk Management and Internal Control (“SORMIC”): Guidelines for Directors of Listed Companies, issued by the Institute of Internal Auditors Malaysia, which emphasises Board accountability, outcome-based disclosures and the articulation of assurance supporting the Board’s conclusion.

## BOARD RESPONSIBILITIES

The Board affirms its responsibility for the Group’s system of risk management and internal control, which covers financial, operational, compliance and information technology controls. The system is designed to manage and mitigate, rather than eliminate, the risk of failure to achieve business objectives. Accordingly, it provides reasonable, but not absolute, assurance against material misstatement, loss, fraud or breaches of laws and regulations.

The Board has delegated oversight of the Group’s risk management and internal control framework to the ARMC. Notwithstanding such delegation, the Board retains ultimate responsibility for the effectiveness, adequacy and integrity of the system.

Management assists the Board in implementing the Group’s risk management framework and internal control processes by identifying, assessing and monitoring risks, and by establishing appropriate policies and procedures to mitigate such risks.

## RISK MANAGEMENT FRAMEWORK

The Board recognises that effective risk management is critical to the Group’s sustainability and long-term value creation. Risk management is integrated into the Group’s strategic planning and day-to-day operations.

The Group’s risk management process comprises the following key elements:

- **Risk Identification** – Identifying potential risks arising from internal and external factors, including changes in operating conditions and business environment;
- **Risk Assessment** – Assessing the likelihood and potential impact of identified risks;
- **Risk Mitigation** – Developing and implementing appropriate measures to manage or mitigate identified risks; and
- **Monitoring and Review** – Continuously monitoring risk exposures and reviewing the effectiveness of control measures.

The management team is responsible for managing risks within their respective functions or departments. This includes identifying and evaluating risks, implementing control measures and monitoring their effectiveness.

The risk management framework has been in place throughout the financial year under review and up to the date of approval of this Statement.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## KEY RISKS IDENTIFIED DURING FYE 2025

The key risks identified during FYE 2025 in accordance to its potential impact to the Group include but not limited to the following:

### (1) Commodity Price Risk

The Group's operations are dependent on petrochemical-based raw materials, particularly PU foam. Fluctuations in global crude oil prices and supply conditions may affect input costs and margins.

To mitigate this, the Group continuously monitor the global crude oil prices and prevailing supply conditions. As appropriate, management re-negotiation selling prices and revises delivery arrangement with customers to minimise the Group's exposure.

### (2) Customer and Supplier Concentration Risk

The Group is dependent on key customers and suppliers for revenue generation and raw material supply.

To mitigate this, the Group continuously strengthens relationships with existing customers and suppliers while actively expanding its customer base and sourcing network to reduce concentration risk.

### (3) Regulatory and Economic Risk

The Group is exposed to changes in regulatory requirements, economic conditions and market dynamics.

The Group monitors regulatory developments and economic trends to ensure compliance and adapt its business strategies accordingly.

## ENVIRONMENT, SOCIAL AND GOVERNANCE ("ESG") AND OTHER SUSTAINABILITY RISKS

The Board recognises the importance of ESG and other sustainability risks. Such risks – including climate-related risk, human capital matters and regulatory compliance are embedded within the Group's existing risk identification and assessment process.

The Board continues to monitor developments in compliance with the latest sustainability reporting requirements, including the IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2) as adopted under Malaysia's National Sustainability Reporting Framework ("NSRF"). The Group will progressively enhance its disclosures and integrate sustainability risk management practices to our operation to ensure alignment with the evolving regulatory landscape.

## INTERNAL CONTROL SYSTEM

### (1) Limits of Authority

A formal delegation of authority is in place, clearly defining levels of authority and decision-making responsibilities, including matters reserved for the Board's approval.

### (2) Policies and Procedures

Documented policies and procedures are established to ensure consistent application of controls and compliance with regulatory requirements. These are reviewed periodically and updated where necessary to reflect changes in business operations.

### (3) Regulatory and Economic Risk

A whistleblowing framework is in place to enable employees to report concerns regarding misconduct or breaches of laws and regulations in a confidential and secure manner.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTERNAL CONTROL SYSTEM (CONT'D)

### (4) Anti-Bribery and Corruption Policy

The Group has adopted an Anti-Bribery and Corruption Policy, reflecting its commitment to uphold high standards of integrity, ethics and accountability in all business activities.

### (5) Internal Audit Function

The Group has outsourced its internal audit function to an independent professional firm, which reports directly to the ARMC.

The internal auditors provide independent and objective assurance on the adequacy and effectiveness of the Group's risk management, internal control and governance processes. The internal audit function adopts a systematic and disciplined approach in evaluating and improving the effectiveness of these systems.

The internal audit plan is reviewed and approved annually by the ARMC. Internal audit findings, together with recommendations for improvement and Management's responses, are presented to the ARMC. Follow-up reviews are conducted to ensure that corrective actions have been implemented in a timely manner.

The outsourced internal audit function is independent of the Group's operations and is free from any conflicts of interest. It is adequately resourced and has unrestricted access to relevant records, personnel and information required to perform its duties effectively.

The total cost incurred for the internal audit function during FYE 2025 was RM16,000.

## BOARD ASSURANCE AND LIMITATIONS

The Board has received assurance from the Group Managing Director and Financial Controller that the Group's risk management and internal control systems are operating adequately and effectively in all material respects during the financial year under review.

The Board is not aware of any significant weaknesses or material deficiencies in the Group's risk management and internal control systems that would have a material impact on the Group's operations.

The Board recognises that risk management and internal control systems must be continuously improved to remain relevant and effective. However, such systems can only provide reasonable, and not absolute, assurance against the risk of material misstatement, fraud or loss.

## REVIEW BY EXTERNAL AUDITORS

Pursuant to Rule 15.23 of the ACE LR of Bursa Securities, the external auditors have reviewed this Statement in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3") issued by the Malaysian Institute of Accountants.

Based on their review, the external auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is not prepared, in all material respects, in accordance with the disclosures required by the Guidelines for Directors of Listed Issuers, nor that it is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control systems.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## CONCLUSION

The Board is satisfied that the existing system of internal controls and risk management is sound and adequate to safeguard the Group's assets at the existing level of operations of the Group for the financial year under review, and up to the date of approval of this Statement. Acknowledging that the evolution of the internal control system is continual, the Board remains committed to pursuing enhancements. Consequently, the Board will persist in implementing appropriate action plans to enhance the Group's internal control system further.

This Statement is made in accordance with a resolution of the Board dated 24 April 2026.

# DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 ("the Act") in Malaysia, the Directors are required to prepare financial statements that give a true and fair view of the financial position of the Group as at the end of the financial year, and of their financial performance and cash flows for the financial year then ended.

In preparing the Audited Financial Statements, the Directors have:

- Adopted appropriate accounting policies and applied them consistently;
- Made reasonable and prudent judgements and estimates;
- Prepared the financial statements on a going concern basis; and
- Ensured that all applicable disclosure requirements under the Act and the ACE LR of Bursa Malaysia Securities Berhad have been complied with.

The Directors are responsible for ensuring that the Group and the Company maintain proper accounting records that disclose, with reasonable accuracy, the financial position of the Group and of the Company, and which enable them to ensure that the financial statements comply with the Act.

The Directors also have overall responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Group and of the Company, and to prevent and detect fraud and other irregularities.

# ADDITIONAL COMPLIANCE INFORMATION

## UTILISATION OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING ("IPO")

The Company was listed on the ACE Market of Bursa Malaysia Securities Berhad on 29 April 2025 ("Listing"). In conjunction with the Listing exercise, the Company undertook a public issue of 90,168,000.00 new ordinary shares at an issue price of RM0.25 per ordinary share, raising a total gross proceed of approximately RM22.54 million ("IPO Proceeds").

As at 31 December 2025, the status of utilisation of IPO Proceeds is summarised as follows:

Purposes	Proposed utilisation (RM'000)	(%)	Actual utilisation (RM'000)	Balance utilisation (RM'000)	Estimated timeframe for utilisation (From the listing date)
Purchase and renovation of new factory	9,425	41.81	-	9,425	Within 24 months
Purchase of new machinery and equipment	3,000	13.31	595	2,405	Within 24 months
Sales and marketing expenses	1,000	4.44	77	923	Within 12 months
Working capital	5,117	22.70	4,671	446	Within 12 months
Estimated listing expenses	4,000	17.74	4,000	-	Within 3 months
<b>Total</b>	<b>22,542</b>	<b>100.00</b>	<b>9,343</b>	<b>13,199</b>	

## AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees payable to the External Auditors, Crowe Malaysia PLT, for services rendered to the Company and the Group for the financial year ended 31 December 2025 are as follows:

Details of fees	Company (RM'000)	Group (RM'000)
Audit	30	105
Non-audit	5	125*
<b>Total</b>	<b>35</b>	<b>230</b>

\* Included in the non-audit fees of the Group is RM120,000 paid to Crowe Malaysia PLT for services rendered as Reporting Accountant in connection with the Company's Initial Public Offering ("IPO") on the ACE Market of Bursa Malaysia Securities Berhad. This is a one-off engagement and is not expected to recur in subsequent financial years.

# ADDITIONAL COMPLIANCE INFORMATION

## **MATERIAL CONTRACTS**

During the financial year under review, no material contracts (other than those entered into in the ordinary course of business) were entered into by the Company or its subsidiaries that involved the interests of the Directors, the Chief Executive, or major shareholders.

## **RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE (“RRPT”)**

On 18 July 2025, the Company obtained a new shareholders’ mandate for the Company and its subsidiaries to enter RRPT.

The Company is seeking its shareholders’ approval at the forthcoming Annual General Meeting to be held on 5 June 2026 for the renewal of the existing shareholders’ mandate for RRPT. Details of the shareholders’ mandate for the RRPT are set out in the Circular to Shareholders dated 30 April 2026.

# Financial Statements

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095	Statement of Changes in Equity
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101	Notes to the Financial Statements



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# DIRECTORS' REPORT

The directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

## PRINCIPAL ACTIVITIES

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

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

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

## RESULTS

	<b>The Group</b> RM	<b>The Company</b> RM
Profit after taxation for the financial year	<u>4,585,070</u>	<u>3,116,563</u>

## DIVIDENDS

On 23 February 2026, the Company declared an interim dividend of 0.50 sen per ordinary share amounting to RM2,400,000 in respect of the current financial year, paid on 27 March 2026 to shareholders whose names appeared in the record of depositors on 10 March 2026. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2026.

## RESERVES AND PROVISIONS

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

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# DIRECTORS' REPORT

## ISSUES OF SHARES AND DEBENTURES

During the financial year:-

- (a) the Company increased its issued and paid-up share capital from RM1,000 to RM50,585,325 by way of:-
  - (i) issuance of 389,831,000 new ordinary shares in aggregate at an issue price of RM0.075 per ordinary share for a total consideration of RM29,237,325 for acquisition of a subsidiary as disclosed in the "Significant Events During The Financial Year" section of this report; and
  - (ii) issuance of 90,168,000 new ordinary shares at an issue price of RM0.25 per ordinary share for a total consideration of RM22,542,000 (before deducting share issuance expenses of RM1,195,000 directly attributable to public issue) pursuant to the Public Issue as disclosed in the "Significant Events During The Financial Year" section of this report.

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

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

## OPTIONS GRANTED OVER UNISSUED SHARES

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

## BAD AND DOUBTFUL DEBTS

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

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

# DIRECTORS' REPORT

## CURRENT ASSETS

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

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

## VALUATION METHODS

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

## CONTINGENT AND OTHER LIABILITIES

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

- (a) any charge on the assets of the Group and of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

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

## CHANGES OF CIRCUMSTANCES

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

## ITEMS OF AN UNUSUAL NATURE

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

# DIRECTORS' REPORT

## ITEMS OF AN UNUSUAL NATURE (CONT'D)

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

## DIRECTORS

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

Tan Kok Kheng\*  
Tiow See Yen\*  
Chan Lay Khim  
Christine Toh Hung Mei  
Eu Tiong Nam\*  
Ir. Tee Kiam Hong  
Teresa Tan Siew Kuan

\* These directors are also directors of the Company's subsidiaries.

## DIRECTORS' INTERESTS

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

	< ----- Number of Ordinary Shares ----- >			
	At 1.1.2025	Bought	Sold	At 31.12.2025
<b>The Company</b>				
<i>Direct Interests</i>				
Tan Kok Kheng	500	131,284,837	(14,400,000)	116,885,337
Tiow See Yen	500	131,390,537	(14,400,000)	116,991,037
Chan Lay Khim	-	250,000	-	250,000
Christine Toh Hung Mei	-	250,000	-	250,000
Ir. Tee Kiam Hong	-	250,000	-	250,000
Teresa Tan Siew Kuan	-	250,000	-	250,000
<i>Indirect Interests</i>				
Eu Tiong Nam*	-	131,285,326	(14,400,000)	116,885,326

\* Deemed interested by virtue of his direct substantial shareholding in Wansern Marketing Sdn. Bhd..

# DIRECTORS' REPORT

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive any benefit (other than directors' remuneration as disclosed in the "Directors' Remuneration" section of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest except for any benefits which may be deemed to arise from the following transactions:-

	<b>The Group</b> RM
<b>Companies in which certain directors have substantial financial interests</b>	
Lease expenses	24,000
Purchase of goods	7,307,185
Purchase of property, plant and equipment	6,400
Sales of goods	(26,995)
Upkeep expenses	20,115
	<hr/>
<b>A company in which close family of a director has substantial financial interest</b>	
Printing and stationery expenses	17,790
	<hr/>
<b>Corporate shareholder</b>	
Purchase of goods	1,256
	<hr/>

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

## DIRECTORS' REMUNERATION

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

	<b>From the</b> <b>Company</b> RM	<b>From the</b> <b>Subsidiary</b> RM	<b>Total</b> RM
Fees	128,800	900,000	1,028,800
Salaries, bonuses and other benefits	20,000	2,002,702	2,022,702
Contributions to defined contribution benefits	-	380,000	380,000
Estimated monetary value of benefits-in-kind	-	47,900	47,900
	<hr/>	<hr/>	<hr/>
	148,800	3,330,602	3,479,402

# DIRECTORS' REPORT

## INDEMNITY AND INSURANCE COST

No indemnity were given to, nor insurance effected for, the directors, officers or auditors of the Company.

## SUBSIDIARIES

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

Name of Subsidiaries	Country of Incorporation	Percentage of Issued Share Capital Held by Parent	Principal Activities
<i>Subsidiary of the Company</i>			
WTEC Sdn. Bhd.	Malaysia	100%	Manufacturing and trading of foam and non-foam products
<i>Subsidiary of WTEC Sdn. Bhd.</i>			
Wanmei Specialty Tech Sdn. Bhd.	Malaysia	100%	Trading of foam and non-foam products

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

## SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

In conjunction with and as an integral part of the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company implemented the following:-

### (a) Acquisition of WTEC Sdn. Bhd. ("WTEC")

On 19 August 2024, the Company entered into a conditional share sale agreement ("SSA") with Tan Kok Kheng, Tiow See Yen and Wansern Marketing Sdn. Bhd. to acquire the entire equity interest in WTEC of RM1,000,000 comprising 1,000,000 ordinary shares for a total purchase consideration of RM29,237,325, satisfied by the issuance of 389,831,000 new ordinary shares at an issue price of RM0.075 per ordinary share.

The acquisition of the above company was completed on 3 March 2025. Upon completion of the acquisition, the Company became the holding company of WTEC.

# DIRECTORS' REPORT

## SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

In conjunction with and as an integral part of the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company implemented the following (Cont'd):-

### (b) Public Issue

The public issue of 90,168,000 new ordinary shares, representing approximately 18.79% of the enlarged issued share capital of the Company of 480,000,000 ordinary shares, at an issue price of RM0.25 per ordinary share allocated in the following manner:-

- (i) 24,000,000 new ordinary shares, representing 5.00% of the enlarged issued share capital of the Company, made available for application by the Malaysian Public via balloting, of which at least 50.00% is to be set aside strictly for Bumiputera investors;
- (ii) 9,600,000 new ordinary shares, representing 2.00% of the enlarged issued share capital of the Company, made available for application by the eligible directors, employees and persons who have contributed to the success of the Group; and
- (iii) 56,568,000 new ordinary shares, representing 11.79% of the enlarged issued share capital of the Company, made available by way of private placement to Bumiputera investors approved by the Ministry of Investment, Trade and Industry ("MITI").

### (c) Offer for Sale

Concurrent with the public issue, Tan Kok Kheng, Tiow See Yen and Wansern Marketing Sdn. Bhd. undertook an offer for sale of 43,200,000 existing ordinary shares, representing 9.00% of the enlarged issued share capital of the Company at an issue price of RM0.25 per ordinary share by way of private placement to selected investors in the following manner:-

- (i) 3,432,000 existing ordinary shares, representing approximately 0.71% of the enlarged issued share capital of the Company, made available by way of private placement to Bumiputera investors approved by MITI; and
- (ii) 39,768,000 existing ordinary shares, representing approximately 8.29% of the enlarged issued share capital of the Company, made available by way of private placement to selected investors.

### (d) Listing

The admission of the Company to the Official List of Bursa Securities and the listing of and quotation for the entire enlarged issued share capital of the Company comprising 480,000,000 ordinary shares on the ACE Market of Bursa Securities on 29 April 2025.

# DIRECTORS' REPORT

## AUDITORS

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

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

	<b>The Group</b> RM	<b>The Company</b> RM
Audit fees	105,000	30,000
Non-audit fees	125,000	5,000
	<hr/>	<hr/>
	230,000	35,000
	<hr/>	<hr/>

Signed in accordance with a resolution of the directors dated 24 April 2026.

**Tan Kok Kheng**

**Tiow See Yen**

# STATEMENT BY DIRECTORS

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

We, Tan Kok Kheng and Tiow See Yen, being two of the directors of WTEC Group Berhad, state that, in the opinion of the directors, the financial statements set out on pages 92 to 160 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year ended on that date.

Signed in accordance with a resolution of the directors dated 24 April 2026.

**Tan Kok Kheng**

**Tiow See Yen**

# STATUTORY DECLARATION

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

I, Goh Shuw Hur, MIA Membership Number: 48880, being the officer primarily responsible for the financial management of WTEC Group Berhad, do solemnly and sincerely declare that the financial statements set out on pages 92 to 160 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovementioned  
Goh Shuw Hur  
at Melaka  
in the State of Melaka  
on this 24 April 2026

**Goh Shuw Hur**

Before me

**P.Pavallai A/P Ramasamy**  
Commissioner of Oaths  
No: M110

# INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WTEC GROUP BERHAD

(Incorporated in Malaysia) Registration No: 202401017425 (1563275-K)

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of WTEC Group Berhad, which comprise the statements of financial position of the Group and of the Company as at 31 December 2025, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 92 to 160.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, 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 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 financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

# INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF WTEC GROUP BERHAD

(Incorporated in Malaysia) Registration No: 202401017425 (1563275-K)

## Key Audit Matters (Cont'd)

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

<b>Key audit matter</b> Revenue Recognition (Refer to Note 23 to the financial statements)	<b>How our audit addressed the key audit matter</b>
<p>Consolidated revenue recorded by the Group during the financial year amounted to approximately RM49.44 million. We consider revenue recognition for sale of goods to be a potential cause for higher risk of material misstatement from the perspective of timing of recognition and the amount of revenue recognised. Accordingly, we regard revenue recognition to be a Key Audit Matter.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"><li>• tested the operating effectiveness of internal control over the completeness, accuracy, and timing of revenue recognised in the financial statements;</li><li>• reviewed the terms of material sales contracts and purchase orders from customers to determine the point of control transfer to the customers on sampling basis;</li><li>• tested the recording of sales transactions, revenue cut-off and review of credit notes after year end; and</li><li>• obtained confirmations from trade receivables as at the financial year end on sampling basis and reviewed collections relating to material trade receivables during and after the financial year end.</li></ul>

## 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.

# INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF WTEC GROUP BERHAD  
(Incorporated in Malaysia) Registration No: 202401017425 (1563275-K)

## Information Other than the Financial Statements and Auditors' Report Thereon (Cont'd)

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

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

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

## Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting 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 Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

## Auditors' Responsibilities for the Audit of the Financial Statements

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

# INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF WTEC GROUP BERHAD

(Incorporated in Malaysia) Registration No: 202401017425 (1563275-K)

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

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

# INDEPENDENT AUDITORS' REPORT (CONT'D)

TO THE MEMBERS OF WTEC GROUP BERHAD  
(Incorporated in Malaysia) Registration No: 202401017425 (1563275-K)

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

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

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

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

## OTHER MATTERS

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

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

Melaka

24 April 2026

**Piong Yew Peng**  
03070/06/2027 J  
Chartered Accountant

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	5	16,950,012	16,925,870	-	-
Right-of-use assets	6	997,742	1,214,205	-	-
Investment properties	7	1,899,040	1,949,488	-	-
Investment in a subsidiary	8	-	-	29,237,325	-
Investment in an associate	9	904,397	879,522	-	-
Intangible asset	10	2,797	-	-	-
		<u>20,753,988</u>	<u>20,969,085</u>	<u>29,237,325</u>	<u>-</u>
<b>CURRENT ASSETS</b>					
Inventories	11	4,666,255	4,556,152	-	-
Trade receivables	12	9,046,633	10,694,257	-	-
Other receivables, deposits and prepayments	13	1,152,800	1,364,247	2,885,635	-
Current tax assets		491,655	-	-	-
Short-term investments	14	18,358,195	-	18,358,195	-
Fixed deposits with licensed banks	15	3,698,815	698,815	3,000,000	-
Cash and bank balances		9,832,389	6,345,710	244,753	1,000
		<u>47,246,742</u>	<u>23,659,181</u>	<u>24,488,583</u>	<u>1,000</u>
<b>TOTAL ASSETS</b>		<u>68,000,730</u>	<u>44,628,266</u>	<u>53,725,908</u>	<u>1,000</u>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	16	50,585,325	1,000	50,585,325	1,000
Invested capital	16	-	1,000,000	-	-
Merger deficit	17	(28,237,325)	-	-	-
Retained profits/(Accumulated losses)		36,583,576	31,998,506	3,044,195	(72,368)
<b>TOTAL EQUITY</b>		<u>58,931,576</u>	<u>32,999,506</u>	<u>53,629,520</u>	<u>(71,368)</u>

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

# STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025 (CONT'D)

	Note	The Group		The Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>EQUITY AND LIABILITIES</b>					
<b>(CONT'D)</b>					
<b>NON-CURRENT LIABILITIES</b>					
Loans and borrowings	18	392,040	533,326	-	-
Lease liabilities	19	328,581	817,605	-	-
Deferred tax liabilities	20	976,000	976,000	-	-
		<u>1,696,621</u>	<u>2,326,931</u>	<u>-</u>	<u>-</u>
<b>CURRENT LIABILITIES</b>					
Trade payables	21	2,434,821	3,384,230	-	-
Other payables and accruals	22	3,640,298	3,773,983	65,138	72,368
Loans and borrowings	18	554,100	1,237,423	-	-
Lease liabilities	19	697,164	443,990	-	-
Current tax liabilities		46,150	462,203	31,250	-
		<u>7,372,533</u>	<u>9,301,829</u>	<u>96,388</u>	<u>72,368</u>
<b>TOTAL LIABILITIES</b>		<u>9,069,154</u>	<u>11,628,760</u>	<u>96,388</u>	<u>72,368</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>68,000,730</u>	<u>44,628,266</u>	<u>53,725,908</u>	<u>1,000</u>

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

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	The Group		The Company	
		1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM	1.1.2025 to 31.12.2025 RM	3.5.2024 to 31.12.2024 RM
REVENUE	23	49,443,988	52,025,227	6,000,000	-
COST OF SALES		(32,986,040)	(31,968,366)	-	-
GROSS PROFIT		16,457,948	20,056,861	6,000,000	-
OTHER INCOME		911,961	402,704	453,993	-
		17,369,909	20,459,565	6,453,993	-
ADMINISTRATIVE EXPENSES		(6,696,970)	(5,748,281)	(3,245,811)	(72,368)
SELLING AND DISTRIBUTION EXPENSES		(3,673,765)	(3,330,557)	-	-
FINANCE COSTS		(132,786)	(166,478)	(31,619)	-
NET (IMPAIRMENT LOSSES)/REVERSAL OF IMPAIRMENT LOSSES ON FINANCIAL ASSETS	24	(77,630)	109,292	-	-
SHARE OF PROFITS OF EQUITY ACCOUNTED ASSOCIATE		24,875	1,732	-	-
PROFIT/(LOSS) BEFORE TAXATION	25	6,813,633	11,325,273	3,176,563	(72,368)
INCOME TAX EXPENSE	26	(2,228,563)	(3,125,385)	(60,000)	-
PROFIT/(LOSS) AFTER TAXATION		4,585,070	8,199,888	3,116,563	(72,368)
OTHER COMPREHENSIVE INCOME		-	-	-	-
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE FINANCIAL YEAR/ PERIOD		4,585,070	8,199,888	3,116,563	(72,368)
<b>EARNINGS PER SHARE (SEN)</b>					
Basic/Diluted	27	1.01	2.10		

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

The Group	Note	Share Capital RM	Invested Capital RM	<u>Distributable</u> Retained Profits RM	Total Equity RM
Balance at 1.1.2024		-	1,000,000	28,298,618	29,298,618
Profit after taxation/Total comprehensive income for the financial year		-	-	8,199,888	8,199,888
Issuance of ordinary shares	16	1,000	-	-	1,000
Dividends: - by a subsidiary (before acquisition of the subsidiary)	28	-	-	(4,500,000)	(4,500,000)
Total contributions by and distributions to owners		1,000	-	(4,500,000)	(4,499,000)
Balance at 31.12.2024		1,000	1,000,000	31,998,506	32,999,506

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	Note	Share Capital RM	Invested Capital RM	Non-Distributable Merger Deficit RM	Distributable Retained Profits RM	Total Equity RM
<b>The Group</b>						
Balance at 1.1.2025		1,000	1,000,000	-	31,998,506	32,999,506
Profit after taxation/Total comprehensive income for the financial year		-	-	-	4,585,070	4,585,070
Issuance of new ordinary shares for the acquisition of a subsidiary	16	29,237,325	(1,000,000)	(28,237,325)	-	-
Issuance of new ordinary shares for public issue	16	22,542,000	-	-	-	22,542,000
Share issuance expenses	16	(1,195,000)	-	-	-	(1,195,000)
Total contributions by and distributions to owners		50,584,325	(1,000,000)	(28,237,325)	-	21,347,000
Balance at 31.12.2025		50,585,325	-	(28,237,325)	36,583,576	58,931,576

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

<b>The Company</b>	Note	Share Capital RM	(Accumulated Losses)/ Retained Profits RM	Total Equity RM
Balance at 3.5.2024 (Date of incorporation)		1,000	-	1,000
Loss after taxation/Total comprehensive expenses for the financial period		-	(72,368)	(72,368)
Balance at 31.12.2024/1.1.2025		1,000	(72,368)	(71,368)
Profit after taxation/Total comprehensive income for the financial year		-	3,116,563	3,116,563
Issuance of new ordinary shares for the acquisition of a subsidiary	16	29,237,325	-	29,237,325
Issuance of new ordinary shares for public issue	16	22,542,000	-	22,542,000
Share issuance expenses	16	(1,195,000)	-	(1,195,000)
Total contributions by and distributions to owners		50,584,325	-	50,584,325
Balance at 31.12.2025		50,585,325	3,044,195	53,629,520

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

# STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	The Group		The Company	
	1.1.2025 to 31.12.2025	1.1.2024 to 31.12.2024	1.1.2025 to 31.12.2025	3.5.2024 to 31.12.2024
Note	RM	RM	RM	RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before taxation	6,813,633	11,325,273	3,176,563	(72,368)
Adjustments for:-				
Amortisation of intangible asset	227	-	-	-
Bad debts written off	-	3,008	-	-
Depreciation of investment properties	50,448	44,532	-	-
Depreciation of property, plant and equipment	1,372,908	1,358,670	-	-
Depreciation of right-of-use assets	735,038	675,949	-	-
Fair value loss on short-term investments	3,000	-	3,000	-
Interest expense	56,571	90,341	31,619	-
Interest expense on lease liabilities	71,215	71,123	-	-
Net impairment losses/(reversal of impairment losses) on trade receivables	77,630	(109,292)	-	-
Property, plant and equipment written off	-	840	-	-
Share of net profits of equity accounted associate	(24,875)	(1,732)	-	-
Unrealised loss/(gain) on foreign exchange	44,261	(5,369)	-	-
Dividend income from short-term investments	(194,615)	-	(194,615)	-
Gain on disposal of other investment	-	(2)	-	-
(Gain)/Loss on disposal of property, plant and equipment	(56,255)	13,271	-	-
Gain on reassessment/modification of leases	(33,412)	-	-	-
Gain on derecognition due to lease termination	-	(11,194)	-	-
Interest income	(464,790)	(290,165)	(259,378)	-
Operating profit/(loss) before working capital changes	8,450,984	13,165,253	2,757,189	(72,368)
Increase in inventories	(110,103)	(1,554,469)	-	-
Decrease/(Increase) in trade and other receivables	1,989,818	(1,039,391)	(145,060)	-
(Decrease)/Increase in trade and other payables	(1,082,136)	368,724	(7,230)	72,368
<b>CASH FROM OPERATIONS</b>	<b>9,248,563</b>	<b>10,940,117</b>	<b>2,604,899</b>	<b>-</b>

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

# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

	The Group		The Company	
	1.1.2025 to 31.12.2025	1.1.2024 to 31.12.2024	1.1.2025 to 31.12.2025	3.5.2024 to 31.12.2024
Note	RM	RM	RM	RM
CASH FROM OPERATIONS	9,248,563	10,940,117	2,604,899	-
Income tax paid	(3,150,342)	(3,355,671)	(28,750)	-
Income tax refunded	14,071	-	-	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>6,112,292</b>	<b>7,584,446</b>	<b>2,576,149</b>	<b>-</b>
CASH FLOWS FOR INVESTING ACTIVITIES				
(Additions to)/Withdrawal of fixed deposits with tenure more than 3 months	(3,000,000)	3,045,333	(3,000,000)	-
Additions to intangible asset	(3,024)	-	-	-
Additions to investment properties	-	(690,037)	-	-
Dividend income from short-term investments	194,615	-	194,615	-
Interest income received	464,790	290,165	259,378	-
Net advances to a subsidiary	-	-	(2,740,575)	-
Proceeds from disposal of other investment	-	2	-	-
Proceeds from disposal of property, plant and equipment	111,370	27,000	-	-
Purchase of property, plant and equipment	29(a) (1,258,970)	(2,674,487)	-	-
Purchase of short-term investments	(18,361,195)	-	(18,361,195)	-
<b>NET CASH FOR INVESTING ACTIVITIES</b>	<b>(21,852,414)</b>	<b>(2,024)</b>	<b>(23,647,777)</b>	<b>-</b>
CASH FLOWS FROM/(FOR) FINANCING ACTIVITIES				
Additions to pledged fixed deposit	-	(19,943)	-	-
Dividends paid	28 -	(4,500,000)	-	-
Interest paid	29(b) (127,786)	(161,464)	(31,619)	-
Net (repayment of)/proceeds from banker's acceptance	29(b) (400,000)	400,000	-	-
Payments of share issuance expenses	16 (1,195,000)	-	(1,195,000)	-
Proceeds from issuance of new ordinary shares for public issue	16 22,542,000	1,000	22,542,000	1,000
Repayment of hire purchase payables	29(b) (168,371)	(163,239)	-	-
Repayment of lease liabilities	29(b) (721,013)	(659,477)	-	-
Repayment of term loans	29(b) (676,238)	(627,965)	-	-
<b>NET CASH FROM/(FOR) FINANCING ACTIVITIES</b>	<b>19,253,592</b>	<b>(5,731,088)</b>	<b>21,315,381</b>	<b>1,000</b>

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

# STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Note	The Group		The Company	
		1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM	1.1.2025 to 31.12.2025 RM	3.5.2024 to 31.12.2024 RM
NET INCREASE IN CASH AND CASH EQUIVALENTS		3,513,470	1,851,334	243,753	1,000
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(26,791)	1,895	-	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR/DATE OF INCORPORATION		6,345,710	4,492,481	1,000	-
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR/PERIOD	29(d)	<u>9,832,389</u>	<u>6,345,710</u>	<u>244,753</u>	<u>1,000</u>

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 1. GENERAL INFORMATION

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

Registered office	:	Level 7, Menara Milenium, Jalan Damanlela Pusat Bandar Damansara, Damansara Heights 50490 Kuala Lumpur, Wilayah Persekutuan
Principal place of business	:	PT. 1558 Kawasan Perindustrian Kajang Jaya 43500 Semenyih, Selangor

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors dated 24 April 2026.

## 2. PRINCIPAL ACTIVITIES

The Company is principally engaged in the business of investment holding. The principal activities of the subsidiaries are set out in Note 8 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

## 3. BASIS OF PREPARATION

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION (CONT'D)

- 3.1 During the current financial year, the Group and the Company have adopted the following new accounting standard and/or interpretation (including the consequential amendments, if any):-

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

Amendments to MFRS 121: Lack of Exchangeability

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

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

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

	<b>Effective Date</b>
MFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 9 and MFRS 7: Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7: Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred
Amendments to MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 121: Translation to a Hyperinflationary Presentation Currency	1 January 2027
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 3. BASIS OF PREPARATION (CONT'D)

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

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

#### MFRS 18 Presentation and Disclosure of Financial Statements

MFRS 18 'Presentation and Disclosure in Financial Statements' will replace MFRS 101 'Presentation of Financial Statements' upon its adoption. This new standard aims to enhance the transparency and comparability of financial information by introducing new disclosure requirements. Specifically, it requires that income and expenses be classified into 3 defined categories: "operating", "investing" and "financing" and introduces 2 new subtotals: "operating profit or loss" and "profit or loss before financing and income tax". In addition, MFRS 18 requires the disclosure of management-defined performance measures and sets out principles for the aggregation and disaggregation of information, which will apply to all primary financial statements and their accompanying notes. The statement of financial position and the statement of cash flows will also be affected. The potential impact of the new standard on the financial statements of the Group and of the Company has yet to be assessed.

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 4. MATERIAL ACCOUNTING POLICY INFORMATION

#### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

##### *Key Sources of Estimation Uncertainty*

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than as disclosed below:-

##### **(a) Depreciation of Property, Plant and Equipment**

The estimates for the residual values, useful lives, and related depreciation charges for property, plant, and equipment are based on commercial factors that could change significantly due to technical innovations and competitors' actions in response to market conditions. The Group anticipates that the residual values of its property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in expected usage levels and technological development could affect the economic useful lives and residual values of these assets; therefore, future depreciation charges may be revised.

##### **(b) Write-down of Inventories**

Management periodically reviews damaged, obsolete, and slow-moving inventory. These reviews require judgement and estimates. Possible changes in these estimates could result in revisions to the valuation of inventories.

##### **(c) Impairment of Trade Receivables**

The Group uses the simplified approach to estimate a lifetime expected credit loss allowance for all trade receivables. The Group develops expected loss rates based on the payment profiles of past sales and the corresponding historical credit losses, and adjusts them for qualitative and quantitative, reasonable and supportable, forward-looking information, where applicable. If the expectation is different from the estimation, such a difference will impact the carrying value of trade receivables.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

##### *Key Sources of Estimation Uncertainty (Cont'd)*

##### **(d) Income Taxes**

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on their understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

##### **(e) Discount Rates used in Leases**

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

##### *Critical Judgements Made in Applying Accounting Policies*

Management believes that there are no instances of application of critical judgement in applying the accounting policies of the Group and of the Company which will have a significant effect on the amounts recognised in the financial statements other than as disclosed below:-

##### **(a) Classification between Investment Properties and Owner-occupied Properties**

Some properties comprise a portion held to earn rentals or for capital appreciation and another portion held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately (or leased out separately under a finance lease), the Group would account for the portions separately. If the portions could not be sold separately, the property is investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 4.1 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONT'D)

##### *Critical Judgements Made in Applying Accounting Policies (Cont'd)*

##### **(b) Lease Terms**

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. In determining the lease term, management considers all facts and circumstances, including past practice and any costs that will be incurred to change the asset if an option to extend is not exercised. An extension option is only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

#### 4.2 FINANCIAL INSTRUMENTS

##### **(a) Financial Assets**

##### Financial Assets Through Profit or Loss

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

##### Financial Assets at Amortised Cost

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

##### **(b) Financial Liabilities**

##### Financial Liabilities at Amortised Cost

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

##### **(c) Equity**

##### Ordinary Shares

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 4.2 FINANCIAL INSTRUMENTS (CONT'D)

##### (d) Financial Guarantee Contracts

Financial guarantee contracts are recognised initially as liabilities at fair value, net of transaction costs. Subsequent to the initial recognition, the financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee or, when there is no specific contractual period, upon discharge of the guarantee. If the debtor fails to make payment relating to a financial guarantee contract when it is due and the Company as the issuer, is required to reimburse the holder for the associated loss, the reimbursement is recognised as a liability and measured at the higher of the amount of loss allowance determined using the expected credit loss model and the amount of financial guarantee initially recognised less cumulative amortisation.

#### 4.3 BASIS OF CONSOLIDATION

The Group applies the acquisition method of accounting for all business combinations except for those involving entities under common control which are accounted for by applying the merger method of accounting.

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

The difference between the cost of the merger and the share capital of the merger entities is reflected within equity as merger reserve or merger deficit, as appropriate. The merger deficit is adjusted against suitable reserves of the merger entities to the extent that laws or statutes do not prohibit the use of such reserves.

#### 4.4 INVESTMENT IN A SUBSIDIARY

Investment in a subsidiary, which is eliminated on consolidation, is stated in the financial statements of the Company at cost less impairment losses, if any.

#### 4.5 INVESTMENT IN AN ASSOCIATE

Investment in an associate is accounted for using the equity method in the financial statements of the Group.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 4.6 PROPERTY, PLANT AND EQUIPMENT

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

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

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

Buildings	2% - 4%
Motor vehicles	10% - 20%
Office equipment	10%
Plant and machinery	10%
Renovation	10%
Signboard	10%
Tools and equipment	10% - 50%

#### 4.7 INVESTMENT PROPERTIES

Investment properties are initially measured at cost. Subsequent to initial recognition, the investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives. The principal annual depreciation rates are:-

Buildings	4%
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#### 4.8 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

##### (a) Short-term Leases

The Group applies the "short-term lease" recognition exemption. For these leases, the Group recognises the lease payments as an operating expense on a straight-line method over the term of the lease unless another systematic basis is more appropriate.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

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

##### (b) Right-of-use Assets

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

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

##### (c) Lease Liabilities

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

#### 4.9 INTANGIBLE ASSET

Intangible asset is initially measured at cost. Subsequent to initial recognition, the intangible asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

The intangible asset is amortised using the straight-line method to allocate its depreciable amounts over 10 years.

#### 4.10 INVENTORIES

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

#### 4.11 REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue is recognised by reference to each distinct performance obligation in the contract with customer and is measured at the consideration specified in the contract of which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of sales and service tax, returns and discounts.

The Group recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of that asset.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 4. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

#### 4.11 REVENUE FROM CONTRACTS WITH CUSTOMERS (CONT'D)

Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group transfers control of a good or service at a point in time unless one of the following overtime criteria is met:-

- The customer simultaneously receives and consumes the benefits provided as the Group performs.
- The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

#### *Sale of goods*

Revenue from sale of goods is recognised when the Group has transferred control of the goods to the customer, being when the goods have been delivered to the customer and upon its acceptance. Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, and bears the risks of obsolescence and loss in relation to the goods.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

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# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 5. PROPERTY, PLANT AND EQUIPMENT

	At 1.1.2025 RM	Additions (Note 29(a)) RM	Disposals RM	Depreciation Charges (Note 25) RM	At 31.12.2025 RM
<b>The Group</b>					
<b>2025</b>					
<i>Carrying Amount</i>					
Freehold land	2,968,002	-	-	-	2,968,002
Buildings	8,738,272	16,200	-	(256,798)	8,497,674
Motor vehicles	982,741	614,120	(50,810)	(359,082)	1,186,969
Office equipment	442,628	36,026	-	(78,977)	399,677
Plant and machinery	3,481,255	555,083	(4,305)	(629,768)	3,402,265
Renovation	288,402	230,736	-	(45,522)	473,616
Signboard	24,294	-	-	(2,535)	21,759
Tools and equipment	276	-	-	(226)	50
	<b>16,925,870</b>	<b>1,452,165</b>	<b>(55,115)</b>	<b>(1,372,908)</b>	<b>16,950,012</b>

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At	Additions (Note 29(a)) RM	Disposals RM	Write Off (Note 25) RM	Depreciation Charges (Note 25) RM	At
	1.1.2024 RM					31.12.2024 RM
<i>Carrying Amount</i>						
Freehold land	2,968,002	-	-	-	-	2,968,002
Buildings	7,788,279	1,189,776	-	-	(239,783)	8,738,272
Motor vehicles	1,062,638	301,000	(40,271)	-	(340,626)	982,741
Office equipment	294,544	221,540	-	-	(73,456)	442,628
Plant and machinery	3,394,403	754,530	-	-	(667,678)	3,481,255
Renovation	139,888	182,291	-	-	(33,777)	288,402
Signboard	1,167	25,350	-	(840)	(1,383)	24,294
Tools and equipment	2,243	-	-	-	(1,967)	276
	15,651,164	2,674,487	(40,271)	(840)	(1,358,670)	16,925,870

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 5. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The Group	At Cost RM	Accumulated Depreciation RM	Carrying Amount RM
<b>2025</b>			
Freehold land	2,968,002	-	2,968,002
Buildings	10,265,850	(1,768,176)	8,497,674
Motor vehicles	3,039,734	(1,852,765)	1,186,969
Office equipment	1,098,633	(698,956)	399,677
Plant and machinery	8,706,514	(5,304,249)	3,402,265
Renovation	677,992	(204,376)	473,616
Signboard	25,350	(3,591)	21,759
Tools and equipment	112,947	(112,897)	50
	<b>26,895,022</b>	<b>(9,945,010)</b>	<b>16,950,012</b>
<b>2024</b>			
Freehold land	2,968,002	-	2,968,002
Buildings	10,249,650	(1,511,378)	8,738,272
Motor vehicles	2,753,777	(1,771,036)	982,741
Office equipment	1,062,607	(619,979)	442,628
Plant and machinery	8,157,731	(4,676,476)	3,481,255
Renovation	447,256	(158,854)	288,402
Signboard	25,350	(1,056)	24,294
Tools and equipment	112,947	(112,671)	276
	<b>25,777,320</b>	<b>(8,851,450)</b>	<b>16,925,870</b>

- (a) The freehold land and buildings of the Group with carrying amount of RM2,968,002 (2024 – RM2,968,002) and RM6,173,356 (2024 – RM6,311,121) respectively have been pledged to a licensed bank for banking facilities granted to the Group as disclosed in Note 18(a) to the financial statements.
- (b) Included in the property, plant and equipment of the Group were motor vehicles held under hire purchase arrangements with a total carrying amount of RM690,574 (2024 – RM326,683).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 6. RIGHT-OF-USE ASSETS

	At 1.1.2025 RM	Reassessment/ Modification of Lease Liabilities RM	Depreciation Charges (Note 25) RM	At 31.12.2025 RM
<b>The Group</b>				
<b>2025</b>				
<i>Carrying Amount</i>				
Factory buildings	1,214,205	518,575	(735,038)	997,742
<b>The Group</b>				
<b>2024</b>				
<i>Carrying Amount</i>				
Factory buildings	1,356,844	(75,174)	(664,725)	1,214,205
Hostels	23,297	(12,073)	(11,224)	-
	1,380,141	(87,247)	(675,949)	1,214,205

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 6. RIGHT-OF-USE ASSETS (CONT'D)

- (a) The Group leases certain factory buildings of which the leasing activities are summarised below:-

Factory buildings     The Group has leased several factory buildings that run for 1 to 3 (2024 – 1 to 4) years, with options to renew the leases after that date.

- (b) The Group also has leases with terms of 12 months or less. The Group has applied the 'short-term lease' recognition exemptions for these leases.
- (c) The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the portfolio of leased assets and aligning them with the Group's business needs. Management exercises judgement in determining whether these extension and termination options are reasonably certain to be exercised.

### 7. INVESTMENT PROPERTIES

	<b>The Group</b>	
	<b>2025</b>	<b>2024</b>
	RM	RM
Cost:-		
At 1 January	2,018,078	1,328,041
Additions	-	690,037
At 31 December	2,018,078	2,018,078
Accumulated depreciation:-		
At 1 January	68,590	24,058
Depreciation during the financial year (Note 25)	50,448	44,532
At 31 December	119,038	68,590
	1,899,040	1,949,488
Represented by:-		
Freehold land	756,865	756,865
Buildings	1,142,175	1,192,623
At 31 December	1,899,040	1,949,488
Fair value	2,005,000	2,005,000

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 7. INVESTMENT PROPERTIES (CONT'D)

- (a) The investment properties of the Group are leased to customers under operating leases with rentals payable monthly. The leases contain initial non-cancellable periods of 2 (2024 – 2) years and an option that is exercisable by the customers to extend their leases for an average of 1 (2024 – 1) year.

The Group requires 2 (2024 – 2) months of advanced rental payments from the customers. The leases do not include residual value guarantees and variable lease payments that depend on an index or rate.

As at the reporting date, the future minimum rentals receivable under the non-cancellable operating leases are as follows:-

	The Group	
	2025 RM	2024 RM
Within 1 year	63,300	76,500
Between 1 and 2 years	8,700	28,500
	<u>72,000</u>	<u>105,000</u>

- (b) The fair values of the investment properties are within level 3 of the fair value hierarchy and are estimated at by management by reference to the market evidence of transaction prices for similar properties. The most significant input into this valuation approach is the price per square foot of comparable properties.

## 8. INVESTMENT IN A SUBSIDIARY

	The Company	
	2025 RM	2024 RM
Unquoted shares, at cost	<u>29,237,325</u>	<u>-</u>

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 8. INVESTMENT IN A SUBSIDIARY (CONT'D)

The details of the subsidiaries are as follows:-

Name of Subsidiaries	Principal Place of Business and Country of Incorporation	Percentage of Issued Share Capital Held by Parent		Principal Activities
		2025	2024	
<i>Subsidiary of the Company</i>				
WTEC Sdn. Bhd.	Malaysia	100%	-	Manufacturing and trading of foam and non-foam products
<i>Subsidiary of WTEC Sdn. Bhd.</i>				
Wanmei Specialty Tech Sdn. Bhd.	Malaysia	100%	-	Trading of foam and non-foam products

During the current financial year, the Company has acquired 100% equity interest in WTEC Sdn. Bhd.. The details of the acquisition are disclosed in Note 35(a) to the financial statements.

### 9. INVESTMENT IN AN ASSOCIATE

	The Group	
	2025 RM	2024 RM
Unquoted shares, at cost	600,000	600,000
Share of post acquisition profits	304,397	279,522
	904,397	879,522

(a) The details of the associate are as follows:-

Name of Associate	Principal Place of Business and Country of Incorporation	Percentage of Ownership		Principal Activities
		2025	2024	
SB Adhesive Specialist Sdn. Bhd.	Malaysia	40%	40%	Dormant

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 9. INVESTMENT IN AN ASSOCIATE (CONT'D)

(b) Summarised financial information has not been presented as the associate is not material to the Group.

## 10. INTANGIBLE ASSET

	At 1.1.2025 RM	Additions RM	Amortisation (Note 25) RM	At 31.12.2025 RM
<b>The Group</b>				
<b>2025</b>				
Trademark	-	3,024	(227)	2,797

	At Cost RM	Accumulated Amortisation RM	Carrying Amount RM
<b>The Group</b>			
<b>2025</b>			
Trademark	3,024	(227)	2,797

## 11. INVENTORIES

	The Group	
	2025 RM	2024 RM
Raw materials	3,612,378	3,985,644
Finished goods	829,405	570,508
Goods in transit	224,472	-
	<u>4,666,255</u>	<u>4,556,152</u>

The amount of inventories recognised as an expense in cost of sales was RM32,986,040 (2024 – RM31,968,366).

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 12. TRADE RECEIVABLES

	<b>The Group</b>	
	<b>2025</b> RM	<b>2024</b> RM
Third parties	9,140,432	10,704,794
A company in which a director has substantial financial interest	4,831	10,463
	9,145,263	10,715,257
Less: Allowance for impairment losses	(98,630)	(21,000)
	9,046,633	10,694,257
Allowance for impairment losses:-		
At 1 January	21,000	175,605
Addition during the financial year (Note 24)	80,970	16,939
Reversal during the financial year (Note 24)	(3,340)	(126,231)
Written off during the financial year	-	(45,313)
	98,630	21,000

The Group's normal trade credit terms range from 30 to 90 (2024 – 30 to 90) days.

### 13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	<b>The Group</b>		<b>The Company</b>	
	<b>2025</b> RM	<b>2024</b> RM	<b>2025</b> RM	<b>2024</b> RM
Other receivables:-				
Third parties	79,912	88,258	-	-
A subsidiary (Note (a))	-	-	2,740,575	-
Progressive payments to suppliers (Note (b)):				
- property, plant and equipment	226,805	-	-	-
- others	17,183	-	-	-
Dividend receivables	35,583	-	35,583	-
Interest receivables	50,347	-	32,877	-
	409,830	88,258	2,809,035	-
Deposits	448,902	961,666	11,800	-
Prepayments	294,068	314,323	64,800	-
	1,152,800	1,364,247	2,885,635	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 13. OTHER RECEVABLES, DEPOSITS AND PREPAYMENTS (CONT'D)

- (a) The amount owing by a subsidiary represents unsecured advances which bear interest rates ranging from 4.59% to 4.66% (2024 – Nil) per annum. The amount owing is repayable on demand and is to be settled in cash.

On 27 February 2026, the subsidiary has issued and allotted 2,642,000 new ordinary shares fully paid in the share capital of the subsidiary at an issue price of RM1.00 per ordinary share. The total consideration of RM2,642,000 was satisfied through the capitalisation of the amount owing by the subsidiary to the Company. The new ordinary shares issued rank pari passu in all respects with the existing ordinary shares of the subsidiary.

- (b) The progressive payments to suppliers are unsecured and interest-free. The amount owing will be offset against future billings from the suppliers.

## 14. SHORT-TERM INVESTMENTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Money market funds, at fair value	18,358,195	-	18,358,195	-

The funds mainly invest into money market instruments and short-term deposits. There is no maturity date for money market funds and the fund is redeemable at any point in time.

## 15. FIXED DEPOSITS WITH LICENSED BANKS

- (a) The fixed deposits with licensed banks of the Group and of the Company at the end of the reporting period bore effective interest rates ranging from 2.50% to 3.20% (2024 – 2.70%) per annum and 3.20% (2024 – Nil) per annum respectively. The fixed deposits have maturity period of 12 (2024 – 12) months and 12 (2024 – Nil) months for the Group and the Company respectively.
- (b) Included in the fixed deposits with licensed banks of the Group at the end of the reporting period was an amount of RM698,815 (2024 – RM698,815) which has been pledged to a licensed bank as security for banking facilities granted to the Group.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 16. SHARE CAPITAL AND INVESTED CAPITAL

#### (a) Share Capital

	The Group/The Company			
	2025 Number of Shares	2024	2025 RM	2024 RM
<b>Issued and Fully Paid-Up</b>				
Ordinary Shares				
At 1 January/At date of incorporation	1,000	1,000	1,000	1,000
Issuance of new shares:				
- acquisition of a subsidiary	389,831,000	-	29,237,325	-
- public issue	90,168,000	-	22,542,000	-
- share issuance expenses	-	-	(1,195,000)	-
At 31 December	<u>480,000,000</u>	<u>1,000</u>	<u>50,585,325</u>	<u>1,000</u>

- (a) The holders of ordinary shares are entitled to receive dividends as and when declared by the Company and are entitled to one vote per ordinary share at meetings of the Company. The ordinary shares have no par value.
- (b) During the current financial year, the Company increased its issued and paid-up share capital from RM1,000 to RM50,585,325 by way of:-
- (i) Issuance of 389,831,000 new ordinary shares in aggregate at an issue price of RM0.075 per ordinary share for a total consideration of RM29,237,325 for acquisition of a subsidiary as disclosed in Note 35(a) to the financial statements; and
  - (ii) Issuance of 90,168,000 new ordinary shares at an issue price of RM0.25 per ordinary share for a total consideration of RM22,542,000 (before deducting share issuance expenses of RM1,195,000 directly attributable to public issue) pursuant to the Public Issue as disclosed in Note 35(b) to the financial statements.

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 16. SHARE CAPITAL AND INVESTED CAPITAL (CONT'D)

#### (b) Invested Capital

	The Group			
	2025 Number of Shares	2024	2025 RM	2024 RM
<b>Issued and Fully Paid-Up</b>				
Ordinary Shares				
At 1 January	1,000,000	1,000,000	1,000,000	1,000,000
Issuance of new shares:				
- acquisition of a subsidiary	(1,000,000)	-	(1,000,000)	-
At 31 December	<u>-</u>	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>

Invested capital for the financial year ended 31 December 2024 represents the aggregate number of issued and fully paid-up ordinary shares of combining entities within the Group. During the current financial year, the amount was reversed pursuant to the completion of the acquisition of a subsidiary.

### 17. MERGER DEFICIT

The merger deficit arise from the difference between carrying value of the investment and the nominal value of the shares of a subsidiary upon consolidation under merger accounting principles.

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 18. LOANS AND BORROWINGS

	The Group	
	2025 RM	2024 RM
<b>Current</b>		
<u>Secured</u>		
Banker's acceptance	-	400,000
Hire purchase payables	135,133	148,867
Term loans	418,967	688,556
	554,100	1,237,423
<b>Non-current</b>		
<u>Secured</u>		
Hire purchase payables	322,616	57,253
Term loans	69,424	476,073
	392,040	533,326
<b>Total loans and borrowings</b>		
Banker's acceptance	-	400,000
Hire purchase payables	457,749	206,120
Term loans	488,391	1,164,629
	946,140	1,770,749

- (a) The loans and borrowings of the Group are secured by the following:-
- (i) legal charge over certain freehold land and buildings of the Group as disclosed in Note 5(a) to the financial statements;
  - (ii) corporate guarantee by the Company;
  - (iii) joint and several guarantee by certain directors of the Company in the previous financial year; and
  - (iv) guarantee by Credit Guarantee Corporation Malaysia Berhad in the previous financial year.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 18. LOANS AND BORROWINGS (CONT'D)

- (b) The major covenants of the loans and borrowings are as follows:-
- (i) a subsidiary's gearing ratio shall not exceed 2.0 times; and
  - (ii) a subsidiary shall maintain a minimum tangible net worth of RM4,000,000 at all times.

The covenants are tested annually, at 31 December. The Group has complied with the covenants throughout the reporting period.

There are no indicators that the Group would have difficulties complying with the upcoming covenant assessments.

- (c) The weighted average effective interest rates per annum at the end of the reporting period for loans and borrowings were as follows:-

	The Group	
	2025	2024
	%	%
Banker's acceptance	-	3.96
Hire purchase payables	4.03	3.87
Term loans	5.55	5.33

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 19. LEASE LIABILITIES

	<b>The Group</b>	
	<b>2025</b>	<b>2024</b>
	RM	RM
At 1 January	1,261,595	1,422,253
Additions (Note 29(b))	-	597,260
Interest expense recognised in profit or loss (Note 25)	71,215	71,123
Changes due to reassessment/modification of leases (Note 29(b))	485,163	-
Derecognition due to lease termination (Note 29(b))	-	(98,441)
Repayment of principal	(721,013)	(659,477)
Repayment of interest expense	(71,215)	(71,123)
At 31 December	1,025,745	1,261,595
Analysed by:-		
Current liabilities	697,164	443,990
Non-current liabilities	328,581	817,605
	1,025,745	1,261,595

### 20. DEFERRED TAX LIABILITIES

	At 1.1.2025 RM	Recognised in Profit or Loss (Note 26) RM	At 31.12.2025 RM
<b>The Group</b>			
<b>2025</b>			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	993,000	87,000	1,080,000
Right-of-use assets	291,000	(52,000)	239,000
	1,284,000	35,000	1,319,000
<i>Deferred Tax Assets</i>			
Hire purchase payables	-	(63,000)	(63,000)
Lease liabilities	(303,000)	57,000	(246,000)
Provisions	(5,000)	(19,000)	(24,000)
Others	-	(10,000)	(10,000)
	(308,000)	(35,000)	(343,000)
	976,000	-	976,000

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 20. DEFERRED TAX LIABILITIES (CONT'D)

The Group	At 1.1.2024 RM	Recognised in Profit or Loss (Note 26) RM	At 31.12.2024 RM
<b>2024</b>			
<i>Deferred Tax Liabilities</i>			
Property, plant and equipment	1,039,000	(46,000)	993,000
Right-of-use assets	331,000	(40,000)	291,000
	<u>1,370,000</u>	<u>(86,000)</u>	<u>1,284,000</u>
<i>Deferred Tax Assets</i>			
Hire purchase payables	(5,000)	5,000	-
Lease liabilities	(341,000)	38,000	(303,000)
Provisions	(42,000)	37,000	(5,000)
Others	(6,000)	6,000	-
	<u>(394,000)</u>	<u>86,000</u>	<u>(308,000)</u>
	<u>976,000</u>	<u>-</u>	<u>976,000</u>

## 21. TRADE PAYABLES

	<b>The Group</b>	
	<b>2025</b> RM	<b>2024</b> RM
Third parties	1,255,219	1,703,954
A company in which a director has substantial financial interest	1,179,602	1,680,276
	<u>2,434,821</u>	<u>3,384,230</u>

The normal credit terms granted to the Group range from 30 to 90 (2024 – 30 to 90) days.

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 22. OTHER PAYABLES AND ACCRUALS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other payables:-				
Third parties	223,100	359,227	4,128	-
Companies in which certain directors have substantial financial interests	2,191	2,810	-	58,158
	225,291	362,037	4,128	58,158
Deposits received	22,545	28,195	-	-
Accruals	3,352,782	3,332,283	61,010	14,210
Sales tax payables	39,680	51,468	-	-
	3,640,298	3,773,983	65,138	72,368

The amounts owing by companies in which certain directors have substantial financial interests are unsecured, interest-free and repayable on demand. The amounts owing are to be settled in cash.

### 23. REVENUE

	The Group		The Company	
	1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM	1.1.2025 to 31.12.2025 RM	3.5.2024 to 31.12.2024 RM
<b>Revenue from Contracts with Customers</b>				
<u>Recognised at a point in time</u>				
Sales of foam and non-foam products	49,443,988	52,025,227	-	-
<b>Revenue from Other Sources</b>				
Dividend income from a subsidiary	-	-	6,000,000	-
	49,443,988	52,025,227	6,000,000	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 23. REVENUE (CONT'D)

- (a) The information on the disaggregation of revenue by geographical market is disclosed in Note 32.2 to the financial statements.
- (b) The information on the revenue from other sources is summarised below:-

### Dividend Income

Dividend income is recognised when the right to receive a dividend payment is established.

## 24. NET IMPAIRMENT LOSSES/(REVERSAL OF IMPAIRMENT LOSSES) ON FINANCIAL ASSETS

	<b>The Group</b>	
	<b>2025</b>	<b>2024</b>
	RM	RM
Impairment losses on trade receivables (Note 12)	80,970	16,939
Reversal of impairment losses on trade receivables (Note 12)	(3,340)	(126,231)
	77,630	(109,292)

## 25. PROFIT/(LOSS) BEFORE TAXATION

	<b>The Group</b>		<b>The Company</b>	
	<b>1.1.2025</b>	<b>1.1.2024</b>	<b>1.1.2025</b>	<b>3.5.2024</b>
	<b>to</b>	<b>to</b>	<b>to</b>	<b>to</b>
	<b>31.12.2025</b>	<b>31.12.2024</b>	<b>31.12.2025</b>	<b>31.12.2024</b>
	RM	RM	RM	RM
Profit/(Loss) before taxation is arrived at after charging/ (crediting):-				
Auditors' remuneration:				
- audit fees:				
- current financial year	105,000	74,000	30,000	4,000
- underprovision in the previous financial year	5,000	-	-	-
- non-audit fees:				
- auditors of the Company	5,000	-	5,000	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 25. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

	The Group		The Company	
	1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM	1.1.2025 to 31.12.2025 RM	3.5.2024 to 31.12.2024 RM
Profit/(Loss) before taxation is arrived at after charging/ (crediting) (Cont'd):-				
Amortisation of intangible asset (Note 10)	227	-	-	-
Bad debts written off	-	3,008	-	-
Depreciation:				
- investment properties (Note 7)	50,448	44,532	-	-
- property, plant and equipment (Note 5)	1,372,908	1,358,670	-	-
- right-of-use assets (Note 6)	735,038	675,949	-	-
Directors' remuneration (Note 30(a))	3,431,502	3,185,274	148,800	25,000
Fair value loss on short-term investments	3,000	-	3,000	-
Interest expense on financial liabilities that are not at fair value through profit or loss:				
- banker's acceptance	3,873	1,718	-	-
- hire purchase payables	9,895	11,587	-	-
- term loans	42,803	77,036	-	-
- a subsidiary	-	-	31,619	-
Interest expense on lease liabilities (Note 19)	71,215	71,123	-	-
Lease expenses:				
- short-term leases	12,000	40,010	-	-
Listing expenses:				
- non-audit fees paid/payable to auditors	120,000	150,000	-	-
- other listing expenses	1,282,473	1,062,508	2,775,302	-
Loss/(Gain) on foreign exchange:				
- realised	191,404	144,582	-	-
- unrealised	44,261	(5,369)	-	-
Property, plant and equipment written off (Note 5)	-	840	-	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 25. PROFIT/(LOSS) BEFORE TAXATION (CONT'D)

	The Group		The Company	
	1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM	1.1.2025 to 31.12.2025 RM	3.5.2024 to 31.12.2024 RM
Profit/(Loss) before taxation is arrived at after charging/ (crediting) (Cont'd):-				
Staff costs (including other key management personnel as disclosed in Note 30(b)):				
- short-term employee benefits	8,201,854	7,451,356	-	-
- defined contribution benefits	627,708	587,993	-	-
Dividend income:				
- a subsidiary	-	-	(6,000,000)	-
- short-term investments	(194,615)	-	(194,615)	-
Gain on disposal of other investment	-	(2)	-	-
(Gain)/Loss on disposal of property, plant and equipment	(56,255)	13,271	-	-
Gain on reassessment/ modification of leases	(33,412)	-	-	-
Gain on derecognition due to lease termination	-	(11,194)	-	-
Interest income on financial assets measured at amortised cost:				
- bank accounts	(362,350)	(189,313)	(179,625)	-
- fixed deposits	(100,277)	(100,852)	(45,694)	-
- a subsidiary	-	-	(31,896)	-
Interest income on financial assets measured at fair value through profit or loss:				
- short-term investments	(2,163)	-	(2,163)	-
Lease income:				
- rental income from investment properties	(102,600)	(92,219)	-	-

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 26. INCOME TAX EXPENSE

	The Group		The Company	
	1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM	1.1.2025 to 31.12.2025 RM	3.5.2024 to 31.12.2024 RM
Current tax expense	2,229,900	3,181,200	60,000	-
Overprovision in the previous financial year	(1,337)	(55,815)	-	-
	<u>2,228,563</u>	<u>3,125,385</u>	<u>60,000</u>	<u>-</u>
Deferred tax (Note 20):				
- origination and reversal of temporary differences	(61,000)	-	-	-
- underprovision in the previous financial year	61,000	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>2,228,563</u>	<u>3,125,385</u>	<u>60,000</u>	<u>-</u>

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

	The Group		The Company	
	1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM	1.1.2025 to 31.12.2025 RM	3.5.2024 to 31.12.2024 RM
Profit/(Loss) before taxation	<u>6,813,633</u>	<u>11,325,273</u>	<u>3,176,563</u>	<u>(72,368)</u>
Tax at the statutory tax rate of 24% (2024 – 24%)	1,635,272	2,718,066	762,375	(17,368)
Tax effects of:-				
Share of results in an associate	(5,970)	(416)	-	-
Non-deductible expenses	586,306	463,550	784,333	17,368
Non-taxable income	(46,708)	-	(1,486,708)	-
Overprovision of current tax in the previous financial year	(1,337)	(55,815)	-	-
Underprovision of deferred taxation in the previous financial year	61,000	-	-	-
	<u>2,228,563</u>	<u>3,125,385</u>	<u>60,000</u>	<u>-</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 27. EARNINGS PER SHARE

#### (a) Basic Earnings Per Share

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

	The Group	
	2025	2024
Profit after taxation attributable to owners of the Company (RM)	4,585,070	8,199,888
Weighted average number of ordinary shares in issue	452,084,975	389,832,000 <sup>#</sup>
Basic earnings per share (sen)	1.01	2.10

<sup>#</sup> For computation of earnings per share for the financial year ended 31 December 2024, it is assumed that the number of ordinary shares arising from the acquisition of a subsidiary were in issue throughout the financial year.

#### (b) Diluted Earnings Per Share

The diluted earnings per share is equal to the basic earnings per share as there were no potential ordinary shares during the financial year.

### 28. DIVIDENDS

	The Group	
	2025 RM	2024 RM
First interim dividend of Nil (2024 – RM2.40) per ordinary share in respect of the current financial year	-	2,400,000
Second interim dividend of Nil (2024 – RM2.10) per ordinary share in respect of the current financial year	-	2,100,000
	-	4,500,000

The above dividends were paid by a subsidiary to the shareholders of the subsidiary prior to the internal restructuring for the initial public offering.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 28. DIVIDENDS (CONT'D)

On 23 February 2026, the Company declared an interim dividend of 0.50 sen per ordinary share amounting to RM2,400,000 in respect of the current financial year, paid on 27 March 2026 to shareholders whose names appeared in the record of depositors on 10 March 2026. The financial statements for the current financial year do not reflect this interim dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2026.

### 29. CASH FLOW INFORMATION

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

	<b>The Group</b>	
	<b>2025</b>	<b>2024</b>
	RM	RM
<b>Property, Plant and Equipment</b>		
Cost of property, plant and equipment purchased (Note 5)	1,452,165	2,674,487
Acquired through hire purchase arrangements	(420,000)	-
Progressive payments to suppliers	226,805	-
	1,258,970	2,674,487
<b>Right-of-use Assets</b>		
Cost of right-of-use assets acquired (Note 6)	-	597,260
Additions of new lease liabilities (Note 29(b))	-	(597,260)
	-	-

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 29. CASH FLOW INFORMATION (CONT'D)

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

The Group	Banker's Acceptance RM	Hire Purchase Payables RM	Term Loans RM	Lease Liabilities RM	Total RM
2025					
At 1 January	400,000	206,120	1,164,629	1,261,595	3,032,344
<u>Changes in Financing Cash Flows</u>					
Net repayment of principal	(400,000)	-	-	-	(400,000)
Repayment of principal	-	(168,371)	(676,238)	(721,013)	(1,565,622)
Repayment of interests	(3,873)	(9,895)	(42,803)	(71,215)	(127,786)
	(403,873)	(178,266)	(719,041)	(792,228)	(2,093,408)
<u>Other Changes</u>					
Acquisition under hire purchase payables	-	420,000	-	-	420,000
Reassessment/Modification of leases (Note 19)	-	-	-	485,163	485,163
Interest expense recognised in profit or loss	3,873	9,895	42,803	71,215	127,786
	3,873	429,895	42,803	556,378	1,032,949
At 31 December	-	457,749	488,391	1,025,745	1,971,885

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 29. CASH FLOW INFORMATION (CONT'D)

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

The Group	Banker's Acceptance RM	Hire Purchase Payables RM	Term Loans RM	Lease Liabilities RM	Total RM
<b>2024</b>					
At 1 January	-	369,359	1,792,594	1,422,253	3,584,206
<u>Changes in Financing Cash Flows</u>					
Net proceeds from drawdown	400,000	-	-	-	400,000
Repayment of principal	-	(163,239)	(627,965)	(659,477)	(1,450,681)
Repayment of interests	(1,718)	(11,587)	(77,036)	(71,123)	(161,464)
	398,282	(174,826)	(705,001)	(730,600)	(1,212,145)
<u>Other Changes</u>					
Acquisition of new leases (Notes 19 and 29(a))	-	-	-	597,260	597,260
Derecognition due to lease termination (Note 19)	-	-	-	(98,441)	(98,441)
Interest expense recognised in profit or loss	1,718	11,587	77,036	71,123	161,464
	1,718	11,587	77,036	569,942	660,283
At 31 December	400,000	206,120	1,164,629	1,261,595	3,032,344

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 29. CASH FLOW INFORMATION (CONT'D)

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

	<b>The Group</b>	
	<b>2025</b> RM	<b>2024</b> RM
Payment of short-term leases	12,000	40,010
Interest paid on lease liabilities	71,215	71,123
Payment of lease liabilities	721,013	659,477
	<b>804,228</b>	<b>770,610</b>

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

	<b>The Group</b>		<b>The Company</b>	
	<b>2025</b> RM	<b>2024</b> RM	<b>2025</b> RM	<b>2024</b> RM
Fixed deposits with licensed banks	3,698,815	698,815	3,000,000	-
Cash and bank balances	9,832,389	6,345,710	244,753	1,000
	<b>13,531,204</b>	<b>7,044,525</b>	<b>3,244,753</b>	<b>1,000</b>
Less: Fixed deposit pledged to a licensed bank (Note 15(b))	(698,815)	(698,815)	-	-
Fixed deposit with tenure more than 3 months	(3,000,000)	-	(3,000,000)	-
	<b>9,832,389</b>	<b>6,345,710</b>	<b>244,753</b>	<b>1,000</b>

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 30. KEY MANAGEMENT PERSONNEL COMPENSATION

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

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

	<b>The Group</b>		<b>The Company</b>	
	1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM	1.1.2025 to 31.12.2025 RM	3.5.2024 to 31.12.2024 RM
<b>(a) Directors</b>				
<u>Directors of the Company</u>				
Short-term employee benefits:				
- fees	1,028,800	921,000	128,800	21,000
- salaries, bonuses and other benefits	2,022,702	1,934,434	20,000	4,000
	3,051,502	2,855,434	148,800	25,000
Defined contribution benefits	380,000	329,840	-	-
Total directors' remuneration (Note 25)	3,431,502	3,185,274	148,800	25,000
<b>(b) Other Key Management Personnel</b>				
Short-term employee benefits	900,982	823,052	-	-
Defined contribution benefits	107,588	98,270	-	-
Total compensation for other key management personnel	1,008,570	921,322	-	-

The estimated monetary value of benefits-in-kind provided by the Group to the directors of the Company was RM47,900 (2024 – RM47,900).

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 31. RELATED PARTY DISCLOSURES

### (a) Subsidiary

The subsidiary is disclosed in Note 8 to the financial statements.

### (b) Significant Related Party Transactions and Balances

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

	The Group		The Company	
	1.1.2025 to 31.12.2025 RM	1.1.2024 to 31.12.2024 RM	1.1.2025 to 31.12.2025 RM	3.5.2024 to 31.12.2024 RM
<b>Subsidiary</b>				
Dividend income	-	-	(6,000,000)	-
Interest expense	-	-	31,619	-
Interest income	-	-	(31,896)	-
<b>Companies in which certain directors have substantial financial interests</b>				
Lease expenses	24,000	24,000	-	-
Purchase of goods	7,307,185	9,795,487	-	-
Purchase of property, plant and equipment	6,400	162,573	-	-
Sales of goods	(26,995)	(21,515)	-	-
Upkeep expenses	20,115	20,565	-	-
<b>A company in which close family of a director has substantial financial interest</b>				
Printing and stationery expenses	17,790	17,445	-	-
<b>Corporate shareholder</b>				
Purchase of goods	1,256	5,767	-	-

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 31. RELATED PARTY DISCLOSURES (CONT'D)

#### (b) Significant Related Party Transactions and Balances (Cont'd)

The significant outstanding balances of the related parties (including the allowance for impairment loss made) together with their terms and conditions are disclosed in Notes 12, 13, 21 and 22 to the financial statements.

The related party transactions described above were entered into in the normal course of business carried out based on negotiated terms and conditions and are mutually agreed with respective parties.

### 32. OPERATING SEGMENTS

#### 32.1 BUSINESS SEGMENT

The Group operates predominantly in one business segment, namely manufacturing and trading of foam and non-foam products. Accordingly, the information by business segment is not presented.

#### 32.2 GEOGRAPHICAL SEGMENT

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

Non-current assets are determined according to the country where these assets are located. The amounts of non-current assets do not include financial instruments and deferred tax assets.

	Revenue		Non-current Assets	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>The Group</b>				
Malaysia	38,446,925	39,527,874	20,753,988	20,969,085
Overseas	10,997,063	12,497,353	-	-
	<u>49,443,988</u>	<u>52,025,227</u>	<u>20,753,988</u>	<u>20,969,085</u>

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 32. OPERATING SEGMENTS (CONT'D)

#### 32.3 MAJOR CUSTOMERS

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

	<b>The Group</b>	
	<b>2025</b>	<b>2024</b>
	RM	RM
Customer #1	6,378,882	7,188,632
Customer #2 group of companies	5,943,555	5,610,933
	<u>6,378,882</u>	<u>7,188,632</u>

### 33. CAPITAL COMMITMENTS

	<b>The Group</b>	
	<b>2025</b>	<b>2024</b>
	RM	RM
Purchase of property, plant and equipment	366,156	-
	<u>366,156</u>	<u>-</u>

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 34. FINANCIAL INSTRUMENTS

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

#### 34.1 FINANCIAL RISK MANAGEMENT POLICIES

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

##### (a) Market Risk

##### (i) Foreign Currency Risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in currencies other than Ringgit Malaysia. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Australian Dollar ("AUD") and Thai Baht ("THB"). Foreign currency risk is monitored closely on an ongoing basis to ensure that the net exposure is at an acceptable level. The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes.

The exposure to foreign currency risk (a currency which is other than the Ringgit Malaysia) based on the carrying amounts of the financial instruments at the end of the reporting period is summarised below:-

##### *Foreign Currency Exposure*

<b>The Group</b>	USD RM	AUD RM	THB RM	<b>Total RM</b>
<b>2025</b>				
<u>Financial Assets</u>				
Trade receivables	853,102	324,286	387,869	1,565,257
Other receivables	67,154	-	-	67,154
Cash and bank balances	1,711,076	1,550	173,687	1,886,313
	<u>2,631,332</u>	<u>325,836</u>	<u>561,556</u>	<u>3,518,724</u>
<u>Financial Liabilities</u>				
Trade payables	(7,622)	-	(64,042)	(71,664)
	<u>2,623,710</u>	<u>325,836</u>	<u>497,514</u>	<u>3,447,060</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 34. FINANCIAL INSTRUMENTS (CONT'D)

#### 34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (a) Market Risk (Cont'd)

##### (i) Foreign Currency Risk (Cont'd)

##### *Foreign Currency Exposure (Cont'd)*

<b>The Group</b>	<b>USD RM</b>	<b>AUD RM</b>	<b>THB RM</b>	<b>Total RM</b>
<b>2024</b>				
<u>Financial Assets</u>				
Trade receivables	1,429,277	228,595	502,652	2,160,524
Cash and bank balances	1,141,634	85,335	68,888	1,295,857
	<u>2,570,911</u>	<u>313,930</u>	<u>571,540</u>	<u>3,456,381</u>
<u>Financial Liabilities</u>				
Trade payables	-	-	(77,435)	(77,435)
	<u>2,570,911</u>	<u>313,930</u>	<u>494,105</u>	<u>3,378,946</u>

##### *Foreign Currency Risk Sensitivity Analysis*

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

	<b>The Group</b>	
	<b>2025 RM</b>	<b>2024 RM</b>
<b>Effects on Profit After Taxation</b>		
USD/RM – strengthened by 10%	199,402	195,389
– weakened by 10%	(199,402)	(195,389)
AUD/RM – strengthened by 10%	24,764	23,859
– weakened by 10%	(24,764)	(23,859)
THB/RM – strengthened by 10%	37,811	37,552
– weakened by 10%	(37,811)	(37,552)

There is no impact on the Group's equity.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 34. FINANCIAL INSTRUMENTS (CONT'D)

#### 34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (a) Market Risk (Cont'd)

##### (ii) Interest Rate Risk

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

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

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

##### *Interest Rate Risk Sensitivity Analysis*

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

	<b>The Group</b>	
	<b>2025</b>	<b>2024</b>
	RM	RM
<b>Effects on Profit After Taxation</b>		
Increase of 100 basis points	(6,241)	(10,983)
Decrease of 100 basis points	6,241	10,983
	6,241	10,983

There is no impact on the Group's equity.

##### (iii) Equity Price Risk

The exposure to equity price risk arises mainly from changes in prices of money market funds.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 34. FINANCIAL INSTRUMENTS (CONT'D)

#### 34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (a) Market Risk (Cont'd)

##### (iii) Equity Price Risk (Cont'd)

##### *Equity Price Risk Sensitivity Analysis*

The following table details the sensitivity analysis to a reasonably possible change in the prices of the money market funds classified as fair value through profit or loss at the end of the reporting period, with all other variables held constant:-

	<b>The Group/The Company</b>	
	<b>2025</b>	<b>2024</b>
	RM	RM
<b>Effects on Profit After Taxation</b>		
Increase of 100 basis points	139,522	-
Decrease of 100 basis points	(139,522)	-
	<u>139,522</u>	<u>-</u>

There is no impact on the Group's and the Company's equity.

##### (b) Credit Risk

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

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

##### (i) Credit Risk Concentration Profile

At the end of the reporting period, the Group's major concentration of credit risk relates to the amounts owing by 2 (2024 – 3) customers which constituted approximately 33% (2024 – 41%) of its trade receivables (including related parties), net of loss allowance.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 34. FINANCIAL INSTRUMENTS (CONT'D)

#### 34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

##### (i) Credit Risk Concentration Profile (Cont'd)

In addition, the Group also determines the concentration of credit risk by monitoring the geographical region of its trade receivables on an ongoing basis. The credit risk concentration profile of its trade receivables (including related parties), net of loss allowance, at the end of the reporting period is as follows:-

	<b>The Group</b>	
	<b>2025</b>	<b>2024</b>
	RM	RM
Local	7,481,376	8,533,733
Foreign	1,565,257	2,160,524
	9,046,633	10,694,257

##### (ii) Maximum Exposure to Credit Risk

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

In addition, the Company's maximum exposure to credit risk also includes corporate guarantees provided to its subsidiary of RM488,391 (2024 – Nil), representing the outstanding banking facilities of the subsidiary as at the end of the reporting period. These corporate guarantees have not been recognised in the Company's financial statements since their fair values on initial recognition were not material.

##### (iii) Assessment of Impairment Losses

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 34. FINANCIAL INSTRUMENTS (CONT'D)

#### 34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

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

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

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

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

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

The Group considers a receivable to be in default when the receivable is unlikely to repay its debt to the Group in full or is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

##### Trade Receivables

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

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 34. FINANCIAL INSTRUMENTS (CONT'D)

#### 34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

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

##### Trade Receivables (Cont'd)

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses (Cont'd)*

The expected loss rates are based on the payment profiles of sales over a period of 36 months (2024 – 36 months) before the reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates were not adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the trade receivables to settle their debts as the Group has not identified any forward-looking assumptions that correlate to the historical loss rates.

There are no significant changes in the estimation techniques and assumptions as compared to the previous financial year.

##### *Allowance for Impairment Losses*

The reconciliations of allowance for impairment losses are as follows:-

<b>The Group</b>	Non-credit Impaired RM	Credit Impaired RM	Total RM
<u>Trade Receivables</u>			
Balance at 1.1.2024	174,611	994	175,605
Addition	-	16,939	16,939
Reversal	(126,231)	-	(126,231)
Written off	(45,313)	-	(45,313)
Balance at 31.12.2024/ 1.1.2025	3,067	17,933	21,000
Addition	80,970	-	80,970
Reversal	-	(3,340)	(3,340)
Balance at 31.12.2025	84,037	14,593	98,630

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 34. FINANCIAL INSTRUMENTS (CONT'D)

#### 34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

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

##### Trade Receivables (Cont'd)

##### *Allowance for Impairment Losses (Cont'd)*

The information about the credit exposure and loss allowances recognised for trade receivables are as follows:-

<b>The Group</b>	<b>Gross Amount RM</b>	<b>Lifetime Collective Allowance RM</b>	<b>Carrying Amount RM</b>
<b>2025</b>			
Current (not past due)	6,651,916	(41,990)	6,609,926
1 to 30 days past due	2,238,917	(29,115)	2,209,802
31 to 60 days past due	229,379	(9,812)	219,567
61 to 90 days past due	10,458	(3,120)	7,338
Credit impaired	14,593	(14,593)	-
	<b>9,145,263</b>	<b>(98,630)</b>	<b>9,046,633</b>
<b>2024</b>			
Current (not past due)	8,467,357	(11)	8,467,346
1 to 30 days past due	2,166,556	(35)	2,166,521
31 to 60 days past due	44,654	(214)	44,440
61 to 90 days past due	18,757	(2,807)	15,950
Credit impaired	17,933	(17,933)	-
	<b>10,715,257</b>	<b>(21,000)</b>	<b>10,694,257</b>

Trade receivables that are collectively determined to be impaired relate to expected credit losses measured based on the Group's observed default rates.

There has been no significant change in the gross amounts of trade receivables that has impacted the allowance for impairment losses.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 34. FINANCIAL INSTRUMENTS (CONT'D)

#### 34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

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

###### Other Receivables

The Group and the Company apply the 3-stage general approach to measure expected credit losses for its other receivables.

Under this approach, loss allowance is measured on either 12-month expected credit losses or lifetime expected credit losses, by considering the likelihood that the receivable would not be able to repay during the contractual period (probability of default, PD), the percentage of contractual cash flows that will not be collected if default happens (loss given default, LGD) and the outstanding amount that is exposed to default risk (exposure at default, EAD).

In deriving the PD and LGD, the Group and the Company consider the receivable's past payment status and its financial condition as at the reporting date. The PD is adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the receivable to settle its debts.

###### *Allowance for impairment losses*

No expected credit losses are recognised on other receivables as they are negligible.

###### Fixed Deposits with Licensed Banks, Cash and Bank Balances

The Group and the Company considers the licensed banks to be of low credit risk. In addition, some of the bank balances are insured by Government agencies. Therefore, the Group and the Company are of the view that the loss allowance is immaterial and is therefore not provided for.

###### Amount Owing by a Subsidiary (Non-trade Balances)

The Company applies the 3-stage general approach to measure expected credit losses for all inter-company balances. The Company considers loans and advances to a subsidiary have low credit risks. The Company assumes that there is a significant increase in credit risk when the subsidiary's financial position deteriorates significantly.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 34. FINANCIAL INSTRUMENTS (CONT'D)

#### 34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

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

##### Amount Owing by a Subsidiary (Non-trade Balances) (Cont'd)

The Company measures the expected credit losses on an individual basis, which is aligned with its credit risk management practices on the inter-company balances.

For loans and advances that are repayable on demand, impairment loss is assessed based on the assumption that repayment of the outstanding balances is demanded at the reporting date. If the subsidiary does not have sufficient highly liquid resources when the loans and advances are demanded, the Company will consider the expected manner of recovery to measure the impairment loss; the recovery manner could be either through 'repayable over time' or a fire sale of less liquid assets by the subsidiary.

For loans and advances that are not repayable on demand, impairment loss is measured using techniques that are similar for estimating the impairment losses of other receivables as disclosed above.

##### *Allowance for impairment losses*

At the end of the reporting period, there was no indication that the balances are not recoverable.

##### Financial Guarantee Contracts

Corporate guarantees for borrowing facilities granted to a subsidiary are financial guarantee contracts.

##### *Inputs, Assumptions and Techniques used for Estimating Impairment Losses*

The Company closely monitors the subsidiary's financial strength to reduce the risk of loss.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 34. FINANCIAL INSTRUMENTS (CONT'D)

#### 34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (b) Credit Risk (Cont'd)

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

##### Financial Guarantee Contracts (Cont'd)

The Company considers there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. A financial guarantee contract is credit impaired when:

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

The Company determines the probability of default of the guaranteed amounts individually using internal information available.

##### *Allowance for impairment losses*

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued. Accordingly, no loss allowances were identified based on 12-month expected credit losses.

##### (c) Liquidity Risk

Liquidity risk arises mainly from general funding and business activities. The Company practises prudent risk management by maintaining sufficient cash balances and the availability of funding through certain committed credit facilities.

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# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 34. FINANCIAL INSTRUMENTS (CONT'D)

### 34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (c) Liquidity Risk (Cont'd)

##### *Maturity Analysis*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):-

	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM
<b>The Group</b>					
<b>2025</b>					
<u>Non-derivative Financial Liabilities</u>					
Hire purchase payables	3.87 - 4.22	457,749	498,543	150,728	347,815
Term loans	5.55	488,391	505,282	434,886	70,396
Lease liabilities	4.93 - 5.22	1,025,745	1,067,872	731,904	335,968
Trade payables	-	2,434,821	2,434,821	2,434,821	-
Other payables and accruals	-	3,578,073	3,578,073	3,578,073	-
		7,984,779	8,084,591	7,330,412	754,179

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 34. FINANCIAL INSTRUMENTS (CONT'D)

### 34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

#### (c) Liquidity Risk (Cont'd)

##### *Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

The Group	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM	1 – 5 Years RM
<b>2024</b>					
<u>Non-derivative Financial Liabilities</u>					
Banker's acceptance	3.96	400,000	400,000	400,000	-
Hire purchase payables	3.87	206,120	211,988	154,224	57,764
Term loans	3.50 - 5.85	1,164,629	1,229,940	682,492	547,448
Lease liabilities	4.51 - 5.22	1,261,595	1,628,800	760,800	868,000
Trade payables	-	3,384,230	3,384,230	3,384,230	-
Other payables and accruals	-	3,694,320	3,694,320	3,694,320	-
		10,110,894	10,549,278	9,076,066	1,473,212

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 34. FINANCIAL INSTRUMENTS (CONT'D)

#### 34.1 FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

##### (c) Liquidity Risk (Cont'd)

##### *Maturity Analysis (Cont'd)*

The following table sets out the maturity profile of the financial liabilities at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period) (Cont'd):-

<b>The Company</b>	Contractual Interest Rate %	Carrying Amount RM	Contractual Undiscounted Cash Flows RM	Within 1 Year RM
<b>2025</b>				
<u>Non-derivative Financial Liabilities</u>				
Other payables and accruals	-	65,138	65,138	65,138
Financial guarantee contracts in relation to corporate guarantee given to a subsidiary	-	-	488,391*	488,391
		<u>65,138</u>	<u>553,529</u>	<u>553,529</u>
<b>2024</b>				
<u>Non-derivative Financial Liabilities</u>				
Other payables and accruals	-	72,368	72,368	72,368

\* The potential exposure of the financial guarantee contracts is equivalent to the outstanding amount of the credit facilities of the said subsidiary at the end of the reporting period. The financial guarantees have not been recognised in the financial statements because their fair values on initial recognition were not material.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 34. FINANCIAL INSTRUMENTS (CONT'D)

#### 34.2 CAPITAL RISK MANAGEMENT

The Group and the Company manage their capital based on debt-to-equity ratio. The debt-to-equity ratio of the Group at the end of the reporting period is not presented as its cash and cash equivalents exceeded the total external borrowings.

#### 34.3 CLASSIFICATION OF FINANCIAL INSTRUMENTS

	<b>The Group</b>		<b>The Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	RM	RM	RM	RM
<b>Financial Assets</b>				
<u>Fair Value Through Profit or Loss</u>				
Short-term investments (Note 14)	18,358,195	-	18,358,195	-
<u>Amortised Cost</u>				
Trade receivables (Note 12)	9,046,633	10,694,257	-	-
Other receivables (Note 13)	165,842	88,258	2,809,035	-
Fixed deposits with licensed banks (Note 15)	3,698,815	698,815	3,000,000	-
Cash and bank balances	9,832,389	6,345,710	244,753	1,000
	<u>22,743,679</u>	<u>17,827,040</u>	<u>6,053,788</u>	<u>1,000</u>
<b>Financial Liabilities</b>				
<u>Amortised Cost</u>				
Banker's acceptance (Note 18)	-	400,000	-	-
Hire purchase payables (Note 18)	457,749	206,120	-	-
Term loans (Note 18)	488,391	1,164,629	-	-
Lease liabilities (Note 19)	1,025,745	1,261,595	-	-
Trade payables (Note 21)	2,434,821	3,384,230	-	-
Other payables and accruals (Note 22)	3,578,073	3,694,320	65,138	72,368
	<u>7,984,779</u>	<u>10,110,894</u>	<u>65,138</u>	<u>72,368</u>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 34. FINANCIAL INSTRUMENTS (CONT'D)

#### 34.4 GAINS OR LOSSES ARISING FROM FINANCIAL INSTRUMENTS

	The Group		The Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Financial Assets</b>				
<u>Fair Value Through Profit or Loss</u>				
Net gains recognised in profit or loss	193,778	-	193,778	-
<u>Amortised Cost</u>				
Net gains recognised in profit or loss	133,036	257,236	257,215	-
<b>Financial Liabilities</b>				
<u>Amortised Cost</u>				
Net losses recognised in profit or loss	(78,078)	(150,270)	(31,619)	-

#### 34.5 FAIR VALUE INFORMATION

The fair values of the financial assets and financial liabilities of the Group and of the Company which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 34. FINANCIAL INSTRUMENTS (CONT'D)

#### 34.5 FAIR VALUE INFORMATION (CONT'D)

The following table sets out the fair value profile of financial instruments that are carried at fair value and those not carried at fair value at the end of the reporting period:-

The Group	Fair Value of Financial Instruments Carried at Fair Value Level 2 RM	Fair Value of Financial Instruments not Carried at Fair Value Level 2 RM	Total Fair Value RM	Carrying Amount RM
<b>2025</b>				
<u>Financial Assets</u>				
Short-term investments:				
- money market funds	18,358,195	-	18,358,195	18,358,195
<u>Financial Liabilities</u>				
Hire purchase payables				
	-	457,460	457,460	457,749
Term loans:				
- floating rate	-	488,391	488,391	488,391
<b>2024</b>				
<u>Financial Liabilities</u>				
Hire purchase payables				
	-	204,618	204,618	206,120
Term loans:				
- floating rate	-	1,164,629	1,164,629	1,164,629
<b>The Company</b>				
<b>2025</b>				
<u>Financial Assets</u>				
Short-term investments:				
- money market funds	18,358,195	-	18,358,195	18,358,195

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 34. FINANCIAL INSTRUMENTS (CONT'D)

#### 34.5 FAIR VALUE INFORMATION (CONT'D)

##### (a) Fair Value of Financial Instruments Carried at Fair Value

- (i) The fair values above have been determined using the following basis:-

The fair value of money market funds is determined by reference to statements provided by the respective financial institutions, with which the investments were entered into.

- (ii) There were no transfers between level 1 and level 2 during the financial year.

##### (b) Fair Value of Financial Instruments Not Carried at Fair Value

The fair values, which are for disclosure purposes, have been determined using the following basis:-

- (i) The fair value of the term loans that carry floating interest rates approximated their carrying amounts as they are repriced to market interest rates on or near the reporting date.
- (ii) The fair value of the hire purchase payables are determined by discounting the relevant future contractual cash flows using current market interest rates for similar instruments at the end of the reporting period. The interest rates used to discount the estimated cash flows are as follows:-

	<b>The Group</b>	
	<b>2025</b>	<b>2024</b>
	%	%
Hire purchase payables	2.92 - 4.22	2.60

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# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

In conjunction with and as an integral part of the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Company implemented the following:-

#### (a) Acquisition of WTEC Sdn. Bhd. (“WTEC”)

On 19 August 2024, the Company entered into a conditional share sale agreement (“SSA”) with Tan Kok Kheng, Tiow See Yen and Wansern Marketing Sdn. Bhd. to acquire the entire equity interest in WTEC of RM1,000,000 comprising 1,000,000 ordinary shares for a total purchase consideration of RM29,237,325, satisfied by the issuance of 389,831,000 new ordinary shares at an issue price of RM0.075 per ordinary share.

The acquisition of the above company was completed on 3 March 2025. Upon completion of the acquisition, the Company became the holding company of WTEC.

#### (b) Public Issue

The public issue of 90,168,000 new ordinary shares, representing approximately 18.79% of the enlarged issued share capital of the Company of 480,000,000 ordinary shares, at an issue price of RM0.25 per ordinary share allocated in the following manner:-

- (i) 24,000,000 new ordinary shares, representing 5.00% of the enlarged issued share capital of the Company, made available for application by the Malaysian Public via balloting, of which at least 50.00% is to be set aside strictly for Bumiputera investors;
- (ii) 9,600,000 new ordinary shares, representing 2.00% of the enlarged issued share capital of the Company, made available for application by the eligible directors, employees and persons who have contributed to the success of the Group; and
- (iii) 56,568,000 new ordinary shares, representing 11.79% of the enlarged issued share capital of the Company, made available by way of private placement to Bumiputera investors approved by the Ministry of Investment, Trade and Industry (“MITI”).

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# NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

## 35. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR (CONT'D)

In conjunction with and as an integral part of the listing of and quotation for the entire enlarged issued share capital of the Company on the ACE Market of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company implemented the following (Cont'd):-

### (c) Offer for Sale

Concurrent with the public issue, Tan Kok Kheng, Tiow See Yen and Wansern Marketing Sdn. Bhd. undertook an offer for sale of 43,200,000 existing ordinary shares, representing 9.00% of the enlarged issued share capital of the Company at an issue price of RM0.25 per ordinary share by way of private placement to selected investors in the following manner:-

- (i) 3,432,000 existing ordinary shares, representing approximately 0.71% of the enlarged issued share capital of the Company, made available by way of private placement to Bumiputera investors approved by MITI; and
- (ii) 39,768,000 existing ordinary shares, representing approximately 8.29% of the enlarged issued share capital of the Company, made available by way of private placement to selected investors.

### (d) Listing

The admission of the Company to the Official List of Bursa Securities and the listing of and quotation for the entire enlarged issued share capital of the Company comprising 480,000,000 ordinary shares on the ACE Market of Bursa Securities on 29 April 2025.

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# LIST OF PROPERTIES

Title Details/Properties Address	Description/ Existing Use	Category of Land Use/Express Conditions/ Tenure of Property	Date of CF/CCC	Land/Gross Built-up Area (Approximate)	Net Book Value as at 31 December 2025 (RM'000)
<p>Title details: H.S.(D) 35207, PT 1558, Mukim Semenyih, Daerah Ulu Langat, Negeri Selangor</p> <p>Property address: PT 1558, Kawasan Perindustrian Kajang Jaya, 43500 Semenyih, Selangor</p>	<p>Description: Factory with 3 storey office</p> <p>Existing use: Head office, production/warehouse centre</p>	<p>Category of land use: Industrial</p> <p>Express conditions: Industrial</p> <p>Tenure of property: Freehold</p>	<p>For the original structure: 25 June 2015</p> <p>For the addition and interior modification: 23 October 2024</p>	<p>Land area: 7,025 sq.m.</p> <p>Gross built-up area: 36,295 sq. ft.</p>	9,141
<p>Title details: H.S.(D) 153973, PT 35280, Pekan Semenyih, Daerah Ulu Langat, Negeri Selangor</p> <p>Property address: No. 16, Jalan Kiara 2, Kawasan Perniagaan Kiara, 43500 Semenyih, Selangor</p>	<p>Description: 3 storey shop office</p> <p>Existing use: Ground Floor: Rented Out</p> <p>First Floor and Second Floor: Hostel for foreign workers</p>	<p>Category of land use: Commercial Building</p> <p>Express conditions: Building</p> <p>Tenure of property: Freehold</p>	<p>For the original structure: 24 March 2014</p> <p>For the addition and interior modification (first and second floors): 6 August 2024</p>	<p>Land area: 167 sq.m.</p> <p>Gross built-up area: 5,400 sq. ft.</p>	1,312
<p>Title details: H.S.(D) 153959, PT 35266, Pekan Semenyih, Daerah Ulu Langat, Negeri Selangor</p> <p>Property address: No. 2, Jalan Kiara 2, Kawasan Perniagaan Kiara, 43500 Semenyih, Selangor</p>	<p>Description: 3 storey shop office</p> <p>Existing use: Ground Floor: Rented Out</p> <p>First Floor and Second Floor: Hostel for foreign workers</p>	<p>Category of land use: Commercial Building</p> <p>Express conditions: Building</p> <p>Tenure of property: Freehold</p>	<p>For the original structure: 24 March 2014</p> <p>For the addition and interior modification (first and second floors): 6 August 2024</p>	<p>Land area: 167 sq.m.</p> <p>Gross built-up area: 5,400 sq. ft.</p>	1,433
<p>Title details: H.S.(D) 153966, PT 35273, Pekan Semenyih, Daerah Ulu Langat, Negeri Selangor</p> <p>Property address: No. 9, Jalan Kiara 2, Kawasan Perniagaan Kiara, 43500 Semenyih, Selangor</p>	<p>Description: Three storey shop office</p> <p>Existing use: Ground Floor: Rented Out</p> <p>First Floor and Second Floor: Intended to be use as a hostel for foreign workers</p>	<p>Category of land use: Commercial Building</p> <p>Express conditions: Building</p> <p>Tenure of property: Freehold</p>	24 March 2014	<p>Land area: 167 sq.m.</p> <p>Gross built-up area: 5,400 sq. ft.</p>	1,478

# DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Rule 9.25A of the ACE LR, a listed corporation must disclose in its annual report, comparative financial data in a prescribed format for purposes of shariah screening undertaken by the Securities Commission Malaysia ("SC"), for the current financial year and immediate preceding financial year.

Below are the financial data that are relevant for purpose of shariah screening by the Shariah Advisory Council of the SC. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

## (1) Group Total Income and Total Assets

	2025 RM ('000)	2024 RM ('000)
<b>Total Income</b>		
Revenue	49,444	52,025
Other income	912	403
Share of profit in an associate	25	2
Total	50,381	52,430
Total assets	68,001	44,628

## (2) Component of Financial Position

### (A) Cash Component

	2025 RM ('000)	2024 RM ('000)
<b>Islamic Account/Instruments</b>		
Fixed deposits with licensed bank	3,699	699
Bank balances	250	19
Total	3,949	718

	2025 RM ('000)	2024 RM ('000)
<b>Conventional Account/Instruments</b>		
Bank balances	9,570	6,309
Financial ratio Conventional Account/Total assets	14.07%	14.14%

### (B) Debt Component

	2025 RM ('000)	2024 RM ('000)
<b>Islamic Account/Instruments</b>		
Term loans	488	1,165

	2025 RM ('000)	2024 RM ('000)
<b>Conventional Account/Instruments</b>		
Hire purchase payables	458	206
Banker's acceptance	-	400
Total	458	606
Financial ratio Conventional Account/Total assets	0.67%	1.36%

Both conventional cash and debts component were less than 33% for financial year ended 31 December 2025 and 2024.

# ANALYSIS OF SHAREHOLDINGS

## ANALYSIS OF SHAREHOLDINGS AS AT 31 MARCH 2026

Total Number of Issued Shares: 480,000,000 Ordinary Shares

Class of Shares: Ordinary Shares

Voting Rights: One (1) vote per ordinary share

## DISTRIBUTION OF SHAREHOLDINGS

(based on the Record of Depositors)

Size of Holdings	No. of Holders	Percentage of Holders (%)	No. of Shares Held	Percentage of Shares Held (%)
1 - 99	0	0.00	0	0.00
100 - 1,000	475	26.63	198,800	0.04
1,001 - 10,000	653	36.60	3,283,900	0.69
10,001 - 100,000	478	26.79	18,060,700	3.76
100,001 - 23,999,999 (*)	175	9.81	109,141,900	22.74
24,000,000 and above (**)	3	0.17	349,314,700	72.77
<b>Total</b>	<b>1,784</b>	<b>100.00</b>	<b>480,000,000</b>	<b>100.00</b>

Remark:

\* Less than 5% of issued shares

\*\* 5% and above of issued shares

## SUBSTANTIAL SHAREHOLDERS

(based on the Register of Substantial Shareholders)

No.	Substantial Shareholders	No. of Shares Held			
		Direct Interest	(%)	Indirect Interest	(%)
1	Wansern Marketing Sdn. Bhd.	116,885,326	24.35	-	-
2	Eu Tiong Nam	-	-	116,885,326 <sup>(1)</sup>	24.35
3	Eu Tiong Lai	-	-	116,885,326 <sup>(1)</sup>	24.35
4	Kam Tang Lim	-	-	116,885,326 <sup>(1)</sup>	24.35
5	Eu Tian Chiek	-	-	116,885,326 <sup>(1)</sup>	24.35
6	Tan Kok Kheng	116,885,337	24.35	-	-
7	Tiow See Yen	118,992,737	24.79	-	-

Note:

(1) Deemed interested by virtue of his interest in Wansern Marketing Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 ("the Act").

# ANALYSIS OF SHAREHOLDINGS

## DIRECTORS' SHAREHOLDINGS

(based on the Register of Directors' Shareholdings)

No.	Directors	No. of Shares Held			
		Direct Interest	(%)	Indirect Interest	(%)
1	Teresa Tan Siew Kuan	250,000	0.05	-	-
2	Tan Kok Kheng	116,885,337	24.35	-	-
3	Tiow See Yen	118,992,737	24.79	-	-
4	Eu Tiong Nam	-	-	116,885,326 <sup>(1)</sup>	24.35
5	Christine Toh Hung Mei	250,000	0.05	-	-
6	Chan Lay Khim	250,000	0.05	-	-
7	Ir. Tee Kiam Hong	250,000	0.05	-	-

Note:

(1) Deemed interested by virtue of his interest in Wansern Marketing Sdn. Bhd. pursuant to Section 8 of the Act.

## LIST OF TOP 30 SECURITIES ACCOUNT HOLDERS

(based on the Record of Depositors without aggregating securities from different securities accounts belonging to the same registered holder)

No.	Name of Shareholders	No. of Shares Held	Percentage of Shares Held (%)
1	Tan Kok Kheng	116,885,337	24.35
2	Wansern Marketing Sdn. Bhd.	116,885,326	24.35
3	Tiow See Yen	115,544,037	24.07
4	Kang Phui Ting	12,585,200	2.62
5	Tan Eng Hooi	4,537,900	0.95
6	Koay Teng Tat	3,600,000	0.75
7	Tiow See Yen	3,448,700	0.72
8	Liew Yoon Tai	3,400,000	0.71
9	Eu Woan Ying	3,026,000	0.63
10	Eu Kai Jie	3,000,000	0.63

# ANALYSIS OF SHAREHOLDINGS

## LIST OF TOP 30 SECURITIES ACCOUNT HOLDERS (CONT'D)

No.	Name of Shareholders	No. of Shares Held	Percentage of Shares Held (%)
11	Phang Chee Huat	2,760,800	0.58
12	Eu Sock Jin	2,663,000	0.55
13	Moomoo Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Teh King Chong	2,400,000	0.50
14	Pelaburan Mara Berhad	1,974,300	0.41
15	Lembaga Tabung Amanah Melaka	1,762,800	0.37
16	Choo Chee Keen	1,237,500	0.26
17	Law Chin Thiam	1,200,100	0.25
18	Moomoo Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Mow Kwang Ming	1,200,000	0.25
19	Tan Gaik Cheng	1,200,000	0.25
20	HLIB Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Ong Chuan Sin (CCTS)	1,173,600	0.24
21	Shamsudin @ Samad Bin Kassim	1,156,700	0.24
22	Kam Yih Neng	1,100,000	0.23
23	Public Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Low Chien Wan (E-BPT)	1,060,000	0.22
24	Kam Yih Ying	1,050,000	0.22
25	How Yong Wai Hoong	1,020,000	0.21
26	Heng Xiao Qing	1,016,800	0.21
27	Badrulsam Bin Ahmad	1,006,500	0.21
28	Moomoo Nominees (Tempatan) Sdn. Bhd. - Pledged Securities Account for Seow Chooi Heong	1,000,100	0.21
29	Chew Yue Ming	1,000,000	0.21
30	Koh Yi Fung	1,000,000	0.21
	<b>TOTAL</b>	<b>410,894,700</b>	<b>85.60</b>

# NOTICE OF THE SECOND ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Second Annual General Meeting (“2<sup>nd</sup> AGM” or “Meeting”) of WTEC Group Berhad (“the Company”) will be held at Matahari 1, Level 3, Bangi Resort Hotel, Off Persiaran Bandar, 43650 Bandar Baru Bangi, Selangor Darul Ehsan on Friday, 5 June 2026 at 10:00 a.m. or at any adjournment thereof, for the transaction of the following businesses: -

## AGENDA

### As Ordinary Business

- (1) To receive the Audited Financial Statements for the financial year ended 31 December 2025 together with the Reports of the Directors and the Auditors thereon. *(Please refer to Explanatory Note 1)*
- (2) To approve the Directors’ fees payable to the Non-Executive Directors of the Company amounting to RM192,000.00 for the period from a day after this 2<sup>nd</sup> AGM until the next Annual General Meeting (“AGM”) of the Company. *(Ordinary Resolution 1)*
- (3) To approve the Directors’ benefits payable to the Non-Executive Directors of the Company up to an amount of RM24,000.00 for the period from a day after this 2<sup>nd</sup> AGM until the next AGM of the Company. *(Ordinary Resolution 2)*
- (4) To re-elect the following Directors, who are due to retire by rotation pursuant to Clause 21.7 of the Company’s Constitution and being eligible, have offered themselves for re-election:-
  - (a) Mr. Tan Kok Kheng; *(Ordinary Resolution 3)*
  - (b) Mr. Tiow See Yen; and *(Ordinary Resolution 4)*
  - (c) Ms. Chan Lay Khim *(Ordinary Resolution 5)*
- (5) To re-appoint Crowe Malaysia PLT as Auditors of the Company until the conclusion of the next AGM 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 any modifications:-

- (6) **AUTHORITY TO ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016 (“THE ACT”) AND WAIVER OF PRE-EMPTIVE RIGHTS** *(Ordinary Resolution 7)*

“THAT subject to the Act, ACE Market Listing Requirements (“ACE LR”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the Constitution of the Company and the approvals of the relevant governmental/regulatory authorities, the Directors of the Company be and are hereby empowered pursuant to the Act, to issue and allot shares in the Company, at any time to such persons and upon such terms and conditions and for such purposes as the Directors of the Company may, in their absolute discretion, deem fit, provided that the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares, if any) for the time being;

# NOTICE OF THE SECOND ANNUAL GENERAL MEETING

## As Ordinary Business (CONT'D)

**THAT** in connection with the above, pursuant to Section 85 of the Act to be read together with Clause 16.6 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares of the Company ranking equally to the existing issued shares arising from any issuance of new shares in the Company pursuant to the Act.

**AND THAT** the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities; **AND FURTHER THAT** such authority shall commence immediately upon the passing of this resolution and continue to be in force until the conclusion of the next AGM of the Company.”

(7) **PROPOSED RENEWAL OF EXISTING SHAREHOLDERS’ MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND/OR TRADING NATURE**

*(Ordinary  
Resolution 8)*

“**THAT** subject to the provisions of the ACE LR of Bursa Securities, the Company and/or its subsidiaries (“**the Group**”) be and are hereby authorised to enter into and give effect to the recurrent related party transactions of a revenue and/or trading nature with the related party as set out in the Circular to Shareholders dated 30 April 2026 with the related parties mentioned therein (“**the Related Parties**”) provided that such transactions are:-

- (a) Necessary for the day-to-day operations;
- (b) Carried out in the ordinary course of business and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- (c) Not to the detriment of the minority shareholders of the Company.

**(“Proposed Renewal of Existing Shareholders’ Mandate”)**

**AND THAT** the authority conferred such mandate shall commence immediately upon the passing of this ordinary resolution and continue to be in force until:-

- (a) The conclusion of the next AGM of the Company, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;
- (b) The expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) Revoked or varied by resolution passed by the shareholders of the Company in general meeting,  
whichever is the earlier.

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

- (8) To transact any other ordinary business of which due notice have been given.

# NOTICE OF THE SECOND ANNUAL GENERAL MEETING

## BY ORDER OF THE BOARD

YEOW SZE MIN (SSM PC No.: 201908003120) (MAICSA 7065735)

LIM LIH CHAU (SSM PC No.: 201908001454) (LS 0010105)

Company Secretaries

Kuala Lumpur

30 April 2026

### Explanatory Notes:

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

This Agenda item is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval of the members/shareholders for the Audited Financial Statements. Hence, this Agenda item is not put forward for voting.

#### (2) Ordinary Resolution 1 - Payment of Directors' Fees

Payment of the Directors' Fees for the period from 6 June 2026 until the next AGM of the Company to be held in year 2027 amounting to RM192,000.00 only will be made by the Company if the proposed Ordinary Resolution 1 is passed at the 2<sup>nd</sup> AGM of the Company.

#### (3) Ordinary Resolution 2 - Payment of Benefits Payable to Directors

The total amount of benefits payable to the Non-Executive Directors is estimated to be up to RM24,000.00, based on the estimated number of scheduled Board/ Board Committee/ General Meetings as well as the number of Non-Executive Directors involved/ covered.

#### (4) Ordinary Resolutions 3, 4 and 5 - Re-election of Directors

For the purpose of determining the eligibility of the Director(s) to stand for re-election at the 2<sup>nd</sup> AGM of the Company, the Board of Directors through its Nomination Committee had reviewed and assessed each of the retiring Directors from the annual assessment and evaluation of the Board of Directors for the financial year ended 31 December 2025.

Based on the results of the annual evaluations, the Board of Directors is satisfied with the performance and contributions of the retiring Directors namely, Mr. Tan Kok Kheng, Mr. Tiow See Yen and Ms. Chan Lay Khim, and supports the re-election based on the following considerations:-

- (i) Able to meet the Board of Directors' expectations in terms of character, experience, integrity, fit and propriety, competency and time commitment in discharging their roles as Directors of the Company;
- (ii) Exercised due care and carried out directors' duties proficiently; and
- (ii) Level of independence demonstrated by the Independent Non-Executive Director, where relevant.

The retiring Directors have consented to their re-election and abstained from deliberations and decisions on their own eligibility to stand for re-election at the meetings of the Board and Nomination Committee, where relevant.

The profiles of the retiring Directors are set out in the Annual Report in respect of the financial year ended 31 December 2025 ("**Annual Report 2025**").

# NOTICE OF THE SECOND ANNUAL GENERAL MEETING

## BY ORDER OF THE BOARD (CONT'D)

### (5) Ordinary Resolution 6 - Re-appointment of Auditors

Crowe Malaysia PLT ("Crowe Malaysia") have indicated their willingness to be re-appointed as External Auditors of the Company.

The Audit and Risk Management Committee ("ARMC") have assessed the suitability, objectivity and independence of the External Auditors and recommended the re-appointment of Crowe Malaysia as External Auditors of the Company for the financial year ending 31 December 2026. The Board has in turn reviewed the recommendation of the ARMC and recommended the same be tabled to the shareholders for approval at the forthcoming 2<sup>nd</sup> AGM of the Company under Ordinary Resolution 6. The evaluation criteria adopted as well as the process of assessment by the ARMC and Board, respectively, have been duly elaborated in the Corporate Governance Overview Statement of the Annual Report 2025 of the Company.

### (6) Ordinary Resolution 7 - Authority to Issue Shares pursuant to the Act

The proposed Ordinary Resolution 7 is intended to grant authority to the Directors of the Company pursuant to the Act, to issue and allot new shares in the Company at any time to such persons in their absolute discretion without convening a general meeting provided that the aggregate number of the shares does not exceed 10% of the total number of issued shares of the Company for the time being (hereinafter referred to as the "General Mandate"). The General Mandate, unless revoked or varied by the Company in a general meeting, will expire at the conclusion of the next AGM of the Company.

The purpose to seek the General Mandate is to provide flexibility to the Directors of the Company for allotment of shares for any possible fund-raising activities for the purpose of funding future investment project(s), working capital, acquisition(s) and/ or such other purposes as the Directors may deem fit without convening a general meeting as it would be both time and cost-consuming to organise a general meeting.

Pursuant to Section 85 of the Act read together with Clause 16.6 of the Constitution of the Company, shareholders have pre-emptive rights to be offered any new shares in the Company which rank equally to the existing issued shares in the Company or other securities.

That proposed Ordinary Resolution 7, if passed, would allow the Directors to issue new shares to any person under authority to issue shares pursuant to the Act without having to offer new shares to be issued equally to all existing shareholders of the Company prior to issuance.

### (7) Ordinary Resolution 8 - Proposed Renewal of Existing Shareholders' Mandate

The proposed Ordinary Resolution 8 is to renew the shareholders' mandate granted by the shareholders of the Company at the Extraordinary General Meeting of the Company held on 18 July 2025. The Proposed Renewal of Existing Shareholders' Mandate will enable the Group to enter into the Recurrent Related Party Transactions which are necessary for the Group's day-to-day operations, subject to the transactions being in the ordinary course of business and on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company.

Please refer to the Circular to Shareholders dated 30 April 2026 for further information.

# NOTICE OF THE SECOND ANNUAL GENERAL MEETING

## NOTES:-

- (1) In respect of deposited securities, only members whose names appear in the Record of Depositors on 28 May 2026 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the Meeting.
- (2) A member of the Company entitled to attend and vote at the Meeting is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead. A member may appoint more than one (1) proxy to attend the Meeting, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
- (3) A proxy need not be a member of the Company. There shall be no restriction as to the qualification of the proxy. A proxy appointed to attend and vote at the Meeting of the Company shall have the same rights as the members to attend, participate, speak and vote at the Meeting and upon appointment a proxy shall be deemed to confer authority to demand or join in demanding a poll.
- (4) Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
- (5) Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
- (6) The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either be executed under its Common Seal or under the hand of an officer or attorney duly authorised in writing.
- (7) The appointment of proxy(ies) may now be made in hard copy or by electronic form, and shall be deposited with the Company's Share Registrar, i.e. Securities Services (Holdings) Sdn. Bhd., not less than forty-eight (48) hours before the time appointed for holding the Meeting or at any adjournment thereof:-

Deadline of submission	Mode of submission	Designated address
<b>On or before Wednesday, 3 June 2026 at 10:00 a.m.</b>	(i) Hard copy	Securities Services (Holdings) Sdn. Bhd. Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan
	(ii) Electronic form	Via Securities Services e-Portal at <a href="https://sshsb.net.my/">https://sshsb.net.my/</a> (Kindly refer to the Administrative Notes for the e-Proxy Guide)

- (8) The lodging of the Form of Proxy does not preclude a member from attending and voting at the 2<sup>nd</sup> AGM should he subsequently decides to do so, provided a notice of termination of proxy authority in writing is given to the Company and deposited at Securities Services (Holdings) Sdn. Bhd. at Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan prior to the time stipulated for holding the 2<sup>nd</sup> AGM or any adjournment thereof.
- (9) All the resolutions set out in the notice of the Meeting will be put to vote by poll.

# NOTICE OF THE SECOND ANNUAL GENERAL MEETING

## **PERSONAL DATA PRIVACY:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, participate, speak and vote at the 2<sup>nd</sup> AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



**WTEC GROUP BERHAD**

[Registration No. 202401017425 (1563275-K)]

(Incorporated in Malaysia)

CDS Account No.	
No. of Shares Held	

**FORM OF PROXY**

(Before completing this form please refer to the notes below)

I/We, \_\_\_\_\_ NRIC/Passport/Registration No. \_\_\_\_\_  
(NAME IN FULL AND IN BLOCK LETTERS)

of \_\_\_\_\_  
(FULL ADDRESS)

and contact no./email address \_\_\_\_\_ being a member/members of

WTEC GROUP BERHAD ("Company"), hereby appoint:

**FIRST PROXY**

Full Name (IN BLOCK LETTERS)	NRIC/ Passport No.	Contact No./ Email Address	
Full Address		Proportion of Shareholdings	
		No. of Shares	%

and **SECOND PROXY** (as the case may be)

Full Name (IN BLOCK LETTERS)	NRIC/ Passport No.	Contact No./ Email Address	
Full Address		Proportion of Shareholdings	
		No. of Shares	%

or failing him/her, the CHAIRPERSON OF THE MEETING, as my/our proxy to attend and vote for me/us and on my/our behalf at the Second Annual General Meeting ("2<sup>nd</sup> AGM" or "Meeting") of WTEC Group Berhad to be held at Matahari 1, Level 3, Bangi Resort Hotel, Off Persiaran Bandar, 43650 Bandar Baru Bangi, Selangor Darul Ehsan on Friday, 5 June 2026 at 10:00 a.m. or at any adjournment thereof.

No.	Ordinary Resolutions	For	Against
1	To approve the Directors' fees payable to the Non-Executive Directors of the Company amounting to RM192,000.00 for the period from a day after this 2nd AGM until the next Annual General Meeting ("AGM") of the Company.		
2	To approve the Directors' benefits payable to the Non-Executive Directors of the Company up to an amount of RM24,000.00 for the period from a day after this 2nd AGM until the next AGM of the Company.		
3	To re-elect Mr. Tan Kok Kheng as a Director of the Company.		
4	To re-elect Mr. Tiow See Yen as a Director of the Company.		
5	To re-elect Ms. Chan Lay Khim as a Director of the Company.		
6	To re-appoint Crowe Malaysia PLT as Auditors of the Company.		
7	Authority to issue shares pursuant to the Companies Act 2016 and waiver of pre-emptive rights.		
8	Proposed Renewal of Existing Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue and/or Trading Nature.		

(Please indicate your vote by marking (X) in the space provided above on how you wish your vote to be cast. Unless voting instructions are indicated in the space above, the proxy will vote or abstain from voting as he/she thinks fit.)

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2026

\_\_\_\_\_  
Signature of Member/Common Seal

**NOTES:-**

- (1) In respect of deposited securities, only members whose names appear in the Record of Depositors on 28 May 2026 (General Meeting Record of Depositors) shall be eligible to attend, speak and vote at the Meeting.
- (2) A member of the Company entitled to attend and vote at the Meeting is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote in his stead. A member may appoint more than one (1) proxy to attend the Meeting, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
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Deadline of submission	Mode of submission	Designated address
<b>On or before Wednesday, 3 June 2026 at 10:00 a.m.</b>	(i) Hard copy	Securities Services (Holdings) Sdn. Bhd. Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan
	(ii) Electronic form	Via Securities Services e-Portal at <a href="https://sshshb.net.my/">https://sshshb.net.my/</a> (Kindly refer to the Administrative Notes for the e-Proxy Guide)

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- (9) All the resolutions set out in the notice of the Meeting will be put to vote by poll.

*Fold here*

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**Affix  
Stamp**

The Share Registrar

**WTEC GROUP BERHAD**  
[Registration No. 202401017425 (1563275-K)]  
c/o Securities Services (Holdings) Sdn. Bhd.  
Level 7, Menara Milenium  
Jalan Damanlela  
Pusat Bandar Damansara  
Damansara Heights  
50490 Kuala Lumpur  
Wilayah Persekutuan

*Fold this flap for sealing*

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# **WTEC GROUP BERHAD**

202401017425 (1563275-K)

**PT. 1558, KAWASAN PERINDUSTRIAN  
KAJANG JAYA, 43500 SEMENYIH,  
SELANGOR DARUL EHSAN, MALAYSIA.**



[www.wtecgroup.com.my](http://www.wtecgroup.com.my)