

WELLCALL HOLDINGS BERHAD

Registration No: 200501025213(707346-W)

ANNUAL REPORT 2022



Breaking Through Challenges



For A Better Future

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Seventeenth Annual General Meeting **162**

Form of Proxy

CORPORATE INFORMATION

BOARD OF DIRECTORS

Group Non-Independent Non-Executive Chairman	Datuk Ng Peng Hong @ Ng Peng Hay <i>(redesignated w.e.f 3/10/2022)</i>
Group Non-Independent Managing Director	Huang Sha
Non-Independent Executive Directors	Leong Hon Chong <i>(resigned w.e.f 3/10/2022)</i> Huang Yu Fen
Alternate Director to Huang Sha	Huang Kai Lin <i>(cessation as the Alternate Director to Leong Hon Chong and appointed as Alternate Director to Huang Sha w.e.f 3/10/2022)</i>
Alternate Director to Tan Kang Seng	Chua Yi Rong, Edmund (Cai YiRong, Edmund) <i>(appointed w.e.f 10/1/2023)</i> Tan Kang Foon <i>(appointed w.e.f 3/10/2022 and demised on 19/12/2022)</i>
Non-Independent Non-Executive Directors	Tan Kang Seng
Senior Independent Non-Executive Director	Datuk Yong Peng Tak
Independent Non-Executive Directors	Goh Hoon Leum Chin Yoke Wah <i>(appointed w.e.f 22/8/2022)</i> Puan Azian Binti Mohd Yusof <i>(appointed w.e.f 22/8/2022)</i> Yang Chong Yaw, Alan <i>(resigned w.e.f 22/8/2022)</i> Dato' Haji Mohtar Bin Nong <i>(resigned w.e.f 22/8/2022)</i>

REMUNERATION COMMITTEE

Chairman

Goh Hoon Leum

Members

Tan Kang Seng *(appointed w.e.f 3/10/2022)*
Tan Kang Foon *(cessation w.e.f 3/10/2022)*
Chin Yoke Wah *(appointed w.e.f 22/8/2022)*
Yang Chong Yaw, Alan *(resigned w.e.f 22/8/2022)*

AUDIT COMMITTEE

Chairman

Goh Hoon Leum

Members

Datuk Yong Peng Tak
Tan Kang Seng
Chin Yoke Wah *(appointed w.e.f 22/8/2022)*
Yang Chong Yaw, Alan *(resigned w.e.f 22/8/2022)*

NOMINATION COMMITTEE

Chairman

Datuk Yong Peng Tak

Members

Goh Hoon Leum
Puan Azian Binti Mohd Yusof *(appointed w.e.f 22/8/2022)*
Yang Chong Yaw, Alan *(resigned w.e.f 22/8/2022)*

CORPORATE DISCLOSURE COMMITTEE

Chairman

Huang Kai Lin

Members

Leong Hon Chong
Yu Tat Keong

RISK MANAGEMENT COMMITTEE**Chairman**

Huang Kai Lin

Members

Yu Tat Keong

Tan Bee Leng

Foo Lai Bee

Yap Hong Ming

Yeong Yoke Wei

Yee Yiing Fern

Beh Boon Aik (*appointed w.e.f 15/9/2022*)Mazlan Bin Muhamad Yusof (*resigned w.e.f 1/2/2022*)Chee Chin Shian (*resigned w.e.f 31/3/2022*)Yip Kok Kit (*resigned w.e.f 15/9/2022*)**SUSTAINABILITY COMMITTEE****Chairman**

Huang Kai Lin

Members

Yu Tat Keong

Huang Yu Fen

Chong Phooi Fun

Yee Yiing Fern

Su Mee Ping

Lee Kah Yin

Beh Boon Aik (*appointed w.e.f 15/9/2022*)Chee Chin Shian (*resigned w.e.f 31/3/2022*)Yip Kok Kit (*resigned w.e.f 15/9/2022*)Jacqueline Chong Kar Xin (*resigned w.e.f 2/10/2022*)**COMPANY SECRETARIES****Teo Soon Mei**

(SSM PC 201908000235)

(MAICSA 7018590)

Chua Siew Yin (*resigned w.e.f 27/5/2022*)

(SSM PC 201908000289)

(MAICSA 7065531)

Lim Jia Huey (*appointed w.e.f 27/5/2022*)

(SSM PC 201908000929)

(MAICSA 7073258)

Tee Wan Ting (*appointed w.e.f. 29/11/2022*)

(SSM PC 202208000388)

(MAICSA 7077906)

PRINCIPAL PLACE OF BUSINESS

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

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

REGISTERED OFFICE

No. 7-1, Jalan 109F
Plaza Danau 2,
Taman Danau Desa,
Kuala Lumpur,
58100 Wilayah Persekutuan.

Tel : 03-7982 2010
Fax : 03-7980 1242

AUDITORS**Ecovis Malaysia PLT**

Chartered Accountants
No 9-3, Jalan 109F,
Plaza Danau 2, Taman Danau Desa,
58100 Kuala Lumpur.

Tel : 03-7981 1799

REGISTRAR**One Capital Market Services Sdn. Bhd.**

Level 18, Plaza VADS,
No. 1, Jalan Tun Mohd. Fuad,
Taman Tun Dr. Ismail,
60000 Kuala Lumpur.

Tel : 03-7735 5770
Fax : 03-7732 7997

PRINCIPAL BANKERS

Malayan Banking Berhad
HSBC Bank Malaysia Berhad

STOCK EXCHANGE LISTING**Main Market**

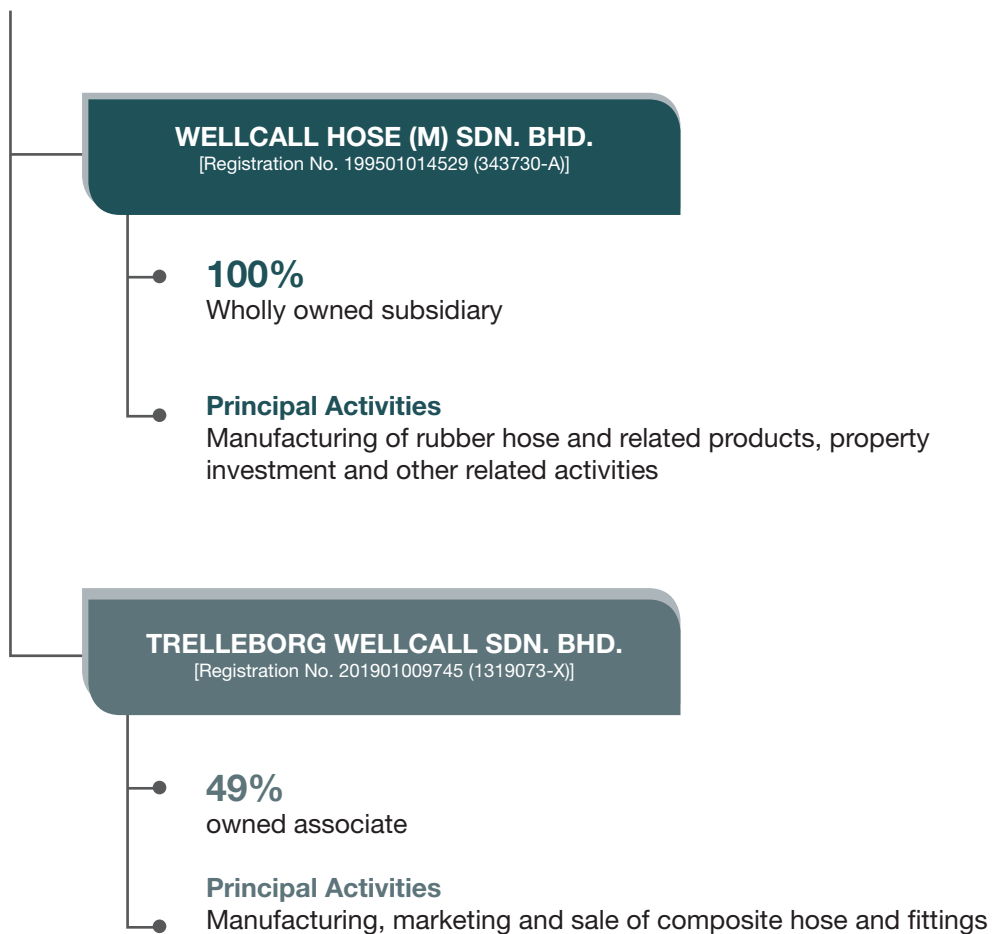
Bursa Malaysia Securities Berhad
Stock Name : Wellcal
Stock Code : 7231
Sector : Industrial Products

CORPORATE STRUCTURE



WELLCALL HOLDINGS BERHAD

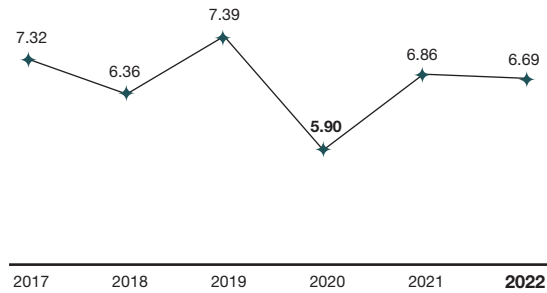
[Registration No. 200501025213 (707346-W)]



SIX YEARS GROUP FINANCIAL REVIEW

NET EARNINGS PER SHARE

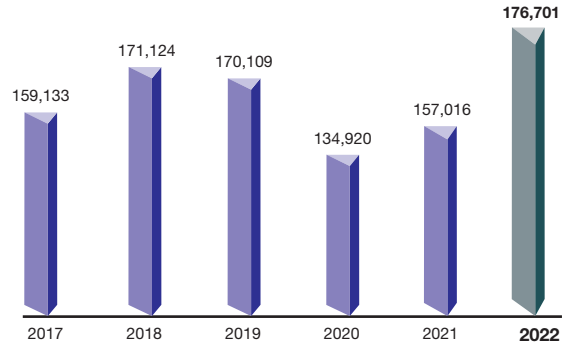
SEN



Financial Year Ended 30 September 2022

REVENUE

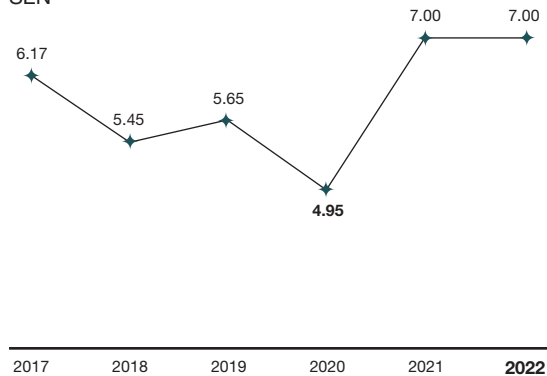
RM'000



Financial Year Ended 30 September 2022

DIVIDEND PER SHARE

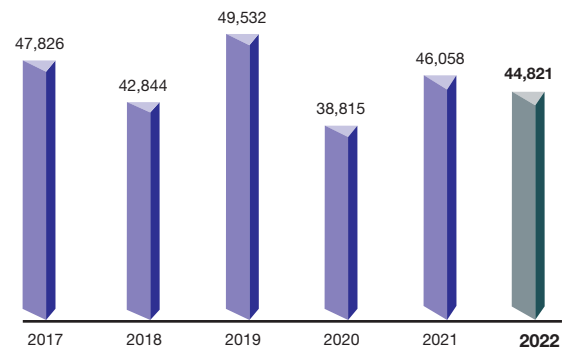
SEN



Financial Year Ended 30 September 2022

PROFIT BEFORE TAXATION

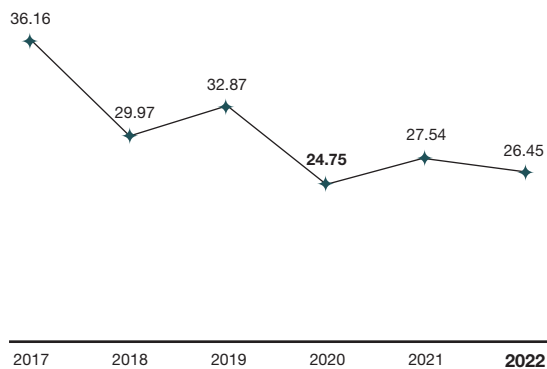
RM'000



Financial Year Ended 30 September 2022

RETURN ON CAPITAL EMPLOYED

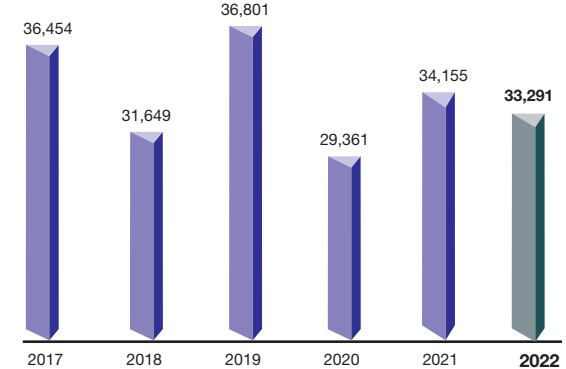
%



Financial Year Ended 30 September 2022

PROFIT AFTER TAXATION

RM'000



Financial Year Ended 30 September 2022

SIX YEARS GROUP FINANCIAL REVIEW

(CONT'D)

	2017 RM'000	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000
Revenue	159,133	171,124	170,109	134,920	157,016	176,701
Earnings Before Interest, Depreciation and Taxation	53,603	47,794	53,576	43,359	51,330	49,686
Interest Expense	(933)	(386)	–	–	(185)	(168)
Interest Income	856	911	1,213	1,038	293	331
Depreciation	(5,700)	(5,475)	(5,257)	(5,582)	(5,380)	(5,028)
Profit Before Taxation	47,826	42,844	49,532	38,815	46,058	44,821
Tax Expense	(11,372)	(11,195)	(12,731)	(9,454)	(11,903)	(11,530)
Profit Attributable to Equity Holders	36,454	31,649	36,801	29,361	34,155	33,291
Net Assets/Shareholders' Equity (RM'000)	103,721	107,485	116,400	120,864	127,134	124,573
Total Assets (RM'000)	129,017	130,581	138,153	145,095	155,942	159,406
Net EPS (Sen) *	7.32	6.36	7.39	5.90	6.86	6.69
Net Dividend Per Share (Sen) * (single tier)	6.17	5.45	5.65	4.95	7.00	7.00
Return On Capital Employed (%)	36.16	29.97	32.87	24.75	27.54	26.45
Return On Assets (%)	27.74	24.38	27.39	20.73	22.69	21.11
Weighted Average Number of Shares in Issue ('000) *	497,948	497,948	497,948	497,948	497,948	497,948
Net Assets Per Share (Sen)	20.83	21.59	23.38	24.27	25.53	25.02

Note:

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

AWARDS



2004

6th Global Golden Solid Awards

2005

28th Taiwan & 14th Overseas Entrepreneurs Awards

2008

KPMG Shareholder Value Awards

2013

Forbes Asia's Top 200 Best Under Billion Awards

2015

Malaysia Rubber Export Promotion Council Industry Award 2015
- Malaysia Largest Exporter of Dry Rubber Products Awards

Asia Pacific Entrepreneurship Awards 2015 Malaysia
- Outstanding Category

Golden Eagle Award
- Eminent Eagles

Best Under Billion Awards (BUBA) 2015
- Best Return on Assets

2016

Best Under Billion Awards (BUBA) 2016
- Best in Transparency

2017

19th Outstanding Overseas Taiwanese SMEs Award

MANAGEMENT DISCUSSION AND ANALYSIS

Dear Valued Stakeholders,

On behalf of the Board of Directors (“the Board”) of Wellcall Holdings Berhad (“the Company”), we are pleased to present the Annual Report and the Audited Financial Statements (“AFS”) of the Company and its subsidiary company (“Wellcall” or “the Group”) for the financial year ended 30th September 2022 (“FYE 2022”).

The following management discussion and analysis of the operating performance and financial condition of the Group for the twelve (12) months ended 30th September 2022 should be read in conjunction with the AFS for the FYE 2022 and related notes thereto.

OVERVIEW

The financial year under review was challenging to the Group’s operating environment mainly due to the initial post Covid-19 pandemic period effect, despite the Group managed to breakthrough those challenges gradually. These challenging factors were mainly arising from the scarcity in global supply chain for a variety of reasons, including but not limited to shipping lanes, constrained cargo capacity and unprecedented logistical challenges. Foreign labour shortages and material supplies volatility arising from the global demand and supply mechanism had impacted the Group operationally and financially. Foreign currency fluctuation had also been part of the operational challenge factors that the Group managed to overcome as well.

Nevertheless, despite with all these challenges, the Group had delivered a satisfactory performance with the support from our stakeholders especially the Board of Directors, Management and employees. This has proven that the Group is resilient and sailed beyond the challenges encountered during the year under review.

BUSINESS AND OPERATIONS REVIEW

The principal activity of the Company is investment holding, while the principal activity of a wholly owned subsidiary company is manufacturing of industrial rubber hose for customers who are mainly in the business of distributing rubber hose to original equipment manufacturers and property investment.

Therefore, the Group’s business segment mainly comprises the manufacture and sale of rubber hose and related products, which is confined to a single business and by geographical segment. Our geographical market segment is disclosed in Note 29 to the AFS of FYE 2022.

The Group persistently managed to breakthrough across all economic sectors notwithstanding with the continuous widespread impact of Covid-19 coupled with the uncertainty of global market sentiment. The Group embraces extensive efforts to manage these implications, with the aim of establishing operational stability as best as we could, to continue serving our customers.

Notwithstanding with the vaccination in placed, continuing appropriate measures are taken by the Group to minimize the wide spread of Covid-19, such as on-going of face masks are provided to all employees and proper procedures are enforced and adhered to in order to safeguard the safety of our employees.

FINANCIAL PERFORMANCE REVIEW

Review on Statements of Comprehensive Income

The Group recorded revenue of RM177 million, representing an increase of RM20 million or approximately 13% from RM157 million for the FYE 2022. The export and local market contributed approximately 90% and 10% respectively to the Group's revenue. The increased in export market of 10% and local market by 39% as compared to the corresponding period of the preceding financial year was mainly due to continuous recovery of global and local economy sentiment in the low and medium pressure industrial rubber hose market.

The Group recorded a fairly consistent profit before tax ("PBT") of RM45 million for FYE 2022 as compared to PBT of RM46 million recorded in corresponding period of the preceding financial year. Slightly lower PBT achieved mainly arising from allowance for impairment loss of investment in an associate company.

The Group also places importance to the aspect of non-financial performance measurements as it establishes a connection between strategies and daily tasks. The following are non-financial performance measurements for the Group:-

Customer Retention

Regardless whether working from home or working in office, our marketing team continues to communicate closely and keeping abreast with our customers to ensure that their requirements are well attended to especially addressing delivery challenges with increasing order books. The team also continues to re-engage with inactive or dormant customers in order to expand our customer base, which we managed to engaged with few customers with new order books. Nevertheless, with all these challenges, we never compromise with quality of our products, instead, we offer product variation in terms of similar specification with competitive pricing in order to maintain our customers list.

Customer Satisfaction

Looking at sustaining our customer base, customers' satisfaction is one of our indicators to our recurring order books. This is vital important to maintain the long-term relationship with our esteemed customers. All feedbacks from our customers are carefully and appropriately being addressed and followed up closely, as well as on timely manner in order to ensure that our customers are our priority.

On Time Delivery

The Group continues to practice delivery flexibility on customers' orders in terms of low volume high mix with variety of product types. The Group also maintains short sale lead time from the time of placement of orders until the delivery of goods. This is an essential service for our customer by reducing their stock holding costs with varieties of products mix. Notwithstanding with shipment cargo capacity constraint mainly arising from frequent shipment rescheduling and freight cost volatility, the Group acknowledges that on-time delivery is still essential in order to maintain its long-lasting relationship with customers.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL PERFORMANCE REVIEW (CONT'D)

Review on Statements of Financial Position

The Group's total assets stood at RM159 million for FYE 2022 as compared to RM156 million for FYE 2021, which was fairly consistent. During FYE 2022, the Group has fully impaired its carrying amount of investment in an associate company amounted to RM2.9 million in FYE 2022. However, the increase in inventories by RM9 million had cushioned the impairment loss and depreciation for the year under review.

Total liabilities had increased from RM29 million in FYE 2021 to RM35 million for FYE 2022 mainly arising from the increase in trade and other payables, due to advances received from customers.

The Group has no short-term and long-term borrowing during the financial year under review.

The Group's financial position continues to remain positively strong with net assets per share of 25.02 sen per share for FYE 2022 (FYE 2021: 25.53 sen per share) while basic earnings per share in FYE 2022 was 6.69 sen per share as compared to 6.86 sen per share in FYE 2021.

Review on Statements of Cash Flow

The Group recorded a net cash generated from operating activities of RM35 million for FYE 2022, representing an increase of RM1 million, which was fairly consistent with last financial year.

Net cash used in investing activities was also fairly consistent between financial year and last financial year amounted to RM0.4 million for FYE 2022 compare to RM0.6 million for FYE 2021. The investing activities mainly include the purchase of property, plant and equipment and investment property for the financial year under review.

The Group's net cash used in financing activities amounted to RM36 million for FYE 2022 as compared to RM28 million for FYE 2021 mainly arising from higher dividends paid out during FYE 2022.

Capital Expenditure

During the financial year, the Group's spent total of RM0.5 million on property, plant and equipment mainly for maintenance and upgrading of existing production lines in order to further improve production efficiency and productivity.

RISK RELATING TO OUR BUSINESS

Exposure to Credit Risk

The Group's exposure to credit risk arises primarily from the trade receivables. However, with the sound and effective credit control that is in placed, the Group does not make any material allowance pertaining to the impairment of trade receivables. We appreciate our customers that pay in accordance to their respective credit terms and this form a great support from our customers. Nevertheless, the Group continues to evaluates our customers' creditability and to review our credit procedures periodically to mitigate credit risk.

Supply and Cost of Raw Materials

The Group is exposed to raw materials cost fluctuation which may adversely affect the cost of sales and gross profit margin of the Group. The volatility of raw material costs arising from the global demand and supply mechanism had affected our pricing strategy as well as operating cost. Despite of the elasticity of raw material costs sentiment, the Group able to minimize and manage the impact to the gross profit margin maintaining the range of above 30% margin for FY2022 and FY2021. Nevertheless, the Group continues to maintain close communications with suppliers and regularly monitors the raw material prices in order to manage the competitive costing and to ensure stable supply of key raw materials.

INDUSTRY TREND, DEVELOPMENT AND PROSPECT

The outlook trend for industrial rubber hose will see a gradual recovery. Demand for the low and medium industrial rubber hoses seems picking up especially our order books are increasing at the moment. Most of our foreign workers were on board, gradual increase in the momentum of the global economy arising from the opening of cross borders activities, freight and logistics costs stability to continue and enhancing of our efforts in the environment, social and governance are amongst others that enables our Group to march forward breaking through challenges ahead. The Group is optimistic to remain resilient and able to sustain its market share and positioning despite the challenges ahead in the global economy.

The Group continues to manage its operating costs effectively and penetrating its market share globally by focusing on leveraging its extensive customer network, improving its productivity and quality, enhancing customer care services and expanding product range to enhance our competitive edge.

Barring of unforeseen circumstances and the vibrancy of the global economy sentiment, the Group believes that the future prospects in the coming financial year ending 30 September 2023 continues to remain positive and commendable especially with the continuation of gradual increase in the momentum of global demand for industrial rubber hoses.

We, Wellcall continues to strive towards maintaining the Group's vision to be the world's leading manufacturer with excellent quality industrial rubber hoses. We are also encouraged by the strong support from our customers and stakeholders for continuous growth and expansion in our core business.

Breaking Through Challenges, For A Better Future!

DIVIDEND

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

APPRECIATION

On behalf of the Management, I would like to take this opportunity to express my sincere appreciation to all our valued stakeholders for their invaluable contribution, dedication and continued support especially during this prolonged pandemic period. Our appreciation is also extended to our management and employees for their commitment, dedication, contribution and professionalism towards the performance of the Group. I would also like to thank our Board of Directors as well for their valuable advice, guidance and support rendered the Group.

Please continue to stay safe no matter wherever you are.

HUANG SHA. P.M.P

Group Managing Director

DIRECTORS' PROFILE

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

Malaysian | Male | Aged 70

Qualification:

Malaysia Certificate of Education

Occupation:

Company Director

Position:

Group Non Independent
Non-Executive Chairman

Board Committee:

None

**Date First Appointed
to the Board:**

17th April, 2006

Other Directorships in Public Companies and Listed Issuers

- (a) Carlo Rino Group Berhad
(formerly known as CRG Incorporated Berhad)
- (b) Bonia Corporation Berhad
- (c) Sinmah Capital Berhad

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5

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

None

Securities Holding in the Company

- (a) Direct: Nil
- (b) Indirect: 9,475,550 ordinary shares

Securities Holding in Subsidiary Company

Nil

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

None

Working Experience

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

HUANG SHA, P.M.P.

Group Non-Independent Managing Director I
Taiwanese (Malaysian Permanent Resident) | Male | Aged 67

Qualification:

Secondary Education, Taiwan

Occupation:

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

Position:

Group Non-Independent Managing Director

Board Committee:

None

Date First Appointed to the Board:

17th April, 2006

Other Directorships in Public Companies and Listed Issuers

None

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5

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

None

Securities Holding in the Company

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

Securities Holding in Subsidiary Company

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

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

- Father of Huang Yu Fen,
Non-Independent Executive Director
- Father of Huang Kai Lin,
Alternate Director to Huang Sha

Other Position Held Before

President of Taipei Investor's Association in Malaysia

DIRECTORS' PROFILE

(CONT'D)

Achievements for Individual & Company

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

Working Experience

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

HUANG YU FEN

Non-Independent Executive Director I
Taiwanese (Malaysian Permanent Resident) | Female | Aged 43

Qualification:

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

Occupation:

Manager

Position:

Non-Independent
Executive Director

Board Committee:

Member of Sustainability
Committee

**Date First Appointed
to the Board:**

23rd May, 2018

Other Directorships in Public Companies and Listed Issuers

None

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5

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

None

Securities Holding in the Company

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

Securities Holding in Subsidiary Company

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

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

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

Working Experience

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

DIRECTORS' PROFILE
(CONT'D)

HUANG KAI LIN

Alternate Director to Huang Sha I
Taiwanese (Malaysian Permanent Resident) | Male | Aged 38

Qualification:

Bachelor of Chemical Engineering
National Taiwan University,
Taiwan

Occupation:

Company Director

Position:

Alternate Director
to Huang Sha

Board Committee:

- (a) Chairman of Corporate Disclosure Committee
- (b) Chairman of Risk Management Committee
- (c) Chairman of Sustainability Committee

**Date First Appointed
to the Board:**

12th April, 2010

Other Directorships in Public Companies and Listed Issuers

None

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5*

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

None

Securities Holding in the Company

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

Securities Holding in Subsidiary Company

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

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

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

Working Experience

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

Note:

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

TAN KANG SENG

Non-Independent Non-Executive Director I
Malaysian I Male I Aged 55

Qualification:
Malaysian Certificate
of Education

Occupation:
Company Director

Position:
Non-Independent
Non-Executive Director

Board Committee:
(a) Member of Audit Committee
(b) Member of Remuneration Committee

**Date First Appointed
to the Board:**
17th April, 2006

Other Directorships in Public Companies and Listed Issuers

None

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5

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

None

Securities Holding in the Company

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

Securities Holding in Subsidiary Company

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

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

Father-in-law of Mr. Chua Yi Rong, Edmund
(Cai YiRong, Edmund)
Independent Non-Executive Director

Working Experience

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

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

DIRECTORS' PROFILE
(CONT'D)

DATUK YONG PENG TAK

Senior Independent Non-Executive Director I
Malaysian I Male I Aged 54

Qualification:

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

Occupation:

Company Director

Position:

Senior Independent
Non-Executive Director

Board Committee:

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

Date First Appointed to the Board:

1st April, 2015

Other Directorships in Public Companies and Listed Issuers

Paragrene Land Berhad

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

None

Conflict of Interest

None

Working Experience

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

Board Meetings Attended in the Financial Year

5 out of 5

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

None

Securities Holding in the Company

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

Securities Holding in Subsidiary Company

Nil

GOH HOON LEUMIndependent Non-Executive Director I
Singaporean I Male I Aged 72**Qualification:**

- (a) Master of Property
University of Newcastle, Australia
- (b) Bachelor of Land Economics
(2nd Class Honours)
University of Technology, Sydney
- (c) Diploma in Management
Association of Business Executive, UK

Occupation:

Company Director

Position:Independent Non-Executive
Director**Board Committee:**

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

**Date First Appointed
to the Board:**

8th December, 2010

Other Directorships in Public Companies and Listed Issuers

None

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

None

Conflict of Interest

None

Working Experience

He was appointed to the Board of Wellcall on 8th December, 2010. He is the Fellow member of Singapore Institute of Surveyors and Valuers. He has more than 40 years of experience in construction and property development industry and he is a licensed Appraiser in Lands & Buildings. He was conferred a Public Service Medal (PBM) in 1996 by the President of The Republic of Singapore for his contribution to the community.

Board Meetings Attended in the Financial Year

5 out of 5

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

None

Securities Holding in the Company

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

Securities Holding in Subsidiary Company

Nil

DIRECTORS' PROFILE

(CONT'D)

CHIN YOKE WAHIndependent Non-Executive Director I
Malaysian I Male I Aged 39**Qualification:**

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

Occupation:

Company Director

Position:Independent Non-Executive
Director**Board Committee:**

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

**Date First Appointed
to the Board:**
22th August, 2022**Other Directorships in Public Companies and Listed Issuers**

None

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

None

Conflict of Interest

None

Working Experience

He was appointed to Board of Wellcall on 22th August, 2022, Mr. Chin Yoke Wah initially started his corporate career in the financial sector in 2005 before joining the legal profession in 2013. He was called to the Malaysian Bar in 2014 and practiced at Messrs. Zaid Ibrahim & Co until 2016, when he left to set up his own legal practice. In 2020, he joined a boutique law firm where he leads the corporate practice. His main areas of practice include corporate advisory, corporate restructuring and merger & acquisitions. He also serves as the corporate advisor to several private companies in Malaysia and Singapore.

Board Meetings Attended in the Financial Year

0 out of 0

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

None

Securities Holding in the Company

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

Securities Holding in Subsidiary Company

Nil

AZIAN BINTI MOHD YUSOFIndependent Non-Executive Director I
Malaysian I Female I Aged 64**Qualification:**Bachelor Degree of Economics,
University of Malaya.**Occupation:**

Company Director

Position:Independent Non-Executive
Director**Board Committee:**

Member of Nomination Committee

**Date First Appointed
to the Board:**

22th August, 2022

Other Directorships in Public Companies and Listed Issuers

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

Conflict of Interest

None

Board Meetings Attended in the Financial Year

0 out of 0

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

None

Securities Holding in the Company

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

Securities Holding in Subsidiary Company

Nil

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

None

Working Experience

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

DIRECTORS' PROFILE
(CONT'D)

CHUA YI RONG, EDMUND (CAI YIRONG, EDMUND)

Alternate Director to Tan Kang Seng I
Singaporean I Male I Aged 39

Qualification:

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

Occupation:

Director/Country Head, Singapore

Position:

Alternate Director to
Tan Kang Seng

Board Committee:

None

Date First Appointed to the Board:

10th January, 2023

Other Directorships in Public Companies and Listed Issuers

None

Conflict of Interest

None

Board Meetings Attended in the Financial Year

0 out of 0

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

None

Securities Holding in the Company

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

Securities Holding in Subsidiary Company

Nil

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

Son-in-law of Mr. Tan Kang Seng,
Non-Independent Non-Executive Director

Working Experience

Mr. Chua Yi Rong, Edmund (Cai Yirong, Edmund) has vast experience in various fields, ranging from real estate investments to accounting/merger and acquisitions to information technology, among many others. He is currently the Director of VT Family Office Pte Ltd and Country Head of VT Group Pte Ltd, which are running its base out of Singapore and having an extensive asset portfolio comprising of real estate and land investments.

KEY SENIOR MANAGEMENT PROFILE

HUANG SHA, P.M.P.

Group Non-Independent Managing Director I
Taiwanese (Malaysian Permanent Resident) | Male | Aged 67

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

HUANG YU FEN

Non-Independent Executive Director I
Taiwanese (Malaysian Permanent Resident) | Female | Aged 43

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

HUANG KAI LIN

Alternate Director to Huang Sha (appointed w.e.f 3/10/2022)
Alternate Director to Leong Hon Chong (cessation w.e.f. 3/10/2022) |
Taiwanese (Malaysian Permanent Resident) | Male | Aged 38

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

LEONG HON CHONG

Executive Director of Wellcall Hose (M) Sdn Bhd I
Malaysian | Male | Aged 77

Directorships in Public Companies and Listed Issuers

None

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

None

Conflict of Interest with Listed Issuers

None

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

None

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (the “**Board**”) of Wellcall Holdings Berhad (“**the Company**”) recognises the importance of practicing high standards of corporate governance in the best interest of the Company and its stakeholders, and to protect and enhance shareholders’ value and the performance of the Company and its subsidiary (the “**Group**”). The Board is pleased to present this Corporate Governance (“**CG**”) Overview Statement (the “**Statement**”) to provide shareholders and investors with an overview of the CG practices adopted by the Company during the financial year ended 30 September 2022 (“**FYE 2022**”) in achieving the intended outcomes as set out in the Malaysian Code on Corporate Governance (“**MCCG**”) with reference to the following three (3) key principles, under the stewardship of the Board:

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

This statement also serves as in compliance with Rule 15.25 of Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“**Bursa Securities**”) (“**MMLR**”) and it is to be read together with the CG Report 2022 of the Company (“**CG Report**”) which is available on the Company’s website. The CG Report provides the details on how the Company has applied each Practice as set out in the MCCG during FYE 2022. The CG Report is available at <https://www.wellcallholdings.com>.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Intended Outcome

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

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

In the discharge of the Board’s duties and responsibilities, the Board has delegated certain duties and authorities to five (5) Board Committees namely, the Audit Committee (“**AC**”) Nomination Committee (“**NC**”), Remuneration Committee (“**RC**”), Risk Management Committee (“**RMC**”), Sustainability Committee (“**SSC**”) and Corporate Disclosure Committee (“**CDC**”) to assist the Board in discharging its responsibilities, overseeing the Company’s affairs and in deliberation of issues within their respective functions and terms of reference (“**TOR**”), which outlined clearly their objectives, duties and powers. The Chairman of each Committee will report to the Board on the outcome of the Committee’s meetings and resolutions, which would also include the key issues deliberated at the Committee’s meetings.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**I. BOARD RESPONSIBILITIES (CONT'D)****Intended Outcome (Cont'd)****1.0 Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company. (Cont'd)**

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

During the FYE 2022, the Board had convened a total of five (5) Board Meetings for the purposes of deliberating on the Company's quarterly financial results, the audited financial statements, business plan and development, the declaration of dividends and discussing other strategic and important matters. During the Board Meetings, the Board reviewed the operations, budget, financial position and performance of the Group and other strategic issues that may affect the Group's business. Relevant senior management members and advisors were invited to attend some of the Board Meetings to provide the Board with their views and clarifications on issues raised by the Directors. The NC was satisfied that the Directors, to the best of their ability, have devoted sufficient time and effort to attend Board and/or Board Committee meetings for the FYE 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Intended Outcome (Cont'd)

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

The attendance of Directors during the FYE 2022 is set out below:

Name	Designation	The attendance for the following type of meetings				
		Board	AC	NC	RC	RMC
Datuk Ng Peng Hong @ Ng Peng Hay ¹	Group Non-Independent Non-Executive Chairman	5/5	Not member	Not member	Not member	Not member
Huang Sha	Group Managing Director	5/5	Not member	Not member	Not member	Not member
Leong Hon Chong ²	Executive Director	5/5	Not member	Not member	Not member	Not member
Huang Yu Fen	Executive Director	5/5	Not member	Not member	Not member	Not member
Tan Kang Seng ³	Non-Independent Non-Executive Director	5/5	5/5	Not member	Not member	Not member
Tan Kang Foon ⁴	Alternate Director to Tan Kang Seng	5/5	Not member	Not member	1/1	Not member
Goh Hoon Leum	Independent Non-Executive Director	5/5	5/5	1/1	1/1	Not member
Datuk Yong Peng Tak	Senior Independent Non-Executive Director	5/5	5/5	1/1	Not member	Not member
Yang Chong Yaw, Alan ⁵	Independent Non-Executive Director	5/5	5/5	1/1	1/1	Not member
Dato' Haji Mohtar Bin Nong ⁵	Independent Non-Executive Director	5/5	Not member	Not member	Not member	Not member

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****I. BOARD RESPONSIBILITIES (CONT'D)****Intended Outcome (Cont'd)****1.0 Every company is headed by a board, which assumes responsibility for the company's leadership and is collectively responsible for meeting the objectives and goals of the company. (Cont'd)**

The attendance of Directors during the FYE 2022 is set out below: (Cont'd)

Name	Designation	The attendance for the following type of meetings				
		Board	AC	NC	RC	RMC
Huang Kai Lin ⁶	Alternate Director to Huang Sha	5/5*	Not member	Not member	Not member	2/2
Azian Binti Mohd Yusof ⁷	Independent Non-Executive Director	-	-	-	-	-
Chin Yoke Wah ⁸	Independent Non-Executive Director	-	-	-	-	-

Note

¹ Datuk Ng Peng Hong @ Ng Peng Hay was re-designated from Group Independent Non-Executive Chairman to Group Non-Independent Non-Executive Chairman on 3 October 2022.

² Mr. Leong Hon Chong was resigned as Executive Director on 3 October 2022.

³ Mr. Tan Kang Seng appointed as RC member on 3 October 2022.

⁴ Mr. Tan Kang Foon was resigned as Non-Independent Non-Executive Director, ceased as RC member and was appointed as Alternate Director to Mr. Tan Kang Seng on 3 October 2022. He was demised on 19 December 2022.

⁵ Mr. Yang Chong Yaw, Alan and Dato' Haji Mohtar Bin Nong were resigned as Independent Non-Executive Directors on 22 August 2022.

⁶ Mr. Huang Kai Lin was ceased as Alternate Director to Mr. Leong Hon Chong and was appointed as Alternate Director to Mr. Huang Sha on 3 October 2022.

⁷ Puan Azian Binti Mohd Yusof was appointed as Independent Non-Executive Director and NC member on 22 August 2022.

⁸ Mr. Chin Yoke Wah was appointed as Independent Non-Executive Director, AC and RC member on 22 August 2022.

* By invitation

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Intended Outcome (Cont'd)

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Intended Outcome (Cont'd)

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

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

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

The Board shall be apprised of any report which are serious in nature or of grave repercussions.

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

- 4.1 The Board is ultimately accountable for ensuring that sustainability is integrated into the strategic direction of the Group and its operation. The Company Secretaries presented to the Board at its meeting held on 27 August 2021 and 22 August 2022 respectively, a gap analysis study of the internal practices in the Group against the best practices in the revised Malaysian Code on Corporate Governance (“**Gap Analysis**”). The GMD together with the Executive Directors are entrusted by the Board to assist the Board to overseeing the formulation, implementation and effective management of the Group’s sustainability strategies. The GMD leads the management of the Company to review the business operation of the Group to further strengthen the sustainability framework within the organisation. The management will present an action plan to the Board to ensure the strategic plan for the Group supports long terms value creation and sustainability goals.
- 4.2 The Board has reviewed the Gap Analysis and noted that the Board needs to develop a sustainability roadmap. The GMD leads the management of the Company to review the business operation of the Group to further strengthen the sustainability framework within the organisation. The approach duly adopted by the Company to sustainability are establishment the sustainability governance, define the material matters, stakeholders engagement; and establishment of policies, practices and performance.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Intended Outcome (Cont'd)

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

- 4.3 In order to ensure the Board is kept abreast on sustainability issues which are relevant to the Group's business and operations, the Management had organised internally for the Board and the Management to attend a training programme of Sustainability Reporting (including TCFD and GHG) on 29 September 2022. In addition, the Directors and the Management had attended several training programs to gather more insights. The relevant trainings and programs as shown in the following:

Date Attended	Seminars/Courses/Training Programs
2 March 2022	TCFD Climate Disclosure Training Programme (TCFD101)
9 March 2022	TCFD Climate Disclosure Training Programme (TCFD102)
19 May 2022	Climate Change 2022: Risks, Adaption and Mitigation Implications and Way Forward
29 September 2022	Sustainability Reporting (including TCFD and GHG)

The Company Secretaries presented to the Board a Gap Analysis. The Board together with the NC will from time to time identify more program and provide update to the Board and the Management regarding the various international standards and best practices to address sustainability risks and opportunities.

- 4.4 The Company Secretaries presented to the Board at its meeting held on 22 August 2022, a Gap Analysis study of the internal practices in the Group against the best practices recommended in the revised MCCG ("**Gap Analysis**"). The Board together with the NC had reviewed the Gap Analysis. Both acknowledged that the performance of the Board and senior management in addressing the Company's material sustainability risks and opportunities. The Board has conducted a review on the current evaluation system for the Directors and the Management and the evaluation system has been revised to include their experience in sustainability. Nevertheless, the Directors' observations and the senior management's feedback had been consistent on the need for more focus and attention in Sustainability. The Sustainability Statement in the Company's Annual Report 2022 which demonstrates the strategic approach adopted by the Management in addressing risks and opportunities within Governance, Environment and Social contexts with the objective to achieve business sustainability so as to create long-term value to our shareholders and stakeholders.
- 4.5 The Company is not categorised as a "Large Company" and hence, the Company does not identify a designated person to provide dedicated focus to manage sustainability strategy.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****II. BOARD COMPOSITION****Intended Outcome****5.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights.**

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

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

Designation	Name	Directorship
Chairperson	Datuk Yong Peng Tak	Senior Independent Non-Executive Director
Member	Mr. Goh Hoon Leum	Independent Non-Executive Director
Member	Mr. Yang Chong Yaw, Alan (ceased on 22 August 2022)	Independent Non-Executive Director
Member	Puan Azian Binti Mohd Yusof (Appointed on 22 August 2022)	Independent Non-Executive Director

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

Summary activities of the NC

During the FYE 2022, the NC has undertaken the following activities in the discharge of its duties:

- (a) Annually assessment of the four Independent Directors and their tenure;
- (b) Annually assessment on the size, composition of the Board, the contribution of the Board and Board Committees as well as the effectiveness of the Board as a whole and assessment the contribution of each individual director and the performance of the Board Committees;
- (c) Reviewed and considered the Gap Analysis;
- (d) Review the term of office and performance of AC and each of its members to determine whether AC and its members have carried out their duties in accordance with the terms of reference of AC.
- (e) Discuss and consider the resignations of Mr. Yang Chong Yaw, Alan and Dato' Haji Mohtar Bin Nong as the Independent Non-Executive Directors ("INEDs") of the Company;
- (f) Reviewed and assessed the appointment of Puan Azian Binti Mohd Yusof and Mr. Chin Yoke Wah as INEDs of the Company based on the selection criteria including fit and proper, character, qualification, experience, integrity, competence, time commitment to effectively discharge their role, expertise and knowledge, professionalism, independent status test, related party and disclosure of interests and etc.
- (g) Reviewed and assessed the change of composition of the Board Committees, namely AC, NC, RC, RMC and CDC;

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Intended Outcome (Cont'd)

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

Summary activities of the NC (Cont'd)

During the FYE 2022, the NC has undertaken the following activities in the discharge of its duties: (Cont'd)

- (h) Reviewed and assessed the compliance scorecard study of the internal practices in the Group against the requirements under MMLR, MCCG, the Act and other rules and regulations;
- (i) Discussed and considered the resignation of Mr. Leong Hon Chong as Executive Director and Mr. Huang Kai Lin's cessation as Alternate Director to Mr. Leong Hon Chong
- (j) Discussed and considered the resignation of Mr. Tan Kang Foon as Non-Independent Non-Executive Director ("**NINED**");
- (k) Discussed and considered the appointment of Mr. Tan Kang Foon as Alternate Director to Mr. Tan Kang Seng;
- (l) Reviewed and considered the re-designation of Datuk Ng Peng Hong @ Ng Peng Hay as Group Non-Independent Non-Executive Chairman;
- (m) Reviewed and considered the directorship of Mr. Goh Hoon Leum, the INED who has served on the Board for more than 12 years. The NC has assessed the independence of Mr. Goh Hoon Leum who has served for a cumulative term of more than 12 years. To promote board quality and strengthen board independence, the NC has recommended to the Board that he continues to act as INED of the Company until 31 May 2023. After taking into the consideration the provision of the MMLR and based on the justifications in the CG Report and the Statement Accompanying the Notice of the 17th AGM of the Company, the Board recommended him to continue act as INED of the Company subject to the approval from the Shareholders of the Company through a two-tier voting process pursuant to Practice No. 5.3 of the MCCG.
- (n) Reviewed and considered the current women representation in the Board.

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

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

Upon assessing the training needs of the Directors, the Board recognised that continuing education would be the way forward in ensuring its members are continually equipped with the necessary skills and knowledge to meet the challenges ahead. During the FYE 2022, the Directors have attended at least one (1) training program.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)**PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****II. BOARD COMPOSITION (CONT'D)****Intended Outcome (Cont'd)****5.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. (Cont'd)**

The training programs and seminars attended by the Directors during the FYE 2022 were as follows:

Directors#	Seminars/Conferences/Training Programmes Attended	Date Attended
Datuk Ng Peng Hong @ Ng Peng Hay	Sustainability Reporting (including TCFD and GHG)	29 September 2022
Huang Sha	Sustainability Reporting (including TCFD and GHG)	29 September 2022
Leong Hon Chong	Sustainability Reporting (including TCFD and GHG)	29 September 2022
Huang Kai Lin	Sustainability Reporting (including TCFD and GHG)	29 September 2022
Huang Yu Fen	Kursus Ejen Kastam (KEK) Eksekutif Siri 8/2022	18 July 2022 to 28 July 2022
	Anti-Bribery and Anti-Corruption Training	24 September 2022
	Sustainability Reporting (including TCFD and GHG)	29 September 2022
Tan Kang Seng	Sustainability Reporting (including TCFD and GHG)	29 September 2022
Mr. Goh Hoon Leum	TCFD Climate Disclosure Training Programme (TCFD101)	2 March 2022
	TCFD Climate Disclosure Training Programme (TCFD102)	9 March 2022
	Sustainability Reporting (including TCFD and GHG)	29 September 2022

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Intended Outcome (Cont'd)

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

The training programs and seminars attended by the Directors during the FYE 2022 were as follows: (Cont'd)

Directors#	Seminars/Conferences/Training Programmes Attended	Date Attended
Datuk Yong Peng Tak	Invest Malaysia 2021 Virtual Series 2	9 November 2021
	CGS-CIMB 14th Annual Malaysia Virtual Corporate Day 2022	6 January 2022
	CGS-CIMB 2nd Malaysia Investor Virtual Corporate Day	19 July 2022
	Sustainability Reporting (including TCFD and GHG)	29 September 2022
Tan Kang Foon [^]	Climate Change 2022: Risks, Adaption and Mitigation Implications and Way Forward	19 May 2022
	Sustainability Reporting (including TCFD and GHG)	29 September 2022
Puan Azian Binti Mohd Yusof [*]	Climate Change 2022 Impacts, Adaptation and Mitigation – Akademi Sains Malaysia and Universiti Kebangsaan Malaysia	19 May 2022
	Total Climate Finance Disclosure (TCFD 102) – UN SSE Initiatives	9 September 2022
	Sustainability Reporting (including TCFD and GHG)	29 September 2022
Mr. Chin Yoke Wah [*]	Mandatory Accreditation Programme	21 November 2022 and 22 November 2022
	Sustainability Reporting (including TCFD and GHG)	29 September 2022

Remarks:

- # Both Mr. Yang Chong Yaw, Alan and Dato' Haji Mohtar Bin Noor resigned as INEDs on 22 August 2022
[^] demised on 19 December 2022.
^{*} appointed with effect from 22 August 2022.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**II. BOARD COMPOSITION (CONT'D)****Intended Outcome (Cont'd)****5.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. (Cont'd)**

5.2 The Board composition has been revised as follows:-

- (a) Appointment of two (2) new INEDs, namely Puan Azian Binti Mohd Yusof and Mr. Chin Yoke Wah with effect from 22 August 2022 respectively;
- (b) The resignations of Mr. Yang Chong Yaw, Alan and Dato' Haji Mohtar Bin Noor as INEDs with effect from 22 August 2022;
- (c) The resignation of Mr. Leong Hon Chong as Executive Director with effect from 3 October 2022;
- (d) Mr. Huang Kai Lin has ceased to be Alternate Director to Leong Hon Chong and appointed as the Alternate Director to Huang Sha with effect from 3 October 2022; and
- (e) The resignation of Mr. Tan Kang Foon as NINED and appointed as Alternate Director to Tan Kang Seng with effect from 3 October 2022. Mr. Tan Kang Foon was demised on 19 December 2022.

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

After the Revision of the Board Composition, the Board size has been reduced from 10 to 8 members which half of the Board to comprise INEDs. The current Board composition is in line with the MCCG's recommendation to have at least half of the Board to comprise INEDs. The INEDs and the Non-Independent Non-Executive Chairman who form a majority of the Board size, make a positive contribution and development of the Company's strategy and policies through their independent, constructive and informed judgement.

5.3 The following are the tenure of the Independent Directors of the Company:-

- (a) Mr. Yang Chong Yaw, Alan was first appointed to the Board on 17 April 2006 and he had served the Board as INED for more than 12 years before he resigned as the Director of the Company on 22 August 2022.
- (b) Dato' Haji Mohtar Bin Nong was first appointed to the Board on 17 April 2006 and he had served the Board as INED for more than 12 years before he resigned as the Director of the Company on 22 August 2022.
- (c) Datuk Ng Peng Hong @ Ng Peng Hay was first appointed to the Board on 17 April 2006 and he had served the Board for more than 12 years before he re-designated from Group Independent Non-Executive Chairman to Group Non-Independent Non-Executive Chairman on 3 October 2022.
- (d) Mr. Goh Hoon Leum was first appointed to the Board on 8 December 2010 and he had served the Board as INED for more than 12 years.
- (e) Datuk Yong Peng Tak was first appointed to the Board on 1 April 2015 and he had served the Board as INED for more than 7 years.
- (f) Both Puan Azian Binti Mohd Yusof and Mr. Chin Yoke Wah were appointed as the new INEDs on 22 August 2022 respectively, which their tenures in the Board are less than 1 year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**II. BOARD COMPOSITION (CONT'D)****Intended Outcome (Cont'd)****5.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. (Cont'd)****5.3 The following are the tenure of the Independent Directors of the Company:- (Cont'd)**

At the Company's 16th Annual General Meeting of the Company, the Company had obtained shareholders' approval for the retention of Mr. Yang Chong Yaw, Alan, Mr. Goh Hoon Leum, Datuk Ng Peng Hong @ Ng Peng Hay and Dato' Haji Mohtar Bin Nong as INEDs of the Company. During the year, the NC has conducted an annual assessment of the independence status of the Independent Directors, inter-alia their skills, experience and contributions, and whether the Independent Directors were able to discharge their duties with fair judgment. The NC and Board also review the tenure of the Directors and the Board composition to ensure the Board has an appropriate mix of skills and experience for the requirements of the business. The retiring Directors who are INEDs have provided their confirmation that they fulfilled the independence criteria prescribed by MMLR. They have confirmed that they do not have any existing or potential conflict of interest, business or family that could affect the execution of their role as Directors. Mr. Goh Hoon Leum, the INED who has served on the Board for more than 12 years after 8 December 2022. The Board upon the recommendation from the NC of the Company, therefore, considers him to be independent until 31 May 2023. After taking into the consideration the provision of the MMLR and based on the justifications in the CG Report and the Statement Accompanying the notice of the 17th AGM of the Company, the Board recommended him to continue act as INED of the Company subject to the approval from the Shareholders of the Company through a two-tier voting process pursuant to Practice No. 5.3 of the MCCG. Both Mr. Yang Chong Yaw, Alan and Dato' Haji Mohtar Bin Nong had stood down as INEDs of the Company and in place by Puan Azian Binti Mohd Yusof and Mr. Chin Yoke Wah as the new INEDs of the Company. The Board has approved the re-designation of Datuk Ng Peng Hong @ Ng Peng Hay from Group Independent Non-Executive Chairman to Group Non-Independent Non-Executive Chairman with effect from 3 October 2022 and his re-designation has in compliance with the provision of the MMLR.

5.4 The Board has not set a policy which limits the tenure of its independent directors to nine (9) years without further extension. If the Board intends to retain an independent director beyond nine (9) years, it should provide justification and seek annual shareholders' approval through a two-tier voting process pursuant to the MCCG. The tenure of an Independent Director on the Board of the Company shall be limited to twelve (12) years in the Company and its subsidiaries pursuant to MMLR. If any Independent Director had cumulatively served as an Independent Director of the Company or any one or more of the subsidiaries of the Company for more than twelve (12) years, such Independent Director may continue to serve on the Board as non-independent director. The re-designation of Datuk Ng Peng Hong @ Ng Peng Hay as the Non-Independent Non-Executive Chairman has applied the best practice advocated under Practice 5.4 of the MCCG.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**II. BOARD COMPOSITION (CONT'D)****Intended Outcome (Cont'd)****5.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. (Cont'd)**

5.5 The Company practices a formal and transparent procedure for the appointment and re-election of directors and the Board diversity. The Board is supportive of diversity on the Board and Senior Management team. The appointment and re-election of directors and senior management and the Board diversity is done in accordance with the Board Charter and also the TOR of the NC of the Company governing the Board of Directors, both of which are available on the Company's website. The details of diversity in the age, gender, race/ethnicity and nationality of the existing Board and Key Senior Management as at 30 September 2022 are set out in the CG Report of the Company

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

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

The Board has on 22 August 2022 appointed Puan Azian Binti Mohd Yusof as the additional woman director on Board and the women representation in the Board of the Company has been increased from 10% to 25%. The Board has also directed the management of the Company to continuously assess its current diversity levels of the Group and consider linking achievement of the measurable objective to be established by the Board. Consideration must be given to all recommendations to the Board the establishment of the measurable diversity objectives and also that to link the achievement of these measurable objectives to key performance indicators of the Company.

During the financial year under review, the Group has achieved 26.1% of women employees from the total workforce of the Group. The NC shall review and monitor from time to time the status of the diversity level. Insofar as board diversity is concerned, the Board does not discriminate on the basis of age, gender, physical disability or religion. The evaluation of the suitability of candidates for filling of casual vacancy, re-election or re-appointment is solely based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company, including, where appropriate, the ability of the candidates to act as Independent Non-Executive Directors, as the case may be.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Intended Outcome (Cont'd)

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

5.5 The NC has also taken this into consideration when assessing the performance of the Directors. The diverse backgrounds of the Board of the Company by gender, age and races as at 30th September, 2022 is as follows:-

Age (Years)	20 – 40		41 – 60		61 above		Total
	M	C	M	C	M	C	
Race	%	%	%	%	%	%	%
Male	-	27.3	-	18.2	-	36.4	81.8
Female	-	-	-	9.1	9.1	-	18.2

The total workforce of the Group by gender, age and races as at 30th September, 2022 are as follows:-

Age (Years)	18 – 30				31 – 40				41 above				Total
	M	C	I	O	M	C	I	O	M	C	I	O	
Race	%	%	%	%	%	%	%	%	%	%	%	%	%
Male	3.7	0.6	0.3	29.0	3.4	2.3	1.1	13.2	4.6	6.3	3.2	6.0	73.9
Female	3.2	1.1	1.7	0.9	4.3	0.9	1.1	0.3	4.6	3.4	4.0	0.6	26.1
Total	6.9	1.7	2.0	29.9	7.8	3.2	2.3	13.5	9.2	9.8	7.2	6.6	100.0

Remarks:

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

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

5.7 Pursuant to the provisions of the Constitution of the Company, the following Directors who are due for retirement and being eligible, have offered themselves for re-election in accordance with the Company's Constitution at the Seventeenth Annual General Meeting ("17th AGM") of the Company:

- Mr. Tan Kang Seng pursuant to Clause 89 of the Constitution of the Company;
- Mr. Goh Hoon Leum pursuant to Clause 89 of the Constitution of the Company;
- Puan Azian Binti Mohd Yusof pursuant to Clause 96 of the Constitution of the Company; and
- Mr. Chin Yoke Wah pursuant to Clause 96 of the Constitution of the Company.

The Board has established an annual performance evaluation process to assess the performance of each director. Each Director conducts a peer assessment of the other Directors. Taking into consideration the Directors' Self and Peer Assessment results which were satisfactory, the Board of Directors upon recommended by the NC resolved to approve and support the re-election and re-appointment of the aforesaid Directors and submitted its recommendation to the shareholders for approval at the 17th AGM.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**II. BOARD COMPOSITION (CONT'D)****Intended Outcome (Cont'd)****5.0 Board decisions are made objectively in the best interests of the Company taking into account diverse perspectives and insights. (Cont'd)**

5.8 The NC is chaired by Datuk Yong Peng Tak, the Senior Independent Non-Executive Director.

5.9 The Board comprises approximately 25% women directors after the appointment of Puan Azian Binti Mohd Yusof and the revised Board composition.

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

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

6.1 The Board through NC had on 22 August 2022 conducted the following annual assessments and evaluation of the performance to determine the effectiveness of the Board and Board Committees as well as each individual Directors for the FYE 2022. The process was carried out via digital assessment forms sent to Directors pertaining to the following evaluation:

(a) Performance Evaluation for the Board and Board Committees

All Directors had participated the assessment on the performance of the Board and Board Committees of the Company for the FYE 2022 comprising the following seven (7) areas:

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

(b) Performance Evaluation for Individual Director

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Intended Outcome 6.0 (Cont'd)

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

6.1 The Board through NC had on 22 August 2022 conducted the following annual assessments and evaluation of the performance to determine the effectiveness of the Board and Board Committees as well as each individual Directors for the FYE 2022. The process was carried out via digital assessment forms sent to Directors pertaining to the following evaluation: (Cont'd)

- (e) reviewed the terms of office and effectiveness of the AC as a whole and the performance of individual AC Members;
- (f) reviewed and assessed the independence of INED;
- (g) reviewed and recommended the re-election of retiring Directors at the forthcoming Annual General Meeting; and
- (h) reviewed the TOR of the NC.

Based on the aforesaid evaluations conducted, NC and the Board were satisfied with the performance of each Director, the Board as a whole, and Board Committees for the FYE 2022.

III. REMUNERATION

Intended Outcome 7.0

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

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

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

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)**III. REMUNERATION****Intended Outcome 7.0 (Cont'd)**

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

Designation	Name	Directorship
Chairperson	Mr. Goh Hoon Leum	Independent Non-Executive Director
Member	Mr. Tan Kang Seng (Appointed on 3/10/2022)	Non-Independent Non-Executive Director
Member	Mr. Tan Kang Foon (Ceased on 3/10/2022 and Demised on 19/12/2022)	Non-Independent Non-Executive Director
Member	Mr. Yang Chong Yaw, Alan (Ceased on 22/08/2022)	Independent Non-Executive Director
Member	Mr. Chin Yoke Wah (Appointed on 22/08/2022)	Independent Non-Executive Director

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

Intended Outcome 8.0

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

- 8.1 The detailed disclosure on named basis of the remuneration of individual Directors and the breakdown of the remuneration of each individual Directors from the Company for the FYE 2022 is disclosed in the CG Report of the Company FYE 2022.
- 8.2 The Company has disclosed the senior management's remuneration component in bands of RM50,000 but not on named basis as the Board considers the information sensitive and proprietary since the Group's business operates in a competitive market. Besides, the issue of personal security is also taken into consideration and may be wrongly used or quoted by certain parties. The top five senior management's remuneration in bands of RM50,000 is set out in the CG Report of the Company.
- 8.3 The detailed remuneration of each member of senior management on a named basis will not be disclosed for confidentiality purposes.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

Intended Outcome 9.0

There is an effective and independent AC.

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

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

- 9.1 The AC is chaired by Mr. Goh Hoon Leum, who is an INED, while the Chairman of the Board is Datuk Ng Peng Hong @ Ng Peng Hay, the Group Non-Independent Non-Executive Chairman. This ensured that the objectivity of the Board's review of AC's findings and recommendations is not impaired.
- 9.2 The AC has adopted a policy that requires a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as an AC member. The policy had been codified in TOR of AC of the Company by the Board. The TOR of AC is available at the Company's website.
- 9.3 The AC has in place procedures to continuously monitor and undertake an annual assessment of the suitability, objectivity and independence of the external auditors as well as to make subsequent recommendations to the Board on the appointment, re-appointment or termination of the external auditors in compliance with its TORs. During the FYE 2022, the Company has received a notice in writing ("**Notice**") on 12 September 2022 from Messrs. Ong & Wong, Chartered Accountant (AF0241), the external auditors of the Company ("**Auditors**") on their resignation as the external auditors of the Company. The Auditors were re-appointed as the Auditors of the Company at the last Annual General Meeting ("**AGM**") of the Company held on 21 February 2022 to hold office until the conclusion of the next Annual General Meeting of the Company. The Auditors have tendered their resignation due to the Audit Oversight Board has notified the Auditors that they are prohibited from auditing financial statements of Public Interest Entities for twelve (12) months commencing from 7 September 2022. The Company has identified Messrs. Ecovis Malaysia PLT ("**Ecovis**") as the replacement Auditors during the FYE 2022. The AC has conducted an assessment on the suitability, objectivity and independence of the external auditors, Ecovis and Ecovis has given their consent to act as auditors of the Company pursuant to Section 264(5) of the Companies Act 2016 via their letter dated 29 September 2022. Hence, Ecovis has been appointed as the Auditors of the Company for the financial year ended 30 September 2022 and to hold office until the conclusion of the next Annual General Meeting of the Company. Ecovis has indicated their willingness for seeking for re-appointment at the forthcoming 17th AGM of the Company. The resolution for re-appointment of Ecovis's appointment as the external auditors of the Company will be tabled for approval by the shareholders at forthcoming 17th AGM of the Company.
- 9.4 The AC comprises of four (4) members who are Non-Executive Directors of the Company. Three (3) members are INEDs and one (1) is a NINED.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (CONT'D)**I. AUDIT COMMITTEE (CONT'D)****Intended Outcome 9.0 (Cont'd)**

9.5 The NC conducted the following reviews of AC for FYE 2022:

- (a) its composition in accordance with MMLR;
- (b) the terms of office of the AC members; and
- (c) the performance of the AC and its members.

Mr. Yang Chong Yaw, Alan, the former AC member is a member of CPA Australia as specified in Part II of the First Schedule of the Accountants Act, 1967, thereby fulfilling the financial expertise requisite pursuant to Paragraph 15.09(1)(c) of the MMLR. Datuk Yong Peng Tak, the AC member is a member of the Chartered Financial Analyst Institute (previously known as the Institute of Chartered Financial Analysts), United States of America, since 1995 and a Fellow member of the Institute of Singapore Chartered Accountants, Singapore, since 2005. He has approximately 31 years of experience in investment management and financial advisory services. With his qualification and past experience, he has fulfilled the requirements under Paragraph 7.1(a) (ii) of the Practice Note 13 of MMLR. The other two (2) members of AC are not members of any professional accounting bodies. All four (4) members of AC kept abreast of developments in accounting and auditing standards, practices and rules through updates from our external auditors of changes in accounting and auditing standards. All members of AC have also undertaken and will continue to undertake continuous professional development to keep update relevant developments in accounting and auditing standards, practices and rules.

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

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK**Intended Outcome 10.0**

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

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

- 10.1 The Board Charter sets out that the Board is responsible for the system internal control and risk management of the Group. The Board, through RMC, monitors risks and internal control. The Board has established a Risk Management Framework.
- 10.2 The Board has established an Enterprise Risk Management Policy ("**ERM Policy**"). The Board, through the RMC, monitors risks and internal control via an Enterprise Risk Management Framework, which is a comprehensive report tabling the current status, action taken and conclusion of the key risks identified in twice a year. The ERM Policy is available on the Company's website.
- 10.3 The Group through its subsidiary had formed a RMC that comprises the management and different levels of positions across the subsidiary. The RMC is chaired by the General Manager, also one of the key senior management and a Director of the subsidiary. The Group would include the members of INED as part of the RMC in the coming financial year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

Intended Outcome 11.0

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

- 11.1 The internal audit function of the Group is carried out by an outsourced professional service firm, Needsbridge Advisory Sdn Bhd (“**Needsbridge**”). The outsourced Internal Auditors report directly to the AC and provides the AC and the Board with much of the assurance it requires in respect of the adequacy and effectiveness of the Group’s system on the risk management and internal control. The internal audit function is independent and the internal audit assignments are performed with impartiality, proficiency and due professional care. The internal audit review of the Group’s operations encompasses independent assessment of the adequacy of the internal control system and the auditee company’s compliance with its internal control system and recommendations are made for further improvement. During the FYE 2022, the AC has reviewed and assessed the adequacy of the scope, functions, competency and resources of the outsourced Internal Auditors and that they have the necessary authority to carry out their work.
- 11.2 The outsourced internal audit function is led by the engagement director, Mr. Pang Nam Ming, who is a Certified Internal Auditor and Certification in Risk Management Assurance accredited by the Institute of Internal Auditors Global and a professional member of the Institute of Internal Auditors Malaysia. He has a vast experience and exposure in auditing as well as corporate governance to act as an independent internal auditor. An evaluation on the competency and interviews had been carried out prior to the engagement of the internal auditors. The internal audit was led by a qualified partner and managers as well as experience personnel to carry out the internal audit review in FYE 2022. All the internal audit personnel involved are free from any relationships or conflicts of interest, which could impair their objectivity and independence. The internal audits are carried out, in material aspects, in accordance with the International Professional Practices Framework (“IPPF”), i.e. Mission, Core Principles for the Professional Practice of Internal Auditing, Code of Ethics and the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors Global.

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

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

I. COMMUNICATION WITH STAKEHOLDERS

Intended Outcome 12.0

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)**PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)****I. COMMUNICATION WITH STAKEHOLDERS (CONT'D)****Intended Outcome 12.0 (Cont'd)**(a) The Company's corporate website

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

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

(b) Email and face-to-face communications

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

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

(c) Annual General Meeting ("**AGM**")

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

(d) Press release

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

(e) Periodic and Continuous Disclosures

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT
(CONT'D)

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

I. COMMUNICATION WITH STAKEHOLDERS (CONT'D)

Intended Outcome 12.0 (Cont'd)

(f) Investors' Relation

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

(g) Minutes of the General Meeting

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

12.2 The Company is not categorised as a "Large Company" and hence, has not adopted integrated reporting based on a globally recognised framework.

II. CONDUCT OF GENERAL MEETINGS

Intended Outcome 13.0

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

13.1 The AGM provides an opportunity for the shareholders to seek and clarify any issues pertaining to the Group and to have a better understanding of the Group's activities and performance. Both individuals and institutional shareholders are encouraged to meet and communicate with the Board at the AGM and to vote on all resolutions. The Annual Report, which contains the Notice of 16th AGM, was provided to shareholders at least twenty-eight (28) days prior to the date of the meeting to give sufficient time to shareholders to consider the resolutions that will be discussed and decided at the AGM. The Notice of AGM, which sets out the businesses to be transacted at the AGM, was also published in a major local newspaper. The notes to the Notice of AGM also provide the necessary explanation for each resolution proposed to enable shareholders to make informed decisions in exercising their voting rights.

13.2 All Directors of the Company had attended the 16th AGM of the Company which was held on 21 February 2022 on a fully virtual basis to engage with the shareholders proactively. In compliance with the MCCG, all Directors of the Company had attended the 16th AGM and the Chair of the AC, NC, RC and RMC have provided meaningful responses to the questions addressed to them.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)**II. CONDUCT OF GENERAL MEETINGS****Intended Outcome 13.0 (Cont'd)**

- 13.3 Shareholders who wish to attend AGM/general meetings are given at least twenty-eight (28) days, to ensure that shareholders are able to make the necessary arrangements to attend general meetings, review agenda items, and formulate questions, if any. Where they are not able to attend, they may appoint proxies to attend on their behalf to vote and represent them. At its fully virtual 16th AGM, the Company has leveraged on technology to facilitate remote shareholders' participation and electronic voting for the conduct of poll on the resolution. A short video by the Poll Administrator has been played to demonstrate to the members, corporate representatives or proxies who has presented at the 16th AGM on the process for online voting. The voting session has commenced from the time as announced by the Chairman until the close of the voting session as announced by the Chairman later. The scrutineers have verified and announced the poll results for each resolution with the details of votes for in favour and against. The Chairman thereafter declared the poll results and the same has been made available at the Company's website for the benefit of all shareholders.
- 13.4 The Chairman of the Board, all the Directors and Chairperson of the Board Committees have attended at the 16th AGM of the Company, which was held as fully virtual meeting through live streaming and online remote participation and voting facilities from the broadcast venue on 21 February 2022 to engage with the shareholders virtually and proactively. The Administrative Guides for the 16th AGM has been circulated to all shareholders of the Company and made available at the Company's website for the procedures to register, participate and vote remotely at the 16th AGM through the remote participating and voting facilities. Shareholders can raise their questions or issues or seek explanation from the Board or the Management at the 16th AGM.
- 13.5 The 16th AGM of the Company was held on 21 February 2022 as fully virtual meeting through live streaming and online remote voting from the broadcast venue to ensure safe distancing requirement is observed. The Board has appointed a Poll Administrator to verify the eligibility of shareholders/corporate representatives/proxies to attend the 16th AGM based on the Annual General Meeting's Record of Depositors and upon the cut-off date and time for proxy form submission. The shareholders who are not able to attend the 16th AGM can appoint their proxy or appoint the Chairman as their proxy to attend and vote on his/her behalf provided that the relevant proxy form is lodged at the Company's Share Registrar's office at least forty-eight (48) hours before the 16th AGM. Shareholders who participated at the 16th AGM virtually, were able to speak (including posing questions to the Board via real time submission of typed texts) and also voted remotely via the Remote Participation and Voting ("RPV") facility.
- 13.6 Upon the conclusion of 16th AGM, the Company has uploaded the list of questions posed by shareholders via the RPV facilities together with the answers responded by the Board and Management on the Company's website within thirty (30) business days. To uphold the best practice as per MCCG, in the coming 17th AGM to be held on 24 February 2023, the Company will publish the 17th AGM minutes no later than 30 business days after the 17th AGM on the Company's website.

The Corporate Governance Overview Statement and the Corporate Governance Report are made in accordance with a resolution of the Board of Directors passed on 16 January 2023.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to paragraph 15.26(b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad and is guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers and the Malaysian Code on Corporate Governance, the Board of Directors (“the Board”) is pleased to present and disclose this statement for the financial year ended 30th September 2022. The scope of this Statement includes the Company and its wholly-owned subsidiary.

BOARD’S RESPONSIBILITY

The Board’s responsibilities for risk management and internal control includes the following: -

- Maintaining an adequate and sound system of risk management and internal control, and for reviewing its adequacy and integrity to safeguard shareholders’ investment and the Group’s assets;
- Establishes risk appetite of the Group based on the mission, vision, core values, strategies, business objectives, business context, business nature and corporate life cycle;
- Review of the Group’s risk management and system of internal control is a concerted and continuing process;
- In the pursuit of the objective, the Directors shall aware that the internal control system is designed to manage rather than eliminate the risk of failure to achieve the Group’s objectives and can only provide reasonable and not absolute assurance against material misstatement of management and financial information or against financial losses and fraud; and
- The Group’s system of risk management and internal control applies principally to the Group and its subsidiaries but do not apply to the associate. The Group’s interest in the associate is served through Board representation. This representation also provides the Board with timely information on the financial performance of the associate.

RISK MANAGEMENT GOVERNANCE AND SYSTEM

The Board recognises the importance to manage risk to safeguard shareholders’ investment and the Group’s assets. We have developed a framework, to identify and evaluate significant business risks faced by the Group to manage the risks. The framework is also designed to ensure proper management of the risks that may impede the achievement of the Group’s goals and objectives.

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

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

RISK MANAGEMENT GOVERNANCE AND SYSTEM (CONT'D)

This ERM Policy enables the Management to identify, evaluate, monitor and manage all key risks faced by the Group. This statement on Risk Management and Internal Control does not deal with associated company as the Group does not have management control over their operations.

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



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

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

The above process has been practiced by the Group for the financial year under review and up to the date of approval of this statement.

INTERNAL AUDIT GOVERNANCE

The Group's internal audit function is outsourced to NeedsBridge Advisory Sdn. Bhd., which is guided by the International Professional Practices Framework established by the Institute of Internal Auditors Global, in carrying out internal audit assignments. The Internal Auditors reports directly to the Audit Committee to provide the Audit Committee with the assurance required regarding the adequacy and integrity of the Group's system of internal control. The engagement director of the outsourced internal auditors, namely, Mr. Pang Nam Ming, is a Certified Internal Auditor and Certification in Risk Management Assurance accredited by the Institute of Internal Auditors Global and a professional member of the Institute of Internal Auditors Malaysia. During the financial year under review, the resources allocated to the fieldworks of the internal audit by the outsourced internal audit function were one (1) senior manager, assisted by at least one (1) senior consultant and one (1) consultant per one (1) engagement with oversight performed by the engagement director. The internal audits are carried out, in material aspects, in accordance with the International Professional Practices Framework ("IPPF") and the International Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors Global.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

(CONT'D)

INTERNAL AUDIT GOVERNANCE (CONT'D)

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

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

- Conducted three (3) cycles of internal audit on treasury management, inventory and goods delivery management and production management;
- Conducted one (1) cycle of review of recurrent related party transactions;
- Conducted follow-up review on issues raised in preceding cycles of internal audit to assess the implementation status of Management's action plans;
- Engaged with Executive Directors and Management on the outcome of the internal audit/review and follow-up;
- Reported to the Audit Committee, highlighting the results of internal audit/review conducted during the financial year and status of Management's action plans in addressing issues highlighted in preceding cycles of internal audit; and
- Reported to the Audit Committee its staff strength, qualification and experience as well as continuous professional education for the Audit Committee to review.

Risk-based internal audit plan in respect of financial year ended 30 September 2022 was drafted by the outsourced internal audit function, after taking into consideration the existing and emerging key business risks, the Senior Management's opinion and the previous internal audits performed, and was reviewed by the Audit Committee and approved by the Board prior to execution. Each internal audit cycles within the internal audit plan are specific with regards to audit objective, key risks to be assessed and scopes of the internal control review.

INTERNAL CONTROL SYSTEM

Internal controls are important to support the function of the risk management system. The Group continually reviews and enhances its internal control procedures with the recommendation of auditors. The key features of the control framework and procedures in the Group are as follows: -

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

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

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

In accordance to the Guideline of Bursa Securities, Management is responsible to the Board for identifying risks relevant to the business of the Group's objectives and strategies; implementing and maintaining sound systems of risk management and internal control; and monitoring and reporting to the Board of significant control deficiencies and changes in risks that could significantly affect the Group's achievement of its objective and performance.

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

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

The Board is of the view that the Group's system of internal control and risk management for the year under review and as at the date of this statement is sound and adequate to safeguard the shareholders' investments and the Group's assets. However, the Board is also cognizant of the fact that the Group's system of internal control and risk management practices must continuously evolve to meet the changing and challenging business environment. Therefore, the Board will, when necessary, put in place appropriate action plans to further enhance the Group system of internal control and risk management framework. However, stakeholders should note that all risk management and internal control systems could only manage rather than eliminate risks of failure to achieve business objectives. Therefore, these systems can only provide reasonable but not absolute assurance against material misstatements of frauds and losses.

REVIEW BY THE EXTERNAL AUDITORS

As required by Paragraph 15.23 of Main Market Listing Requirements of Bursa Securities, the External Auditors have review this Statement on Risk Management and Internal Controls pursuant to the scope set out in the Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in Annual Report issued by the Malaysian Institute of Accountants for inclusion in Annual Report for the financial year ended 30 September 2022. Based on their procedures performed, nothing has come to their attention that caused them to believe that this statement is not prepared, in all material respect, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Controls: Guidance for Directors of Listed Issuers to be set out, nor is factually inaccurate.

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

This Statement is issued in accordance with a resolution of the Board dated 16 January 2023.

AUDIT COMMITTEE REPORT

The Board of Directors (“the Board”) is pleased to present the following Audit Committee Report and its summary of work for the financial year ended 30th September, 2022.

1. COMPOSITION AND DESIGNATION

The Audit Committee for the financial year ended 30th September 2022 comprises the following members: -

Chairman

Goh Hoon Leum (*Independent Non-Executive Director*)

Member

- (i) Datuk Yong Peng Tak (*Senior Independent Non-Executive Director*) ^{*(1)}
- (ii) Tan Kang Seng (*Non-Independent Non-Executive Director*)
- (iii) Chin Yoke Wah (*Independent Non-Executive Director*) (*appointed w.e.f. 22/8/2022*)
- (iv) Yang Chong Yaw, Alan (*Independent Non-Executive Director*) (*ceased w.e.f. 22/8/2022*)

The members of the Audit Committee comprise wholly Non-Executive Directors. The composition of the Audit Committee has complied with Paragraph 15.09 of the MMLR and Practice 1.4 of the MCCG.

Members of the Committee are financially literate, with diverse background, experience and knowledge in accountancy, business management, commercial and corporate laws.

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

2. TERMS OF REFERENCE

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

AUDIT COMMITTEE REPORT
(CONT'D)**3. ATTENDANCE OF MEETINGS**

During the financial year ended 30th September 2022, the Audit Committee held five (5) meetings to discuss matters relating to the accounting, operating procedures, internal control, reporting, and compliance practices of the Group and the Company. Details of attendance of each Audit Committee member are as follows: -

Members	Position	No. of Meetings Attended	Percentage (%)
Goh Hoon Leum <i>Chairman</i>	Independent Non-Executive Director	5/5	100%
Datuk Yong Pek Tak <i>Member</i>	Senior Independent Non-Executive Director	5/5	100%
Tan Kang Seng <i>Member</i>	Non-Independent Non- Executive Director	5/5	100%
Yang Chong Yaw, Alan <i>Member</i> (ceased w.e.f. 22/8/2022)	Independent Non-Executive Director	5/5	100%
Chin Yoke Wah <i>Member</i> (appointed w.e.f. 22/8/2022)	Independent Non-Executive Director	0/0	-

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

- 29th November, 2021,
- 10th January, 2022,
- 21st February, 2022,
- 27th May, 2022, and
- 22nd August, 2022.

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

AUDIT COMMITTEE REPORT

(CONT'D)

4. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 30th September 2022, the Audit Committee had discharged its functions and carried out its duties as set out in Term of Reference which is published on our website at www.wellcallholdings.com. The terms of reference of the Audit Committee were last reviewed in, and adopted on 29th November 2022 which is in line with MMLR and MCGG. The Audit Committee had also met up the External Auditors without the presence of all the Executive Directors of the Company during the financial year.

The following activities were undertaken by the Audit Committee for the financial year ended 30th September 2022: -

Financial Results

- reviewed the unaudited quarterly results of the Group focusing particularly on the significant and unusual events before recommending them for approval by the Board for announcement to Bursa Malaysia Securities Berhad;
- reviewed the External Auditors' reports in relation to audit and accounting issues arising from the audit;
- updates of new developments on accounting standards issued by the Malaysian Accounting Standards Board ("MASB") prior to submission to the Board for approval; and
- ensure the financial reporting and disclosures requirements are in compliance with: -
 - Provision of Companies Act 2016;
 - Listing Requirements of Bursa Malaysia Securities Berhad;
 - Applicable approved accounting standards in Malaysia; and
 - Other legal and regulatory requirements.

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

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

Dividend Declaration

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

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

Internal Audit

The Audit Committee and Management work closely with the outsourced internal audit function to review the internal control issues and ensure that significant issues are brought to the attention of the Board. The activities carried out by the Audit Committee when reviewing the internal audit during the financial year under review includes the following: -

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

External Audit

The activities carried out by the Audit Committee when reviewing the external audit planning memorandum and the independence of the External Auditors during the financial year under review includes the following: -

- reviewed and discussed with External Auditors' audit planning memorandum, audit strategy and scope of the year;
- reviewed annual audited financial statements of the Group and Company prior to submission to the Board for approval;
- reviewed and discussed External Auditors' observations, the key audit matters, the results of the annual audit, audit report and management letter together with management's response to the findings before recommending to the Board for approval;
- assessed and discussed the performance and effectiveness of the External Auditors, including the independence, objectivity and professional scepticism, communication interaction, audit finalization, the quality of skills and capabilities of audit team, sufficient of resources and terms of engagement. The Audit Committee is satisfied with the performance of the External Auditor and recommended the audit fee payable for the Board approval as well as recommending them to be re-appointed at the forthcoming Annual General Meeting;

AUDIT COMMITTEE REPORT
(CONT'D)

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

External Audit (Cont'd)

- met thrice during and after the financial year, on and respectively, with External Auditors without the presence of management to discuss with them problems arising from the audit and to reinforce the independence of the external audit function of the Company and the Group. There were no major issues highlighted by them.
- Reviewed and approved the resignation of existing external auditors and appointment of new external auditors.

Risk Management Function

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

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

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

Related Parties Transactions

- reviewed the related party transactions are comply with Malaysian Accounting Standards Board and MMLR.
- reviewed the related party transactions during the financial year under review and was satisfied that the related party transactions were transacted on an arm's length basis and on normal commercial terms which are not unfavorable to the Group nor detrimental to the minority shareholders' interest of the Company; and
- reviewed the Related Party Transactions Policy and Procedures before tabling to the Board for approval and adoption.
- Announcements had been released pursuant to the requirement of MMLR if it is necessary.

Annual Reporting

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

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

Others

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

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

Evaluation and Assessment of the Audit Committee

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

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

Training

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

5. INTERNAL AUDIT FUNCTION

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

The Group has outsourced the internal audit function to an interdependent professional firm, namely NeedsBridge Advisory Sdn. Bhd. ("NeedsBridge") which report directly to the Audit Committee. Mr. Pang Nam Ming, the engagement director of the outsourced internal audit function, is a Certified Internal Auditor and Certification in Risk Management Assurance accredited by the Institute of Internal Auditors Global and a professional member of the Institute of Internal Auditors Malaysia. During the financial year under review, the resources allocated to the fieldworks of the internal audit by the outsourced internal audit function were one (1) senior manager, assisted by at least one (1) senior consultant and one (1) consultant per one (1) engagement with oversight performed by the engagement director.

AUDIT COMMITTEE REPORT

(CONT'D)

5. INTERNAL AUDIT FUNCTION (CONT'D)

The audit engagement of the outsourced internal audit function is governed by engagement letter which are stated with key terms that include the purpose and scope of work, accountability, independence, responsibilities of each party, the authority accorded to the outsourced internal audit function, limitation of scope of works, confidentiality, proposed fees and engagement team. The appointment and resignation of the internal audit function as well as the proposed audit fees are subject to review and approval by the Audit Committee for its reporting to the Board for ultimate approval.

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

The internal audits are carried out, in material aspects, in accordance with the International Professional Practices Framework ("IPPF") established by the Institute of Internal Auditors Global. To preserve the independence and objectivity, the outsourced internal audit function is not permitted to act on behalf of the Management, decide and implement management action plan, perform on-going internal control monitoring activities (except for follow up on progress of action plan implementation), authorize and execute transactions, prepare source documents on transactions, have custody of assets or act in any capacity equivalent to a member of the Management or the employee. The outsourced internal audit function is accorded unrestricted access to all functions, records, property, personnel, Audit Committee and other specialized services from within or outside the Group and necessary assistance of personnel in units of the Group where they perform audits.

During the financial under review, four (4) cycles of internal audit were carried out to access the internal control systems as follows:

- Treasury management
- Inventory and goods delivery management;
- Production management; and
- Recurrent Related Party Transactions

Areas of improvement in internal controls identified together with the recommendations and management action plans were presented during the corresponding Audit Committee. The status of the management action plans through follows up reviews conducted by outsourced internal audit function were also reported to the Audit Committee during the same meeting. To promote free exchange of views and opinions between the Audit Committee and the internal audit function, a private session was held after the meeting. The total fees incurred for the internal audit function in respect of the financial year ended 30th September 2022 was RM42,000.00.

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

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

SUSTAINABILITY STATEMENT

1.0 ABOUT THIS SUSTAINABILITY STATEMENT

This statement has been designed to showcase the initiatives, and activities surrounding sustainability carried out by Wellcall Holdings Berhad (“the Group”) under the Group’s subsidiary company, Wellcall Hose (M) Sdn. Bhd., and has included the considerations and interests of key stakeholders. The Group hopes that this statement provides comprehensive and accessible information on the company’s strategy towards sustainability, the rationale behind these initiatives and the relevant data points based on recognised international reporting standards.

2.0 SCOPE OF THIS STATEMENT

The statement covers our consolidated entities’ sustainability efforts and performance for FYE 2022. The content of this statement will focus on the Group’s sustainability performance, activities and initiatives.

Material issues and topics described in this report have been selected according to their significance level within the company’s boundaries, the sustainability context and materiality, and our core business operations.

This statement serves as a baseline for future reporting and will primarily cover the Group’s initial sustainability data and we to improve on our sustainability journey henceforth. The data presented in this statement applies to the Group’s principal subsidiary Wellcall Hose (M) Sdn. Bhd. We hope to expand the indicator shown on the material matters in this statement soon



SUSTAINABILITY STATEMENT

(CONT'D)

3.0 MEMBERSHIP

The Group is an active member of the following organisations:-

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

4.0 ORGANISATIONAL STRUCTURE

As the parent company, Wellcall Holdings Berhad is listed in the Main Board of Bursa Malaysia and our subsidiary, Wellcall Hose (M) Sdn. Bhd is involved in manufacturing rubber hoses and related products for the application of various industries such as oil and gas, marine, food, water etc.

The Group comprises of a wholly owned subsidiary and an associate company as described and shown in the Corporate Structure on Page 4.

5.0 REPORT METHODOLOGY

This statement is prepared in compliance with the Bursa Sustainability Reporting Guide (2nd Edition). The primary components of Bursa sustainability reporting requirements that we have sought to include in this report include:

1. *Material environmental, social, and governance ("ESG") factors*

Material ESG factors are elaborated on in Section 8.0 of this statement. The Group conducted a materiality assessment from internal and external stakeholders to identify material matters important to the organisation and their stakeholders.

2. *Policies, practices, and performance*

The policies, procedures, and performance for each material matter are elaborated in their sections below. The Group understands the need to improve the performance of ESG matters, and we hope to start including targets in future reports.

3. *Sustainability Governance*

We aim to fully incorporate ESG factors pertinent to our business for the benefit of our stakeholders. Being transparent on these issues ensures that our stakeholders can assess our initiatives better.

6.0 OUR APPROACH TO SUSTAINABILITY

Our vision guides our approach to sustainability as “*we strive to be the world's leading manufacturer with excellent quality industry hose products.*” We continue to integrate sustainability in our mission to be “*a world-class hose manufacturer providing top quality products with excellent services through continuous improvement and innovation.*”

We integrate elements of sustainability in our core values of “*Integrity and total commitment, Global Customer Satisfaction, Do it right the first time and every time, Excellent in quality and competitiveness and Environment friendly and social responsibility.*” This has shaped our approach in determining the material matters that are further outlined within this report.

6.1 SUSTAINABILITY GOVERNANCE

Sustainability governance encapsulates the systems and controls in place to manage the Group's sustainability activities. The system encompasses policies, processes, and people, which are necessary to meet the expectations of all stakeholders with integrity, respect, transparency and in a responsible manner.

Under the Group's Sustainability Policy, the Board oversees the strategic direction of the sustainability initiatives throughout the Group; the Management team provides the necessary oversight for implementation. On sustainability, the Group provides an outline of the reporting structure for Sustainability Governance. Based on the chart below, sustainability governance is also driven at the divisional level primarily through Departmental Sustainability Reporting (DSR) and Strategic Business Units, where the focus is placed on reporting and advising progress of the Key Performance Indicator (KPI).

For information on corporate governance matters, remuneration and compensation, please refer to our annual report, which provides more details on corporate governance.

7.0 OUR KEY PERFORMANCE INDICATOR

While progressively adopting the sustainability framework, Wellcall Holdings Bhd focuses on the Critical and Trending Sustainability KPIs. In addition, we regularly evaluate the division's primary business strategy tool, and advise focus and content to drive the delivery of the sustainability framework.

To progress on our sustainability journey and sustainability maturity curve, we are developing critical and trending KPIs targets.

SUSTAINABILITY STATEMENT

(CONT'D)

8.0 MATERIAL MATTERS

For this statement, we have defined materiality as the Group's significant economic, environmental, and social impacts that have substantive weight and influence on the decisions of our stakeholders.

The Group has conducted a materiality exercise with key internal stakeholders to determine the material matters. The outcome of the exercise serves as the basis of the material matters listed in the report. The Group has provided data and information on the material matters in the sections below.

Key material matters:

Governance Matters	Environmental Matters	Social Matters
Business ethics	Legal compliance on environmental matters	Legal compliance on employment practices
Anti-corruption and whistleblowing procedures	Air and greenhouse gas emissions	Employment practices
	Waste and effluents	Occupational health and safety
	Water usage	Training and development
	Energy usage	

9.0 STAKEHOLDER ENGAGEMENT

Successful stakeholder management is crucial in building relationships and trust to implement corporate sustainability strategies and programs. Leveraging expertise from all levels within and outside the organisation can ensure that we understand the points of view of all stakeholders.

Stakeholder engagement requires consistent and open communication channels, crucial to receiving feedback from key stakeholders. The Group will consistently evaluate the appropriateness of meetings with relevant stakeholders and is open to any suggestions regarding reporting disclosures. The various topics of concern discussed are outlined below.

For any comments and feedback, please get in touch with us through the following:

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

9.0 STAKEHOLDER ENGAGEMENT (CONT'D)

Our business relies on partnerships and working with a range of stakeholders. Our stakeholder engagement primarily are listed below:-

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

9.1 SUSTAINABILITY RISK MANAGEMENT – MANAGEMENT APPROACH TO MANAGING SUSTAINABILITY RISK

In view of the importance of developing the sustainability risk management framework, the Group is addressing and reviewing the areas to be assessed, description thereof and actions to addressed identifies areas to be assessed.

SUSTAINABILITY STATEMENT

(CONT'D)

10.0 BUSINESS CONDUCT AND ETHICS

We take pride in maintaining the highest standards of corporate governance, as required by Bursa Sustainability Guideline listing requirements. We have aligned with international best practices through our anti-bribery, corruption, and whistleblowing policies. These policies ensure that our organisation manages the associated impacts and stakeholders' reasonable expectations and interests towards upholding the highest standards of business conduct and ethics.

**10.1 ANTI-BRIBERY AND CORRUPTION POLICY****Anti-Bribery and Corruption Risk Management (“ABC”)**

The anti-bribery and corruption policy applies to all employees of Wellcall Holdings Berhad and its subsidiaries, including any associated business partners, agents, contractors, and consultants acting on the Group's behalf.

The organisation defines the prohibition on bribery to include the following definitions:

- Bribes: The giving or offering or receiving, or soliciting of another party, either directly or through a third party, of anything of value, advantage, or benefit of any kind to influence the making or not making, or implementation of a decision or act by a concerned party with regards to the retaining or obtaining of business
- Gratification: abuse of function, abuse of public property, bribery, clientelism/cronyism, concealments, corruptions, embezzling element, illicit enrichment, insider trading, kickback, money laundering, nepotism, obstruction of justice, patronage, trading in influence and facilitation of money.

To oversee and prevent cases of bribery and corruption, the Anti-bribery and corruption compliance unit (ABCCU), led by the Corruption Risk Officer and assisted by Heads of Departments, assumes responsibility and authority on:

- The design and implementation of the Group's anti-bribery management system;
- Advice and guidance to personnel on the anti-bribery management system and issues relating to bribery;
- How the anti-bribery management system conforms to the requirements of this policy;
- Reporting the performance of the anti-bribery management system to top management and other compliance functions periodically.

10.0 BUSINESS CONDUCT AND ETHICS (CONT'D)

10.1 ANTI-BRIBERY AND CORRUPTION POLICY (CONT'D)

The Group will continuously keep abreast with developments on anti-corruption and bribery to further enhance the anti-bribery and corruption policy.

At the same time, to increase awareness about corporate behaviour standards and the consequences of engaging in bribery and corruption, we provided ABC training for top management and all employees on the crucial amendment of the Malaysian Anti-Corruption Commission (MACC) Act 2009 as follows:-

“Section 17A (1) of the MACC (Amendment) Act 2018 addresses corporate liability for corruption where directors and senior management will be held personally liable for acts of corruption (i.e. gives, agrees to give, promises or offers any person any gratification to obtain or retain business or advantage for the commercial organisation) committed by the organisation, either by personnel or parties acting on behalf the organisation, which came into effect on 1 June 2020”.

In addition, the Group also provided training on ABC-related topics such as gifts and hospitality, communications with suppliers and charity. The course emphasised the importance of alerting responsible managers and consulting with compliance managers when in doubt. Informing business partners about our standards of ethics and conduct is equally essential. The Group requested contractors and suppliers to get acquainted with corporate principles related to ethical behaviour and draw references to ABC policies in contract negotiations.

In FY2022, the Group no incidents of bribery or corruption were recorded by the Group.

10.2 WHISTLEBLOWING POLICY

The Group and its subsidiaries are committed to the highest integrity, openness, and accountability standards regarding business conduct and operations. The Group will continue to ensure that all business affairs are conducted ethically, responsibly, and transparently.

Wellcall Holdings Berhad Whistleblowing Policy provides an avenue for employees or members of the public to disclose any improper conduct (misconduct or criminal offence) through internal channels. Examples of misconduct or criminal offences include:

- Fraud;
- Bribery;
- Misuse of the company’s funds or assets;
- Abuse of power;
- Conflict of interest without disclosure;
- Criminal breach of trust;
- Questionable or improper accounting;
- Illegal or criminal offences;
- Endangerment of employees’ or public health and safety;
- Acts or omissions which are deemed to be against the interest of the company, laws, regulations or public policies; or
- Deliberate concealment of any of the above matters or wrongdoing.

The above list is non-exhaustive, and the Group encourages reporting misconduct through whistleblowing.

All whistle-blowers will be accorded the protection of confidentiality of their identity. However, any employee or member of the public who wishes to report improper conduct will be required to disclose their identity to the Group so that we can accord any necessary protection.

SUSTAINABILITY STATEMENT

(CONT'D)

10.0 BUSINESS CONDUCT AND ETHICS (CONT'D)**10.2 WHISTLEBLOWING POLICY**

All disclosures can be submitted via the whistleblowing channels as follows: -

Letter	Email	ABC Unit
<ul style="list-style-type: none"> Chairman, Audit Committee c/o Wellcall Holdings Berhad Plot 48, Jalan Johan 2/5, Kawasan Perindustrian Pengkalan II, Fasa II, 31550 Pusing, Perak Darul Ridzuan 	<ul style="list-style-type: none"> Email: acchairman@wellcall.com.my 	<ul style="list-style-type: none"> Compliance Unit (ABCCU) are as follows: - Head of Finance/ Purchasing/ Marketing/ HR Department Contact Number: +605-366 8805 Email Address: abccu@wellcall.com.my

11.0 ENVIRONMENTAL MATERIAL MATTERS

The Group has identified the following environmental material matters to our business based on the materiality exercise conducted for FYE2022:

- Air and Greenhouse gas (GHG) emissions (Fuel Consumption - Scope 1 and Energy Use - Scope 2)
- Water Usage
- Waste Management

We ensure legal compliance with environment-related matters through relevant laws from all jurisdictions we operate. The legal compliance of environmental issues is managed internally through internal compliance and audit committees, overseen by both management and reported to the Board.

The data below has been categorised by the respective manufacturing centres, as we believe these operating centres produce the most significant impact in terms of environmental matters. The intensity of each metric has been calculated based on the amount of rubber hose produced in KM. In FYE2022, the number of rubber hose produced by the organisation was 21647.72 KM.

Environmental Regulation

Adhering to local environmental regulations is part and parcel of our practices to minimise environmental impact. The Group is pleased to report that there were no issues of non-compliance with laws and regulations on matters pertaining to the environment in FYE2022.

11.1 AIR AND GREENHOUSE GAS (GHG) EMISSIONS

For this report, we will be covering the production of Scope 1 and Scope 2 GHG emissions through our operations. Scope 1 reflects GHG emissions produced from the consumption of resources controlled by the organisation, such as fuel consumption of company vehicles. Scope 2 reflects GHG emissions produced from the generation of purchased or acquired electricity, heating, cooling, and steam consumed.

11.0 ENVIRONMENTAL MATERIAL MATTERS (CONT'D)**11.2 FUEL CONSUMPTION (SCOPE 1)**

Our main usage of fuel is for our boiler and forklift usage. The main fuel source for these activities is diesel. Below is the annual diesel consumption, annual GHG emissions and emission intensity for our operations:

Factory	Annual Diesel Consumption (Litres)	Annual GHG Emissions (tCO ₂)	Emission Intensity (tCO ₂ /km)
Wellcall Hose (M) Sdn Bhd	969,998	3043	0.14

11.3 ENERGY USAGE (SCOPE 2)

As a responsible hose manufacturer, we understand the need to minimise the impact of climate change through adopting good energy management and where possible, adopt the use of renewable energy.

Energy consumption and GHG emissions:

Factory	Annual Energy Consumption (kWh)	Annual GHG Emissions (tCO ₂)	Emission Intensity (tCO ₂ /km)
Wellcall Hose (M) Sdn Bhd	8,014,556	8065	0.10

11.4 WATER USAGE

Industrial rubber hose manufacturing does not require a significant amount of water in its production of industrial rubber hoses, however understanding our water usage will help us better strategise our methods for us to continue reducing our water usage and be more sustainable to the environment.

Water is supplied from local water sources through our local municipality. Our water withdrawn is therefore equivalent to our water consumption. The Group has thus reported our water consumption for each factory and location below:

Factory, Location	Annual Water Consumption (m ³)	Emission (tco ₂)	Water Intensity (m ³ /km)
Wellcall Hose (M) Sdn Bhd	106,897	9052	0.41

As indicated in the figures above, due to the manufacturing process, wastewater and effluents are mainly discharged from the Wellcall Hose (M) Sdn Bhd operations. The Group ensures that industrial wastewater is processed through the industrial effluent treatment plant before final discharge.

SUSTAINABILITY STATEMENT

(CONT'D)

11.0 ENVIRONMENTAL MATERIAL MATTERS (CONT'D)**11.5 WASTE MANAGEMENT**

Sustainable waste management ensures that the Group is taking proactive measures to reduce the amount of waste produced through production and manufacturing. It is also essential to ensure that the amount of solid waste disposed of through landfill or incinerations is minimised.

As a result of our operations, the Group generally produces scrap hoses. All scrap hoses will be disposed of through companies licensed by the local municipal councils weekly.

Factory, Location	Amount of general waste produced per year (kg)	General waste intensity (kg/km)
Wellcall Hose (M) Sdn Bhd	413,030	19

12.0 SOCIAL MATERIAL MATTERS

The Group has identified the following social sustainability matters as material to our business based on the materiality exercise conducted for FYE2022:

- Employment practices
- Occupational health and safety
- Training and development

The data below has been categorised by the respective manufacturing centres, as we believe these operating centres produce the most significant impact in terms of societal activity.

We ensure legal compliance with social matters through relevant employment acts from all jurisdictions in which we operate. The legal compliance of social issues is managed internally through internal compliance and audit committees, overseen by both management and reported to the Board.

In FY2022, there were no issues of non-compliance with social matters within the organisation.

12.1 EMPLOYMENT PRACTICES

As an organisation, we remain guided by our “Human Resource Policy” to operate effectively and efficiently by employing and retaining adequate competent employees with relevant knowledge, skill, and experience to carry out their duties and responsibilities effectively and efficiently. We carry our performance evaluations across all levels of staff to identify performance gaps for training needs and talent development.

Our policy is communicated to all our employees, and as we employ people of various nationalities, we ensure that it is translated into English, Malay and languages of that foreign workers we employed.

The Group provides benefits such as contributions to the Employee Provident Fund (EPF), and overtime is offered to all employees, regardless of their employment status.

12.0 SOCIAL MATERIAL MATTERS (CONT'D)**12.2 DIVERSITY**

The Group will not discriminate against suppliers, employees, and other relevant stakeholders concerning race, age, gender, sexual orientation, religion, disability, and nationality.

Equal pay for equal work refers to the right for all workers to have equal remuneration for work of equal value. This goes beyond basic wages and includes forms of compensation, including overtime pay, bonuses, travel allowances, insurance, and other benefits. Championing diversity requires us to ensure that all employees receive payment based on merit regardless of race, age, gender, sexual orientation, religion, disability, and nationality.

We aim to ensure that employees receive equal work opportunities and pay. Malaysia ratified the ILO's Equal Remuneration Convention in 1997, and we strive to uphold this concept within the organisation.

Aligned with our views on gender diversity, we have formalised a Sexual Harassment Policy and Grievance Procedure that is included in employee handbooks and is frequently briefed to relevant employees. We are pleased to report that during the reporting period, there have been no instances of sexual harassment reported to management.

When divided by gender, our workforce consists of 26% females, which will be an area of improvement focused on in the future.

Employees are the driving force of the Group, and we must maintain a performance-driven culture that is centred around the values of inclusivity. While the lack of female representation at management levels has been a pervasive issue globally, the Group strives to ensure that females can adopt management positions within our organisation.

Below are the gender breakdowns between staff and management in our operating factories. We hope to increase female representation across our organisation and management levels for future reporting years.

Management level	Male (total number)	Male (percentage)	Female (total number)	Female (percentage)
General staff	223	63%	73	21%
Management	39	11%	19	5%

SUSTAINABILITY STATEMENT
(CONT'D)

12.0 SOCIAL MATERIAL MATTERS (CONT'D)

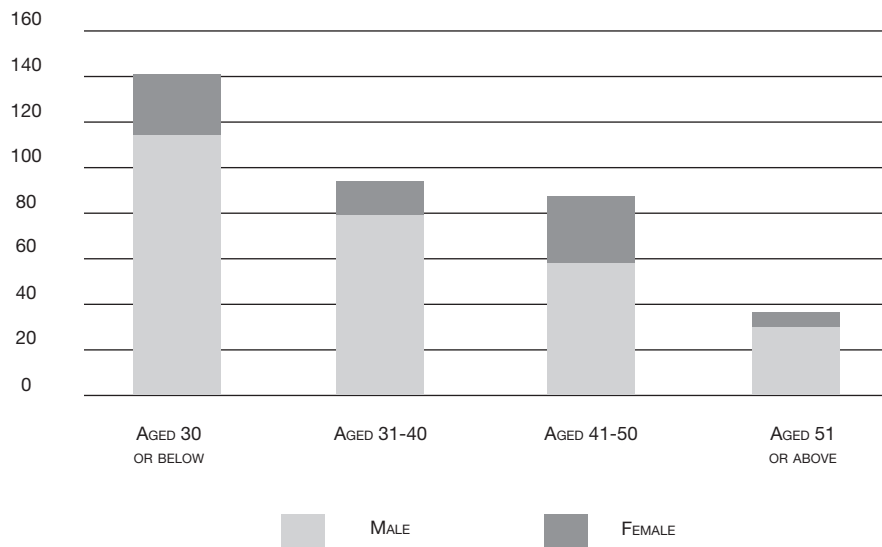
12.2 DIVERSITY (CONT'D)

Below are the age breakdowns across all our operations. The majority of our employees are aged under 50 years old.

Age breakdown	Total number	Percentage
Aged 30 or below	141	40%
Aged 31-40	94	27%
Aged 41-50	86	24%
Aged 51 or above	33	9%

In terms of gender, the breakdown for the Group is as follows:-

WELLCALL DIVERSITY



12.0 SOCIAL MATERIAL MATTERS (CONT'D)

12.3 OCCUPATIONAL HEALTH AND SAFETY

We are committed to achieving a safe working environment for all employees and strive to promote an accident-free safety culture to avoid any adverse impact on the organisation's overall well-being. As part of our Sustainability Policy, the Group adopts the highest level of health and safety principles, which outlines the responsibilities of the Group, the Managing Director, Safety Committees, Safety Officers and employees in the provision and maintenance of a safe and healthy workplace for all contractors and employees.

We ensure that all operations meet all local requirements of the operational jurisdictions. Each location is overseen by a Health and Safety Committee comprising individuals from various departments to ensure the health and safety standards are met.

Our Health and Safety Committee is prepared for emergencies such as fires, hazardous leaks, or the standard procedures for work accidents or other threatening situations. We ensure that we maintain safety equipment such as emergency lights and fire extinguishers.

In FYE2022, we took extra precautions regarding health and safety to ensure the well-being of our employees during the COVID-19 pandemic. We provide that our employees meet the best practice standards of hygiene. We also ensure that we are consistently clean and sanitise our air conditioning systems every two months to meet the highest standards of cleanliness.

We are pleased to report that in FYE2022, we had no significant reports of work-related accidents and injuries or lost days due to work injuries. We hope to continue this trend in future years.

12.3.1 Safety and Health

Our commitment

The nature of our business is potentially hazardous to the safety and health of our employees and contractors. Due to this, we genuinely believe in prioritising the culture of protecting the well-being of our workers, employees and contractors.

We strive to meet all necessary safety and health requirements to ensure that our employees can operate safely and return home in the best of health.

Minimising safety and health risks through appropriate governance processes.

Safety and health governance is a significant component of aligning and addressing health and safety risks to minimise future incidents. Our Safety and Health Committee presents to the Managing Director quarterly to discuss updates on our safety and health numbers. The Managing Director reports these issues to the Board as awareness of these risks should be aligned with business efforts.

We remain guided by our Environment, Safety and Health (ESH) Policy that our Board has approved to embed a culture accountable to these practices. We require all stakeholders, including vendors and contractors, to abide by these standards.

SUSTAINABILITY STATEMENT

(CONT'D)

12.0 SOCIAL MATERIAL MATTERS (CONT'D)**12.3 OCCUPATIONAL HEALTH AND SAFETY (CONT'D)****12.3.1 Safety and Health**

On-site, our safety and health officers oversee activities to ensure that all operations are conducted safely. Providing a safe environment for all employees and contractors requires our safety and health officers to rely on the support of all relevant departments.

When an incident occurs, a Safety and Health Representative must be notified within 24 hours. An investigation on the incident will be conducted where an assessment on the following areas will be examined:

- 1) Nature of injury
- 2) Cause of injury
- 3) Location of injury
- 4) Contributing factors to the incident (method of work, machinery, human behaviour)
- 5) The current safety procedures available with regard to the incident
- 6) Proposed corrective actions to eliminate the cause of incidents
- 7) Proposed preventive efforts to prevent any other future incidents

All investigations must include collecting evidence and discussions with witnesses and are further followed up with conversations with the relevant departments. Investigations are typically completed within five working days, and the preventive and corrective actions will be shared with the management.

Safety and health legal requirements

As Malaysian law requires, we abide by the Occupational Safety and Health Act (OHSA) 1994, which provides us with the legislative framework for the safety, health and welfare of all our sites with the principal aim of preventing and protecting workers against hazards and their risks in connection with their activities at work. We are subjected to inspections by the relevant authorities as required.

Minimising safety and health-related incidents in the organisation includes providing our workers with relevant training. Examples of activities we have conducted include First Aid Training, Personal Hygiene Procedures, COVID-19 Training and Noise Risk Assessments.

For the year under review in 2022, our employees and contractors have attended training programmes in first-aid, safety chemical handling, overhead crane safety training, forklift safety, and operational training.

Continuous measurement

As we continue creating a safe workplace culture, we aim to benchmark our performance through set internal targets. Our fatality rate, incident rate, frequency rate and severity rate calculations are based on Malaysia's national standards as set by the Department of Occupational Safety and Health. Incident rates are calculated based on the number of accidents over the annual average number of employees, and frequency rates are calculated based on the number of accidents over the total person-hours worked.

12.0 SOCIAL MATERIAL MATTERS (CONT'D)**12.4 TRAINING AND DEVELOPMENT**

As supporters of talent development, we aim to ensure that all employees have access to development programmes that can provide them with knowledge on relevant areas of operations, such as compliance with rules and regulations, health and safety, technical training, leadership, and product development.

Consistent and ongoing education is critical for developing a competitive, skilled, motivated, and productive workforce. Employee career development and performance management have been established based on the merits and contributing skill sets of employees towards the Group's organisational objectives and goals. We continue to review and improve all employees' pathways for career development through regular performance reviews that are agile based on the changing business and operating environment.

As part of its transformation process, the Group will embark on training and development for the organisation, focusing on addressing competency/skill gaps, especially for critical or high-risk jobs. Our approaches include collaboration with external bodies to develop technical programs which are highly customised to the specific needs of the company, sending employees for professional certification programs, arranging on-the-job attachment and engaging specialists for particular jobs to facilitate knowledge transfer. Besides, upskilling and retraining of existing employees are also carried out regularly.

We want to increase the types of training and duration of training provided to employees in future years. We aim to continuously develop our training and development initiatives and further bridge the competency gap.

No	Training
1	ISO Understanding
2	FG Handling
3	5S Understanding
4	Safety Awareness
5	HACCP & Personal Hygiene Policy & Rejection Criteria
6	Routine On-the-job Training (OJT)
7	Fire Drill & Fire Extinguisher
8	First Aids box Usage
9	Waste Handling
10	Forklift Driving Skill
11	Ceramah dan Latihan Pasukan Keselamatan Kebakaran (ERT)
12	Certified Environment Professional in scheduled waste management

ADDITIONAL COMPLIANCE INFORMATION

1. STATUTORY AND NON-STATUTORY AUDIT FEES

The statutory audit and non-statutory fees paid or payable for services rendered by external auditors and their affiliated company or firm to the Group and the Company for the financial year ended 30th September, 2022 are as follows:

	Group RM'000	Company RM'000
Statutory Audit	120.0	45.0
Non-Statutory Audit (including review fee and tax compliance fee)	14.2	7.3

2. MATERIAL CONTRACTS

There were no material contracts (not being contracts entered into the ordinary course of business) entered into by Wellcall Holdings Berhad (“the Company”) and its subsidiary company (“the Group”) involving Directors’ and/or shareholders’ interests during the financial year ended 30th September 2022.

3. REVALUATION POLICY

The Group does not have any revaluation policy on its landed properties during the financial year ended 30th September 2022.

4. UTILISATION OF PROCEEDS

There were no corporate proposals implemented during the financial year ended 30th September, 2022.

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

The Company had obtained a general mandate from its shareholders (“Shareholders’ Mandate”) for recurrent related party transaction of revenue and trading nature (“RRPT”) at the sixteenth Annual General Meeting of the Company which held on 21st February 2022.

ADDITIONAL COMPLIANCE INFORMATION
(CONT'D)

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

In accordance with Practice Note No.12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the aggregate value of the RRPT conducted during the financial year ended 30 September 2022 pursuant to the Shareholders' Mandate as follows:

Transacting Parties		Interested Director(s) and/or interested Major Shareholder(s) and/or Person(s) Connected with them	Nature of the Recurrent Related Party Transaction	Aggregate Value of Transaction During the Financial Year (RM'000)
Wellcall Group	Related Party			
Wellcall Hose (M) Sdn. Bhd. ("WHSB")	Global Rubber Industry (M) Sdn. Bhd. ("GRI")	Tan Kang Foon ⁽¹⁾ Huang Yu Fen ^{(2) (3)} Tan Joo Chin ⁽³⁾ Leong Ruen Ying ⁽⁴⁾ Huang Sha ^{(2) (3)} Huang Kai Lin ^{(2) (3)} Leong Hon Chong ⁽⁴⁾ Tan Kang Seng ⁽⁵⁾ Datuk Ng Peng Hong @ Ng Peng Hay ⁽⁶⁾	Sub-contract services for topping of nylon cord and relevant add-on or further manufacturing process on semi-finished goods and/or hoses	3,196

Notes: -

- ⁽¹⁾ Tan Kang Foon (demised on 19 December 2022) is Alternate Director of the Company and Director of WHSB who is also Director and Shareholder of GRI.
- ⁽²⁾ Huang Yu Fen is Director and Shareholder of the Company and Director of WHSB who is also Shareholder of GRI. Huang Sha, who is Director and Shareholder of the Company and Director of WHSB and GRI, Huang Kai Lin, who is Director of the Company and WHSB and Tan Joo Chin are Persons Connected with Huang Yu Fen.
- ⁽³⁾ Tan Joo Chin is Shareholder of the Company and GRI who is also Person Connected with Huang Sha, Huang Kai Lin and Huang Yu Fen.
- ⁽⁴⁾ Leong Ruen Ying is Shareholder of GRI who is also Person Connected with Leong Hon Chong, Shareholder of the Company and Director of WHSB.
- ⁽⁵⁾ Tan Kang Seng is Director and Shareholder of the Company and Director of WHSB who is also Person Connected with Tan Kang Foon.
- ⁽⁶⁾ Datuk Ng Peng Hong @ Ng Peng Hay is Chairman of the Company and Director of WHSB and who is also Director of GRI.

ADDITIONAL COMPLIANCE INFORMATION
(CONT'D)

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

The direct and indirect interests of the interested Directors and/or interested Major Shareholders and/or interested Persons Connected to the interested Directors and/or interested Major Shareholders in Wellcall as at financial year ended 30 September 2022 are as follows: -

Name	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Huang Sha	16,945,317	3.40	⁽¹⁾ 168,750	0.03
Huang Kai Lin	–	–	⁽²⁾ 2,186,850	0.44
Huang Yu Fen	562,500	0.11	–	–
Leong Hon Chong	5,369,350	1.08	–	–
Tan Kang Seng	⁽³⁾ 1,687,500	0.34	⁽⁴⁾ 55,989,478	11.24
Tan Kang Foon	–	–	–	–
Tan Joo Chin	2,186,850	0.44	–	–
Leong Ruen Ying	–	–	–	–
Datuk Ng Peng Hong @ Ng Peng Hay	–	–	⁽¹⁾ ⁽²⁾ 9,475,550	1.90

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

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

6. EMPLOYEE SHARE SCHEME

The Group did not grant any employee share scheme to any person during the financial year ended 30th September 2022.

7. MATERIAL CONTRACTS RELATING TO LOANS

There were no material contracts relating to loans entered into by the Group involving Directors' and/or shareholders' interests during the financial year ended 30th September 2022.

STATEMENT OF DIRECTORS' RESPONSIBILITY

Under applicable law and regulations, the Directors are responsible for ensuring that the annual audited financial statements of the Company and of the Group are drawn up in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of the Companies Act 2016 and the Listing Requirements of Bursa Malaysia Securities Berhad for Main Market so as to give a true and fair view of the state of affairs of the Company for the year ended 30th September 2022.

In preparing the annual audited financial statements the Directors have adopted and applied the appropriate and relevant accounting policies on a consistent basis, made judgements and estimates that are reasonable and prudent, ensure applied to all applicable accounting standards, and prepared the audited financial statements on a going concern basis for the financial year ended 30th September 2022.

In addition, the Directors also have a general responsibility to take reasonable steps to safeguard the assets operation of the Company and of the Group to prevent and detect fraud and other irregularities; and to ensure there are adequate resources to continue its operation.

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

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FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 30 September 2022.

PRINCIPAL ACTIVITIES

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

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

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

RESULTS

	Group RM	Company RM
Profit before taxation	44,820,812	30,890,826
Tax expense	(11,529,533)	(38,759)
Profit for the year	33,291,279	30,852,067

RESERVES AND PROVISIONS

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

DIVIDENDS

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

- i) a fourth single tier dividend of 2.80 sen per ordinary share totaling RM13,942,531 in respect of the financial year ended 30 September 2021 and paid on 24 December 2021.
- ii) a first single tier dividend of 1.40 sen per ordinary share totaling RM6,971,266 in respect of the financial year ended 30 September 2022 and paid on 25 March 2022.
- iii) a second single tier dividend of 1.40 sen per ordinary share totaling RM6,971,266 in respect of the financial year ended 30 September 2022 and paid on 24 June 2022.
- iv) a third single tier dividend of 1.60 sen per ordinary share totaling RM7,967,161 in respect of the financial year ended 30 September 2022 and paid on 23 September 2022.
- v) a fourth single tier dividend of 1.60 sen per ordinary share totaling RM7,967,161 and special interim dividend of 1.00 sen per ordinary share totaling RM4,979,476 in respect of the financial year ended 30 September 2022 and paid on 23 December 2022.

DIRECTORS

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

Datuk Ng Peng Hong @ Ng Peng Hay, DMSM, DSM, PJK*

Datuk Yong Peng Tak

Huang Sha, PMP*

Huang Yu Fen*

Huang Kai Lin* (Reappointed as alternate director of Huang Sha, PMP on 3 October 2022)

Tan Kang Seng*

Goh Hoon Leum

Chin Yoke Wah (Appointed on 22 August 2022)

Azian Binti Mohd Yusof (Appointed on 22 August 2022)

Chua Yi Rong, Edmund* (Appointed as alternate director of Tan Kang Seng on 10 January 2023)

Yang Chong Yaw, Alan (Resigned on 22 August 2022)

Dato' Haji Mohtar Bin Nong, DPMT, ASM, PJC, PJK, BLB (Resigned on 22 August 2022)

Leong Hon Chong* (Resigned on 3 October 2022 - Company)

Tan Kang Foon* (Reappointed as alternate director of Tan Kang Seng on 3 October 2022 and demised on 19 December 2022)

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

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors, or the fixed salary of a full-time employee of the Company as disclosed in Note 20 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest in companies which traded with the Company in the ordinary course of business as disclosed in Note 25(a) to the financial statements.

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

DIRECTORS' REPORT
(CONT'D)

DIRECTORS' INTERESTS IN SHARES

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

Interest in the Company	At 01.10.2021	Number of ordinary shares		At 30.09.2022
		Bought	Sold	
<u>Direct interest</u>				
Huang Sha, PMP	16,945,317	–	–	16,945,317
Leong Hon Chong	5,369,350	–	–	5,369,350
Huang Yu Fen	562,500	–	–	562,500
Tan Kang Seng	1,687,500	–	–	1,687,500
<u>Deemed interest</u>				
Huang Sha, PMP*	168,750	–	–	168,750
Huang Kai Lin*	2,186,850	–	–	2,186,850
Datuk Ng Peng Hong @ Ng Peng Hay, DMSM, DSM, PJK*	–	9,475,550	–	9,475,550
<u>Indirect interest</u>				
Tan Kang Seng^	55,989,478	–	–	55,989,478

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

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

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

Save as disclosed above, none of the other Directors holding office at 30 September 2022 had any interest in the ordinary shares of the Company and its subsidiary company during the financial year.

DIRECTORS' REMUNERATION

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Fees	1,052,000	1,052,000	682,000	682,000
Remuneration	2,804,769	2,664,000	–	–
Allowance	136,500	76,500	24,500	38,500
Ex-gratia	65,000	65,000	65,000	65,000
Bonus	2,942,608	2,707,691	–	–
E.P.F.	141,992	117,000	–	–
E.I.S.	194	190	–	–
Socso	2,903	2,843	–	–
	7,145,966	6,685,224	771,500	785,500

ISSUE OF SHARES AND DEBENTURES

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

OPTION GRANTED OVER UNISSUED SHARES

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

OTHER STATUTORY INFORMATION

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

- i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of impairments and had satisfied themselves that there are no known bad debts and that adequate impairments had been made; and
- ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of which were written down to an amount which they might be expected so to realise.

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

- i) which would render writing off of bad debts necessary or the amount of the impairments in the financial statements of the Group and of the Company inadequate to any material extent; or
- ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading;
- iii) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements of the Group and of the Company misleading; and
- iv) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

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

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

In the opinion of the Directors:

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

DIRECTORS' REPORT
(CONT'D)

SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR

Details of significant event subsequent to the financial year is disclosed in Note 31 to the financial statements.

SUBSIDIARY

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

INDEMNIFYING AND INSURANCE FOR DIRECTORS, OFFICERS AND AUDITORS

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

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

AUDITORS' REMUNERATION

The details of auditors' remuneration of the Group and of the Company for the financial year ended 30 September 2022 are as follow:

	Group RM	Company RM
Auditors' remuneration:		
- Statutory audit services	120,000	45,000
- Other services	5,000	5,000
	125,000	50,000

AUDITORS

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

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

HUANG SHA, PMP
Director

HUANG YU FEN
Director

Dated: 16 January 2023

STATEMENT BY DIRECTORS

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

We, HUANG SHA, PMP and HUANG YU FEN, two of the Directors of WELLCALL HOLDINGS BERHAD, state that, in the opinion of the Directors, the financial statements set out on pages 92 to 147 are drawn up in accordance with applicable Malaysian Financial Reporting Standards and the Companies Act, 2016 in Malaysia so as to give a true and fair view of the states of affairs of the Group and of the Company as at 30 September 2022 and of the financial performance and cash flows of the Group and of the Company for the financial year then ended.

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

HUANG SHA, PMP
Director

HUANG YU FEN
Director

Dated: 16 January 2023

STATUTORY DECLARATION

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

I, YU TAT KEONG, being the officer primarily responsible for the financial management of WELLCALL HOLDINGS BERHAD, do solemnly and sincerely declare that the financial statements set out on pages 92 to 147 are drawn up, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Kuala Lumpur in)
Wilayah Persekutuan on)
16 January 2023)

YU TAT KEONG

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF WELLCALL HOLDINGS BERHAD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of **Wellcall Holdings Berhad** (“the Company”) and its subsidiary (“the Group”), which comprise the statements of financial position as at 30 September 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 92 to 147.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 30 September 2022, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

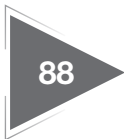
Key Audit Matters

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

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

Key Audit Matters (Cont'd)

Key audit matter	How the matter was addressed in our audit
<p>Impairment assessment of trade receivables</p> <p>Refer to Note 10(a) and Note 27(a) to the financial statements.</p> <p>As at 30 September 2022, the Group has gross trade receivables amounted to RM13,961,959 (30.9.2021: RM12,952,720).</p> <p>We focus on this area as the impairment assessment of trade receivables involved judgements and estimation uncertainty in analysing historical bad debts, customer creditworthiness and their payment terms, and the applied assumptions in assessing the probability of default occurring on trade receivables by considering the ageing of trade receivables, historical loss experience and forward-looking information (if any).</p>	<p>Our audit procedures (amongst others) included the following:</p> <ul style="list-style-type: none"> (a) Obtained an understanding on the Group's credit risk policy and its credit exposures and making inquiries of management regarding their action plans to recover those overdue amounts but not impaired; (b) Reviewed the ageing analysis of trade receivables and testing the reliability thereof; (c) Reviewed and evaluated the application of the Group's policy for calculating the expected credit losses to comply with MFRS 9; (d) Reviewed subsequent collections of overdue amounts and major trade receivables; (e) Reviewed the adequacy of the disclosure based on the requirements of MFRS 9.



INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF WELLCALL HOLDINGS BERHAD
(CONT'D)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D)**Key Audit Matters (Cont'd)**

Key audit matter	How the matter was addressed in our audit
<p>Valuation of inventories</p> <p>Refer to Note 9 to the financial statements.</p> <p>As at 30 September 2022, the Group has inventories amounted to RM29,058,355 (30.9.2021: RM20,142,400), which represents 18% (30.9.2021: 13%) of total assets of the Group.</p> <p>Inventories are stated at the lower of cost and net realisable value.</p> <p>The valuation of work-in-progress and finished goods requires management's judgement and estimates in determining an appropriate costing basis and assessing the net realisable value of these inventories.</p>	<p>Our audit procedures (amongst others) included the following:</p> <ul style="list-style-type: none">(a) Obtained an understanding of the inventories valuation policy and relevant controls surrounding inventories valuation implemented by the management;(b) Performed testing on sampling basis the costs of raw materials, direct labour, other direct costs and manufacturing overheads incurred in production;(c) Assessed the management's basis of allocation of the raw materials, direct labour, other direct costs and manufacturing overheads for the valuation of inventories based on normal production capacity;(d) Evaluated management's assessment of net realisable value of finished goods and compared the carrying amount against the selling price subsequent to the period end.(e) Reviewed the adequacy of the disclosure based on the requirements of MFRS 102.

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

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and the information included in Group's 2022 annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon. Prior to the date of our auditors' report, we had only obtained the Directors' Report. The information included in Group's 2022 annual report are expected to be made available after date of our auditors' report.

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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF WELLCALL HOLDINGS BERHAD
(CONT'D)

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

Information Other than the Financial Statements and Auditors' Report 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 which only comprise the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF WELLCALL HOLDINGS BERHAD
(CONT'D)

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

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

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

- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF WELLCALL HOLDINGS BERHAD

(CONT'D)

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

- (a) This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.
- (b) The financial statements of the Group and of the Company for the financial year ended 30 September 2021 were audited by another firm of auditors whose report dated 10 January 2022, expressed an unqualified opinion on those financial statements.

ECOVIS MALAYSIA PLTAF 001825
Chartered AccountantsKuala Lumpur
16 January 2023**PAT YIN LAI**03073/12/2023 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2022

	Note	Group 30.09.2022	Group 30.09.2021 RM (Restated)	01.10.2020 RM (Restated)	Company 30.09.2022 RM	Company 30.09.2021 RM
ASSETS						
Non-current assets						
Property, plant and equipment	4	47,326,669	51,729,324	56,893,282	-	-
Investment property	5	4,325,964	4,417,917	3,820,134	-	-
Investments in subsidiary company	6	-	-	-	57,540,803	57,540,803
Investment in associate company	7	-	3,470,171	4,133,612	-	4,419,648
Other investment	8	10,000	10,000	10,000	-	-
		51,662,633	59,627,412	64,857,028	57,540,803	61,960,451
Current assets						
Inventories	9	29,058,355	20,142,400	13,792,975	-	-
Trade and other receivables	10	15,900,019	14,570,226	10,359,441	13,364,000	9,225,000
Tax recoverable		13,048	11,807	5,892	13,048	11,807
Cash and cash equivalents	11	62,772,004	61,590,217	56,079,315	8,631,380	13,325,010
		107,743,426	96,314,650	80,237,623	22,008,428	22,561,817
TOTAL ASSETS		159,406,059	155,942,062	145,094,651	79,549,231	84,522,268
EQUITY AND LIABILITIES						
Equity attributable to equity holders of the Company						
Share capital	12	68,836,509	68,836,509	68,836,509	68,836,509	68,836,509
Reserves	13	55,736,224	58,297,169	52,027,139	10,571,099	15,571,256
Total equity		124,572,733	127,133,678	120,863,648	79,407,608	84,407,765
Non-current liability						
Deferred tax liability	14	4,612,698	4,953,501	5,173,817	-	-

STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

(CONT'D)

	Note	Group		Company	
		30.09.2022	30.09.2021 RM (Restated)	30.09.2022 RM	30.09.2021 RM
Current liabilities					
Trade and other payables	15	27,797,612	21,454,643	141,623	114,503
Tax payable		2,423,016	2,400,240	-	-
		30,220,628	23,854,883	141,623	114,503
Total liabilities		34,833,326	28,808,384	141,623	114,503
TOTAL EQUITY AND LIABILITIES		159,406,059	155,942,062	79,549,231	84,522,268

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

	Note	Group 2022 RM	2021 RM (Restated)	Company 2022 RM	2021 RM
Revenue	16	176,701,695	157,016,237	36,450,000	31,275,000
Cost of sales		(120,264,942)	(100,407,518)	-	-
Gross profit		56,436,753	56,608,719	36,450,000	31,275,000
Other operating income	17	5,397,253	2,733,991	166,663	219,333
Administrative expenses		61,834,006	59,342,710	36,616,663	31,494,333
Selling and distribution costs		(12,460,750)	(11,467,039)	(1,306,189)	(1,188,585)
Other operating expenses		(912,627)	(969,565)	-	-
		(2,897,698)	-	(4,419,648)	-
Profit from operations		45,562,931	46,906,106	30,890,826	30,305,748
Finance costs		(167,662)	(185,022)	-	-
Share of loss in associate company	7	(574,457)	(663,441)	-	-
Profit before taxation	18	44,820,812	46,057,643	30,890,826	30,305,748
Tax expense	21	(11,529,533)	(11,902,549)	(38,759)	(51,085)
Profit for the year		33,291,279	34,155,094	30,852,067	30,254,663
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		33,291,279	34,155,094	30,852,067	30,254,663
Earnings per share (sen)					
- Basic	22	6.69	6.86		
Dividend per share (sen)	23	7.20	5.60		

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

	Note RM	Non-distributable Share capital RM	Distributable Retained profit RM	Total equity RM
Group				
At 1 October 2020		68,836,509	52,027,139	120,863,648
Total comprehensive income for the year		–	34,155,094	34,155,094
Dividends	23	–	(27,885,064)	(27,885,064)
<hr/>				
At 30 September 2021/1 October 2021		68,836,509	58,297,169	127,133,678
Total comprehensive income for the year		–	33,291,279	33,291,279
Dividends	23	–	(35,852,224)	(35,852,224)
<hr/>				
At 30 September 2022		68,836,509	55,736,224	124,572,733
<hr/>				
Company				
At 1 October 2020		68,836,509	13,201,657	82,038,166
Total comprehensive income for the year		–	30,254,663	30,254,663
Dividends	23	–	(27,885,064)	(27,885,064)
<hr/>				
At 30 September 2021/1 October 2021		68,836,509	15,571,256	84,407,765
Total comprehensive income for the year		–	30,852,067	30,852,067
Dividends	23	–	(35,852,224)	(35,852,224)
<hr/>				
At 30 September 2022		68,836,509	10,571,099	79,407,608

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

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

	Note	Group		Company	
		30.09.2022 RM	30.09.2021 RM (Restated)	30.09.2022 RM	30.09.2021 RM
CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES					
Profit before taxation		44,820,812	46,057,643	30,890,826	30,305,748
Adjustments for:					
Depreciation of investment property		148,557	105,581	-	-
Depreciation of property, plant and equipment		4,879,869	5,274,760	-	-
Distribution income from money market instruments		(77,567)	(240,216)	-	-
Fair value gain on money market instruments		(164,632)	(1,347)	-	-
Unrealised (gain)/loss on foreign exchange		(2,662,164)	(402,979)	-	-
Share of loss in associate company		574,457	663,441	-	-
Property, plant and equipment written off		1,984	-	-	-
Gain on disposal of property, plant and equipment		(26,000)	(2,660)	-	-
Dividend income		(6,485)	(1,200)	-	-
Interest income		(331,174)	(292,745)	(166,663)	(219,333)
Finance cost		168,495	185,022	-	-
Impairment on investment in associate company		2,895,714	-	4,419,648	-
Operating profit before working capital changes		50,221,866	51,345,300	35,143,811	30,086,415
Increase in inventories		(8,915,955)	(6,349,425)	-	-
Increase in trade and other receivables		(1,377,841)	(4,089,875)	(4,139,000)	(1,875,000)
Increase/(decrease) in trade and other payables		6,299,149	3,952,773	27,120	(21,716)
Cash generated from operations		46,227,219	44,858,773	31,031,931	28,189,699
Tax paid		(11,848,801)	(11,326,817)	(40,000)	(54,750)
Interest received		331,174	292,745	166,663	219,333
Interest paid		(168,495)	(185,022)	-	-
Net cash generated from/(used in) operating activities		34,541,097	33,639,679	31,158,594	28,354,282
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		26,000	-	-	-
Dividend received		6,485	1,200	-	-
Distribution received from money market instruments		77,567	240,216	-	-
Addition of investment property		(56,604)	(703,364)	-	-
Purchase of property, plant and equipment		(479,198)	(110,802)	-	-
Net cash used in investing activities		(425,750)	(572,750)	-	-

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022

(CONT'D)

Note	Group		Company	
	30.09.2022 RM	30.09.2021 RM (Restated)	30.09.2022 RM	30.09.2021 RM
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITY				
Dividends paid	(35,852,224)	(27,885,064)	(35,852,224)	(27,885,064)
Net cash used in financing activity	(35,852,224)	(27,885,064)	(35,852,224)	(27,885,064)
Net (decrease)/increase in cash and cash equivalents	(1,736,877)	5,181,865	(4,693,630)	469,218
Fair value gain on money market instruments	164,632	1,347	-	-
Effect of exchange rate changes	2,754,032	327,690	-	-
Cash and cash equivalents at beginning of the year	60,590,217	55,079,315	13,325,010	12,855,792
Cash and cash equivalents at end of the year	61,772,004	60,590,217	8,631,380	13,325,010
	61,772,004	60,590,217	8,631,380	13,325,010

NOTE**A. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the statements of cash flows comprise the following Statements of Financial Position amounts:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash and bank balances	36,643,333	32,203,746	81,380	75,010
Deposits with licensed banks	12,150,000	15,650,000	8,550,000	13,250,000
Money market instrument	13,978,671	13,736,471	-	-
	62,772,004	61,590,217	8,631,380	13,325,010
Less: Deposit pledged with a licensed bank	(1,000,000)	(1,000,000)	-	-
	61,772,004	60,590,217	8,631,380	13,325,010

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 SEPTEMBER 2022

1. GENERAL INFORMATION

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

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

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

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

The registered office had changed from No. 4-1, Kompleks Niaga Melaka Perdana, Jalan KNMP 3, Bukit Katil, 75450 Melaka to No. 7-1, Jalan 109F, Plaza Danau 2, Taman Danau Desa, 58100 Kuala Lumpur.

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

2. BASIS OF PREPARATION

The financial statements for the financial year ended 30 September 2022 have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act, 2016 in Malaysia.

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

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

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

(a) Adoption of amendments to MFRSs during the current financial year

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous financial year, except for the adoption of the following amendments to MFRSs:

Description	Effective for annual period beginning on or after
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform-Phase 2	1 January 2021
Amendments to MFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021

2. BASIS OF PREPARATION (CONT'D)**(b) MFRS and amendments to MFRSs that have been issued but not yet effective**

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

Description	Effective for annual period beginning on or after
Amendments to MFRSs : Annual Improvements to MFRSs 2018 – 2020 Cycle	1 January 2022
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contract- Cost of Fulfilling a Contract	1 January 2022
MFRS 17 and amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be announced

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

The adoption of the above MFRS and amendments to MFRSs are expected to have no material impact on the financial statements of the Group and of the Company in the period of initial application.

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2022

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES**(a) Basis of Consolidation**i) Investment in subsidiaries

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

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

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

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

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

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

ii) Business Combinations

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

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

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of Consolidation (Cont'd)

ii) Business Combinations (Cont'd)

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

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

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

iii) Loss of control

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

iv) Transactions eliminated on combination

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

(b) Investment in an Associate

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

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

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2022

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

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

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

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

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

(c) Foreign Currencies

i) Functional and Presentation Currency

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

ii) Foreign Currency Transactions

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(c) Foreign Currencies (Cont'd)**ii) Foreign Currency Transactions (Cont'd)

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

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

(d) Property, Plant and Equipment and Depreciation

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

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

Depreciation of property, plant and equipment begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. All other property, plant and equipment are depreciated by allocating the depreciable amount of a significant component or of an item over the remaining useful life.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2022

(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Property, Plant and Equipment and Depreciation (Cont'd)

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

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

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

(e) Investment Property

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

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

Investment property is depreciated on a straight line basis over the estimated useful lives as follow:

Leasehold land and building	35 years
Electrical installation	10%

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

(f) Other investment

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

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

(g) Financial Instruments

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

(i) Recognition and initial measurement

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial Instruments (Cont'd)

(i) Recognition and initial measurement (Cont'd)

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

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

(ii) Financial instrument categories and subsequent measurement

Financial assets

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

a. Amortised cost

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

b. Fair value through other comprehensive income

i. Debt investments

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

NOTES TO THE FINANCIAL STATEMENTS
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(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(g) Financial Instruments (Cont'd)****(ii) Financial instrument categories and subsequent measurement (Cont'd)**Financial assets (Cont'd)**b. Fair value through other comprehensive income (Cont'd)****ii. Equity investments**

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

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

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

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

Financial liabilities

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

a. Fair value through profit or loss

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial Instruments (Cont'd)

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

Financial liabilities (Cont'd)

The categories of financial liabilities at initial recognition are as follows: (Cont'd)

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

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

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

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

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

b. Amortised cost

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

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

NOTES TO THE FINANCIAL STATEMENTS
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(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(g) Financial Instruments (Cont'd)**

(iii) Regular way purchase or sale of financial assets

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

(iv) Financial guarantee contracts

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

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

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

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

(v) Hedge accounting

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

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

(vi) Derecognition

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

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

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Financial Instruments (Cont'd)

(vii) Offsetting

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

(h) Impairment

(i) Financial Assets

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

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

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

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

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

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

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

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's and the Company's procedures for recovery amounts due.

NOTES TO THE FINANCIAL STATEMENTS
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(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Impairment (Cont'd)

(ii) Non-financial Assets

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

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

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

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

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

(i) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on a first-in first-out basis.
- Finished goods and work-in-progress: costs of raw materials, conversion cost of labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(j) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts (if any) and pledged deposits.

(k) Equity

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs.

Dividends on ordinary shares are recognised as liabilities when approved for appropriation.

Distributions to holders of an equity instruments is recognised directly in equity.

(l) Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(m) Contract Liabilities

A contract liability is recognised if a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group satisfies performance obligation under the contract (i.e., transfers control of the related goods or services to the customer).

(n) Lease

All leases are accounted for by recognising a right-of-use asset and a lease liability except for leases of low value assets and short-term leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the incremental borrowing rate determined by reference to the rate inherent in the lease.

On initial recognition, the carrying value of the lease liability also includes amounts expected to be payable under any residual value guarantee, the exercise price of any purchase option granted in favour of The Group if it is reasonable certain to assess that option, and any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

NOTES TO THE FINANCIAL STATEMENTS

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(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(n) Lease (Cont'd)**

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for lease payments made at or before commencement of the lease, initial direct costs incurred and the amount of any provision recognised where The Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset.

When the Group revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

For leases of low value assets and short-term leases, the Group applies the recognition exemption in accordance with applicable criteria of MFRS 16. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(o) Revenue and Other Income Recognition

Revenue is recognised when the Group and the Company satisfy a performance obligation by transferring a promised goods or service to customer, which is when the customer obtains control of the goods or service. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, net of tax, returns, rebates and discounts. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

i) Manufacture of rubber hose and related product

Revenue from manufacture of rubber hose and related product with associated services (if any) is measured at the fair value of the receivable consideration and is recognised at point in time upon transfer of control of the goods to the customers. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods or cancellation of services.

ii) Dividend Income

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

iii) Interest Income

Interest income is recognised on an accrual basis using the effective interest method.

iv) Rental Income

Rental income is accounted for on a straight-line basis over the leased terms.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Employee Benefits

i) Short Term Benefits

Wages, salaries, paid annual leave, bonuses and social security contributions ("Socso") are recognised as expenses in the year in which the associated services are rendered by employees of the Group and the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Bonus are recognised as an expense when there is a present, legal or constructive obligation to make such payments, as a result of past events and when a reliable estimate can be made of the amount of the obligation.

ii) Defined Contribution Plans

The Group and the Company participate in the national pension schemes as defined by the laws of the countries in which it has operations. The Group and the Company make contributions to the Employee Provident Fund ("E.P.F.") in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(q) Taxes

i) Current Tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

ii) Deferred Tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS
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(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Taxes (Cont'd)

ii) Deferred Tax (Cont'd)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(r) Related Parties

A party is related to an entity (referred to as the "reporting entity") if:

- i) A person or a close member of that person's family:
 - (a) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity;
 - (b) has control or joint control over the reporting entity; or
 - (c) has significant influence over the reporting entity.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(r) Related Parties (Cont'd)**

A party is related to an entity (referred to as the “reporting entity”) if: (Cont'd)

- (ii) Any one of the following condition applies:
 - (a) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (b) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
 - (c) both entities are joint ventures of a third entity.
 - (d) either entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (e) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
 - (f) the entity is controlled or jointly controlled by a person identified in (i).
 - (g) a person identified in (i)(b) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (h) the entity, or any member of a group of which it is part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.
- iii) Directly, or indirectly through one or more intermediaries, the party:
 - (a) controls, is controlled by, or is under common control with, the Company (this includes parents, subsidiaries, fellow subsidiaries and fellow associates and joint ventures);
 - (b) has an interest in the entity that gives it significant influence over the entity; or
 - (c) has joint control over the entity.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with entity and include:

- (i) that person’s children and spouse or domestic partner;
- (ii) children of that person’s spouse or domestic partner; and
- (iii) dependants of that person or that person’s spouse or domestic partner.

(s) Earnings per ordinary share (“EPS”)

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, and the effects of all dilutive potential ordinary shares.

NOTES TO THE FINANCIAL STATEMENTS
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(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(t) Fair Value Measurement**

Fair value of an asset or liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible.

Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;
- Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3: Inputs are unobservable inputs for the asset or liability.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

(u) Segment Reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 28, including the factors used to identify the reportable segments and the measurement basis of segment information.

(v) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Significant Accounting Judgements and Estimates

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

i) Judgements Made in Applying Accounting Policies

In the process of preparing the financial statements, there were no significant judgements made in applying the accounting policies of the Group which may have significant effects on the amounts recognised in the financial statements, except as follow:

a) Classification between investment property and property, plant and equipment

The Group has developed certain criteria based on MFRS 140 in making judgement whether a property qualifies as an investment property. Investment property is property held to earn rentals or for capital appreciation or both.

ii) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a) Impairment of investment in an associate company

The Group and the Company assesses whether there is any indicators of impairment for non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Investment in an associate

As of 30 September 2022, the carrying amount of the Group's and the Company's investment in an associate, Trelleborg Wellcall Sdn. Bhd ("TWSB") are Nil (30.09.2021: RM3,470,171 and RM4,419,648) respectively.

During the current financial year, the Group and the Company fully impaired its investment in TWSB by RM2,895,714 and RM4,419,648 respectively, on the assumptions that the associate is continuous loss making and does not contribute any future economic benefits to the Group and the Company.

In prior year, the recoverable amount of investment in TWSB was determined using value-in-use method, based on discounted cash flow generated by TWSB, which involve uncertainties and are significantly affected by assumptions used and judgements made regarding estimates of future cash flows and discount rate.

NOTES TO THE FINANCIAL STATEMENTS
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(CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Significant Accounting Judgements and Estimates (Cont'd)

ii) Key Sources of Estimation Uncertainty (Cont'd)

b) Inventories costing

In determining the costing of inventories, management's judgement is required in determining the basis of valuation for finished goods and work-in-progress which comprise cost of raw materials, direct labour, other direct costs, and the appropriate allocation of overheads based on normal operating capacity.

c) Impairment of financial assets

The Group and the Company assess at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's and the Company's financial assets at the reporting date is disclosed in Note 27(a) to the financial statements.

d) Estimated useful lives of assets

The cost of property, plant and equipment and investment property are depreciated on a straight-line basis over the assets' estimated economic useful lives. Management estimates the useful lives of these assets based on expected usage level and current conditions of the assets with proper maintenance schedule, therefore future depreciation charges could be revised.

e) Income Taxes

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

NOTES TO THE FINANCIAL STATEMENTS
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4. PROPERTY, PLANT AND EQUIPMENT

	As at 1.10.2021 RM	Additions RM	Disposal/ Written off RM	As at 30.09.2022 RM
Group COST				
Leasehold lands	10,907,715	-	-	10,907,715
Factory buildings	26,583,601	-	-	26,583,601
Electrical installation	6,385,765	-	-	6,385,765
Fire fighting installation	2,652,297	-	-	2,652,297
Furniture and fittings	650,555	2,400	-	652,955
Motor vehicles	2,695,861	-	-	2,695,861
Office equipment	767,327	24,076	-	791,403
Plant and machinery	75,611,188	452,722	(161,060)	75,902,850
Renovation	63,884	-	-	63,884
	126,318,193	479,198	(161,060)	126,636,331
	As at 1.10.2021 RM	Charge for the year RM	Disposal/ Written off RM	As at 30.09.2022 RM
ACCUMULATED DEPRECIATION				
Leasehold lands	1,527,799	182,456	-	1,710,255
Factory buildings	5,695,728	538,622	-	6,234,350
Electrical installation	5,023,289	352,678	-	5,375,967
Fire fighting installation	1,930,483	175,569	-	2,106,052
Furniture and fittings	499,225	40,308	-	539,533
Motor vehicles	1,786,954	232,195	-	2,019,149
Office equipment	653,598	33,616	-	687,214
Plant and machinery	57,469,180	3,323,147	(159,076)	60,633,251
Renovation	2,613	1,278	-	3,891
	74,588,869	4,879,869	(159,076)	79,309,662
				As at 30.09.2022 RM
NET CARRYING AMOUNT				
Leasehold lands				9,197,460
Factory buildings				20,349,251
Electrical installation				1,009,798
Fire fighting installation				546,245
Furniture and fittings				113,422
Motor vehicles				676,712
Office equipment				104,189
Plant and machinery				15,269,599
Renovation				59,993
				47,326,669

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

	As at 1.10.2020 RM	Additions RM	As at 30.9.2021 RM
Group COST			
Leasehold lands	10,907,715	–	10,907,715
Factory buildings	26,583,601	–	26,583,601
Electrical installation	6,385,765	–	6,385,765
Fire fighting installation	2,652,297	–	2,652,297
Furniture and fittings	645,185	5,370	650,555
Motor vehicles	2,695,861	–	2,695,861
Office equipment	715,395	51,932	767,327
Plant and machinery	75,605,188	6,000	75,611,188
Renovation	16,384	47,500	63,884
	126,207,391	110,802	126,318,193
	As at 1.10.2020 RM	Charge for the year RM	As at 30.9.2021 RM
ACCUMULATED DEPRECIATION			
Leasehold lands	1,345,343	182,456	1,527,799
Factory buildings	5,157,105	538,623	5,695,728
Electrical installation	4,667,611	355,678	5,023,289
Fire fighting installation	1,754,914	175,569	1,930,483
Furniture and fittings	446,835	52,390	499,225
Motor vehicles	1,531,122	255,832	1,786,954
Office equipment	592,922	60,676	653,598
Plant and machinery	53,816,578	3,652,602	57,469,180
Renovation	1,679	934	2,613
	69,314,109	5,274,760	74,588,869
			As at 30.9.2021 RM
NET CARRYING AMOUNT			
Leasehold lands			9,379,916
Factory buildings			20,887,873
Electrical installation			1,362,476
Fire fighting installation			721,814
Furniture and fittings			151,330
Motor vehicles			908,907
Office equipment			113,729
Plant and machinery			18,142,008
Renovation			61,271
			51,729,324

NOTES TO THE FINANCIAL STATEMENTS
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4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(i) The carrying amount of leasehold land and building of the Group pledged to secure bank borrowings facilities amounted to RM15,542,216 (30.09.2021: RM15,847,252).

(ii) The depreciation was charged to profit or loss as follow:

	2022	Group
	RM	2021
		RM
Factory overheads	4,573,750	4,905,862
Administrative expenses	306,119	368,898
	4,879,869	5,274,760

(iii) Included in property, plant and equipment of the Group are fully depreciated property, plant and equipment, which are still in use, at cost as follows:

	30.09.2022	Group
	RM	30.09.2021
		RM
Electrical installation	2,858,985	2,858,985
Fire fighting installation	1,001,382	1,001,382
Furniture and fittings	414,233	336,870
Motor vehicles	1,147,892	1,147,892
Office equipment	573,839	545,824
Plant and machinery	39,740,078	37,289,358
	45,736,409	43,180,311

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

(iv) Information on right-of-use assets are as follow:

	Leasehold lands RM	Factory buildings RM	Total RM
Group COST			
At 1 October 2020/30 September 2021/ 1 October 2021/30 September 2022	10,907,715	26,583,601	37,491,316
ACCUMULATED DEPRECIATION			
At 1 October 2020	1,345,343	5,157,105	6,502,448
Charge for the year	182,456	538,623	721,078
At 30 September 2021/1 October 2021	1,527,799	5,695,728	7,223,527
Charge for the year	182,456	538,622	721,078
	1,710,255	6,234,350	7,944,605
NET CARRYING AMOUNT			
At 30 September 2022	9,197,460	20,349,251	29,546,711
At 30 September 2021	9,379,916	20,887,873	30,267,789

The following are the amounts recognised in profit or loss:

	2022 RM	Group 2021 RM
Depreciation of right-of-use assets	721,078	721,079
Lease expense:		
- Short term leases	2,256	2,856
- Low value assets	3,260	6,931
	726,594	730,866

NOTES TO THE FINANCIAL STATEMENTS
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5. INVESTMENT PROPERTY

	As at 01.10.2021 RM	Additions RM	As at 30.09.2022 RM
Group COST			
Leasehold land	2,829,733	–	2,829,733
Factory building	1,770,083	56,604	1,826,687
	4,599,816	56,604	4,656,420
ACCUMULATED DEPRECIATION			
Leasehold land	141,486	80,849	222,335
Factory building	40,413	67,708	108,121
	181,899	148,557	330,456
NET CARRYING AMOUNT			
Leasehold land			2,607,398
Factory building			1,718,566
			4,325,964

	As at 01.10.2020 RM (Restated)	Additions RM	Reclassification RM	As at 30.09.2021 RM
Group COST				
Leasehold land	2,829,733	–	–	2,829,733
Factory building	731,796	–	1,038,287	1,770,083
Capital work-in-progress	334,923	703,364	(1,038,287)	–
	3,896,452	703,364	–	4,599,816
ACCUMULATED DEPRECIATION				
Leasehold land	60,637	80,849	–	141,486
Factory building	15,681	24,732	–	40,413
	76,318	105,581	–	181,899

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5. INVESTMENT PROPERTY (CONT'D)

	As at 30.09.2021 RM	As at 01.10.2020 RM (Restated)
NET CARRYING AMOUNT		
Leasehold land	2,688,247	2,769,096
Factory building	1,729,670	716,115
Capital work-in-progress	-	334,923
	4,417,917	3,820,134

Investment property of the Group comprises of leasehold land and building which is being leased to associate company. The lease is for a non-cancellable period with future minimum lease payments and amount recognised in profit or loss as follow:

	2022 RM	Group 2021 RM
Not later than one year	130,680	249,480
More than one year and less than five years	-	130,680
	130,680	380,160
Recognised in profit or loss:		
Rental income	249,480	226,800

Fair value of investment properties are as follows:

	30.09.2022 RM	Group 30.09.2021 RM
Leasehold land and building	4,450,000	4,450,000

The fair value disclosure of investment property is categorised in Level 3 of the fair value hierarchy. Level 3 fair values of land and buildings have been generally derived using the estimated selling price of comparable properties in close proximity that are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

NOTES TO THE FINANCIAL STATEMENTS
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6. INVESTMENT IN SUBSIDIARY COMPANY

	Company	
	30.09.2022	30.09.2021
	RM	RM
Unquoted shares, at cost	57,540,803	57,540,803

The details of subsidiary company is as follow:

Company name	Country of incorporation	Principal activity	Effective equity interest	
			30.09.2022	30.09.2021
Wellcall Hose (M) Sdn. Bhd.	Malaysia	Manufacturing of rubber hose and related products, property investment and other related activities.	100%	100%

7. INVESTMENT IN ASSOCIATE COMPANY

	Group		Company	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM	RM	RM	RM
Unquoted shares, at cost	4,419,648	4,419,648	4,419,648	4,419,648
Share of post-acquisition losses	(1,523,934)	(949,477)	-	-
Less: Accumulated impairment losses	(2,895,714)	-	(4,419,648)	-
	-	3,470,171	-	4,419,648

The movement in accumulated impairment losses on investment in associates are as follows:

	Group		Company	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM	RM	RM	RM
At 1 October	-	-	-	-
Addition	2,895,714	-	4,419,648	-
At 30 September	2,895,714	-	4,419,648	-

NOTES TO THE FINANCIAL STATEMENTS
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7. INVESTMENT IN ASSOCIATE COMPANY (CONT'D)

The details of associate company is as follow:

Company name	Country of incorporation	Principal activity	Effective equity interest	
			30.09.2022	30.09.2021
*Trelleborg Wellcall Sdn. Bhd. ("TWSB")	Malaysia	Manufacturing, marketing and sale of composite hose and fittings	49%	49%

* Audited by other firm of auditors.

The financial year end of TWSB is non-coterminous with the Group. For the purpose of applying the equity method of accounting, the unaudited financial information for period from 1 October 2021 to 30 September 2022 has been used.

The summarised financial information of the associate Company, not adjusted for the proportion of equity interest held by the Company, is as follows:

	TWSB	
	30.09.2022 RM	30.09.2021 RM
Assets and liabilities		
Non-current assets	5,019,512	5,841,711
Current assets	2,604,840	3,072,656
<hr/>		
Total assets	7,624,352	8,914,367
Non-current liabilities	(1,111,477)	(1,111,477)
Current liabilities	(603,608)	(720,907)
<hr/>		
Net assets attributable to owners of TWSB	5,909,267	7,081,983
	2022 RM	2021 RM
Financial results		
Revenue	616,081	8,226
<hr/>		
Loss before tax	(1,172,840)	(1,353,961)
Taxation	-	-
<hr/>		
Net losses for the year	(1,172,840)	(1,353,961)

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2022

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8. OTHER INVESTMENT

	Group	
	30.09.2022	30.09.2021
	RM	RM
Unquoted shares in Malaysia, at cost	10,000	10,000

9. INVENTORIES

	Group	
	30.09.2022	30.09.2021
	RM	RM
At cost:		
Raw materials	16,903,459	13,755,772
Work-in-progress	6,304,456	2,663,401
Finished goods	5,850,440	3,723,227
	29,058,355	20,142,400
Recognised in profit or loss:		
Inventories recognised as cost of sales	75,155,236	64,003,307

10. TRADE AND OTHER RECEIVABLES

	Group			Company	
	30.09.2022	30.09.2021	01.10.2020	30.09.2022	30.09.2021
	RM	RM	RM	RM	RM
		(Restated)	(Restated)		
Trade receivables	13,961,959	12,952,720	10,278,187	-	-
Amount due from subsidiary company	-	-	-	13,364,000	9,225,000
Amount due from associate company	193,511	-	-	-	-
Other receivables	28,193	29,686	35,804	-	-
Deposits	292,313	20,150	19,350	-	-
Prepayments	1,424,043	1,567,670	26,100	-	-
	15,900,019	14,570,226	10,359,441	13,364,000	9,225,000

NOTES TO THE FINANCIAL STATEMENTS
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10. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (30.09.2021: 30 to 90 days; 01.10.2020: 30 to 90 days) term. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	30.09.2022	Group 30.09.2021	01.10.2020
	RM	RM	RM
		(Restated)	(Restated)
Neither past due nor impaired	10,845,007	11,835,480	8,209,306
Due but not impaired			
1 - 30 days	2,351,371	927,226	1,674,206
31 - 60 days	299,128	168,439	386,250
61 - 90 days	360,770	14,685	60
91 days and above	105,683	6,890	8,365
	3,116,952	1,117,240	2,068,881
	13,961,959	12,952,720	10,278,187

Receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the year.

Receivables that are past due but not impaired

The Group has trade receivables amounting to RM3,116,952 (30.09.2021: RM1,117,240; 01.10.2020: RM2,068,881) that are past due at the reporting date but not impaired. Based on historical payment received, the Group believes that no impairment allowance is necessary. These receivables are unsecured.

(b) Amount Due From a Subsidiary Company

This amount represents dividend receivable and payment made on behalf to the subsidiary company, which is unsecured, non-interest bearing and is receivable on demand in cash and cash equivalents.

(c) Amount Due From an Associate Company

This amount represents rental income receivable and payment made on behalf of associate company, which is unsecured, non-interest bearing and is receivable on demand in cash and cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS
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11. CASH AND CASH EQUIVALENTS

	Group		Company	
	30.09.2022 RM	30.09.2021 RM	30.09.2022 RM	30.09.2021 RM
<u>At amortised cost:</u>				
Cash in hand and at banks	36,643,333	32,203,746	81,380	75,010
Deposits with licensed banks	12,150,000	15,650,000	8,550,000	13,250,000
	48,793,333	47,853,746	8,631,380	13,325,010
<u>At fair value through profit or loss:</u>				
Cash management fund	13,978,671	13,736,471	-	-
	62,772,004	61,590,217	8,631,380	13,325,010

(a) Deposits with licensed banks

Deposits with licensed banks comprise of fixed deposits and short-term deposits.

Deposits of the Group amounted to RM1,000,000 (30.09.2021: RM1,000,000) were pledged with licensed bank as securities for banking facilities utilised by the subsidiary company.

At the end of the financial year, the remaining fixed deposits and short-term deposits earned interest rates ranging from 1.35% to 2.25% (30.09.2021: 1.70% to 1.85%) per annum and have average maturities of 2 to 91 days (30.09.2021: 2 to 91 days).

(b) Cash management fund

Cash management funds represent investment in unit trust funds that invest only in low risk, high liquid short term money market instruments. Distribution income from these funds is recognised as other income.

Cash management funds are valued with reference to the quoted net asset value of the underlying funds as at the reporting date. The fair value of the funds is classified under Level 1 of the fair value hierarchy.

12. SHARE CAPITAL

	Group and Company		Amount	
	Number of ordinary shares		RM	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
			RM	RM
Issued and fully paid:				
Ordinary shares	497,947,555	497,947,555	68,836,509	68,836,509

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

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13. RESERVES

	Group		Company	
	30.09.2022 RM	30.09.2021 RM	30.09.2022 RM	30.09.2021 RM
Retained profit	55,736,224	58,297,169	10,571,099	15,571,256

14. DEFERRED TAXATION

	Group	
	30.09.2022 RM	30.09.2021 RM
At beginning of year	4,953,501	5,173,817
Transfer to statement of profit or loss (Note 21)	(340,803)	(220,316)
At end of year	4,612,698	4,953,501
The deferred tax liabilities recognised is in respect of the following:		
- Temporary difference between depreciation and capital allowance	4,612,698	4,953,501

15. TRADE AND OTHER PAYABLES

	30.09.2022 RM	Group		Company	
		30.09.2021 RM (Restated)	01.10.2020 RM (Restated)	30.09.2022 RM	30.09.2021 RM
Trade payables	6,125,907	6,610,126	5,326,176	-	-
Other payables	3,569,631	2,634,116	1,949,424	118,623	21,753
Advances received					
from customers	10,842,362	6,466,470	4,701,536		
Deposit received	36,000	36,000	36,000	-	-
Accruals	7,223,712	5,707,931	5,443,523	23,000	92,750
	27,797,612	21,454,643	17,456,659	141,623	114,503

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15. TRADE AND OTHER PAYABLES (CONT'D)**(a) Trade payables**

Trade payables are non-interest bearing and are normally settled on 30 to 60 days (30.09.2021: 30 to 60 days; 01.10.2020: 30 to 60 days) term. Other credit terms are assessed and approved on a case-by-case basis. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Included in trade payables is an amount of RM643,661 (30.09.2021: RM192,319; 01.10.2020: RM Nil) due to a corporation in which certain directors have interest. These balances arose from normal trade transactions.

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of 90 days (30.09.2021: 90 days; 01.10.2020: 90 days) term.

(c) Advances received from customers

Advances received from customers represent contract liabilities recognised for prepayment made by oversea customers at the end of each reporting year. These amounts are recognised as revenue upon delivery of the related goods or services to the customers subsequent to the year end.

Revenue recognised during the financial year which was included in contract liabilities balance at beginning of the financial year is RM6,466,470 (2021: RM4,701,536)

As at 30 September 2022, the aggregate amount of revenue expected to be recognised for purchase orders that are unsatisfied is RM26,440,764 (30.09.2021: RM14,880,072; 01.10.2020: RM11,308,065). The Group expects to recognise these revenue when the control of the goods or services is delivered, which is expected to occur within next financial year.

16. REVENUE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Dividend income from subsidiary	-	-	36,450,000	31,275,000
Manufacture of rubber hose and related products:				
- Sales of goods	166,770,658	153,365,804	-	-
- Associated services	9,931,037	3,650,433	-	-
	176,701,695	157,016,237	36,450,000	31,275,000
Timing of recognition:				
At a point in time	176,701,695	157,016,237	36,450,000	31,275,000

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17. OTHER OPERATING INCOME

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Distribution income from money market instruments at FVTPL	77,567	240,216	-	-
Dividend income from other investment	6,485	1,200	-	-
Fair value gain on money market instruments at FVTPL	164,632	1,347	-	-
Gain on disposal of property, plant and equipment	26,000	2,660	-	-
Interest income from deposits with licensed banks	331,174	292,745	166,663	219,333
Rental income	284,119	266,095	-	-
Gain on foreign exchange				
- Realised	1,686,605	1,352,303	-	-
- Unrealised	2,662,164	402,979	-	-
Other income	158,507	174,446	-	-
	5,397,253	2,733,991	166,663	219,333

18. PROFIT BEFORE TAXATION

The following items have been included in arriving at profit before taxation:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before taxation is arrived at after charging:				
Auditors' remuneration				
- Statutory audit services	120,000	45,000	45,000	12,000
- Other services	5,000	-	5,000	-
- Underprovision in prior year	2,000	-	-	-
Depreciation of investment property	148,557	105,581	-	-
Impairment loss on investment in an associate company	2,895,714	-	4,419,648	-
Depreciation of property, plant and equipment	4,879,869	5,274,760	-	-
Directors' remuneration (Note 20)	7,145,966	6,685,224	771,500	785,500
Employee benefits expenses (Note 19)	16,254,439	13,930,092	-	-
Lease expenses (Note 4(iv))	5,516	9,787	-	-

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19. EMPLOYEE BENEFITS EXPENSES

	Group	
	2022 RM	2021 RM
Salaries, wages, bonus and others	15,266,669	13,011,262
E.P.F.	815,770	753,463
E.I.S.	10,693	9,897
Socso	161,307	155,470
	16,254,439	13,930,092
Employee benefits expenses recognised in line item of profit or loss:		
- Cost of sales	13,348,596	11,277,452
- Administrative expenses	2,905,843	2,652,640
	16,254,439	13,930,092

20. DIRECTORS' REMUNERATION

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Executive Directors:				
Remuneration	2,804,769	2,664,000	-	-
Allowance	112,000	52,000	-	14,000
Bonus	2,942,608	2,707,691	-	-
E.P.F.	141,992	117,000	-	-
E.I.S.	194	190	-	-
Socso	2,903	2,843	-	-
	6,004,466	5,543,724	-	14,000
Non-executive Directors:				
Fees	1,052,000	1,052,000	682,000	682,000
Allowance	24,500	24,500	24,500	24,500
Ex-gratia	65,000	65,000	65,000	65,000
	1,141,500	1,141,500	771,500	771,500
	7,145,966	6,685,224	771,500	785,500

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21. TAX EXPENSE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Malaysian income tax				
- Current year	11,811,773	11,801,302	38,757	51,062
- Underprovision in prior year	58,563	321,563	2	23
	11,870,336	12,122,865	38,759	51,085
Deferred taxation (Note 14)	(340,803)	(220,316)	-	-
	11,529,533	11,902,549	38,759	51,085

The reconciliation between tax expense applicable to profit before tax at the statutory tax rates to tax expense at effective tax rate of the Group and of the Company are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Profit before tax	44,820,812	46,057,643	30,890,826	30,305,748
Taxation at Malaysian statutory tax rate of 24%	10,756,995	11,053,834	7,413,798	7,273,380
Income not subject to tax	(749,747)	(247,247)	(8,748,000)	(7,506,000)
Non-deductible expenses	1,463,722	739,914	1,372,959	283,682
Underprovision of income tax in prior year	58,563	321,563	2	23
Underprovision of deferred tax in previous year	-	34,485	-	-
	11,529,533	11,902,549	38,759	51,085

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22. EARNINGS PER SHARE**(a) Basic Earnings Per Share**

Basic earnings per share is calculated by dividing profit attributable to equity holders by the weighted average amount of ordinary shares issued during the financial year.

	2022	Group 2021
Profit for the year attributable to equity holders of the Company (RM)	33,291,279	34,155,094
Weighted average number of shares in issue	497,947,555	497,947,555
Basic earnings per share (sen)	6.69	6.86

(b) Dilutive Earnings Per Share

There were no dilutive potential equity instruments in issue as at each financial year end that have dilutive effect to the earnings per share of the Group.

23. DIVIDENDS

During the financial year, the Company declared and paid dividends as follows:

	2022		2021	
	Net dividend per share Sen	Amount RM	Net dividend per share Sen	Amount RM
Fourth/special interim single tier dividend paid	2.80	13,942,531	1.40	6,971,266
First single tier dividend paid	1.40	6,971,266	1.40	6,971,266
Second single tier dividend paid	1.40	6,971,266	1.40	6,971,266
Third single tier dividend paid	1.60	7,967,161	1.40	6,971,266
Total	7.20	35,852,224	5.60	27,885,064

Subsequent to the financial year, a fourth single tier dividend of 1.60 sen per share on 497,947,555 ordinary shares amounted to RM7,967,161 and a special interim dividend of 1.00 sen per share on 497,947,555 ordinary shares amounted to RM4,979,475 in respect of the financial year ended 30 September 2022 was declared on 30 November 2022 and paid on 23 December 2022. This dividend has not been accounted for in the financial statements.

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24. FAIR VALUE INFORMATION

a) Financial Instruments not Carried at Fair Value

The fair values of the financial instruments of the Group and of the Company which are maturing within the next twelve months approximately their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

b) Financial Instruments Carried at Fair Value

Fair value of financial instruments that are measured at fair value in the statements of financial position at the end of the reporting period are as follows:

	Fair value			Carrying amount RM
	Level 1 RM	Level 2 RM	Level 3 RM	
Group				
At fair value through profit or loss:				
30.09.2022				
Cash and cash equivalents				
- Cash management fund	13,978,671	-	-	13,978,671
30.09.2021				
Cash and cash equivalents				
- Cash management fund	13,736,471	-	-	13,736,471

25. SIGNIFICANT RELATED PARTY TRANSACTION

a) Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transaction between the Group and related party took place at terms agreed between the parties during the financial year:

	Group	
	2022 RM	2021 RM
Rental of factory	249,480	226,800
Sub-contract services for topping of nylon cord on hoses	3,196,122	1,378,621

The significant related parties are Trelleborg Wellcall Sdn. Bhd., the associate company and Global Rubber Industry (M) Sdn. Bhd. in which certain executive directors of the Company have either common directorship or/and substantial equity interest.

b) Compensation of key management personnel

The key management personnel comprised mainly executive Directors of the Group and of the Company. Their remuneration is disclosed in Note 20 to the financial statements.

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26. FINANCIAL INSTRUMENTS**a) Classification of financial instruments**

The Group and the Company financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The significant accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised.

The table below provides an analysis of financial instruments categorised under MFRS 9 as follows:

- (i) Amortised cost ("AC"); and
(ii) Fair value through profit or loss ("FVTPL")

	Carrying amount RM	AC RM	FVTPL RM
Group			
30.09.2022			
Financial assets			
Other investments	10,000	10,000	-
Trade and other receivables (excluding prepayment)	14,475,976	14,475,976	-
Cash and cash equivalents	62,772,004	48,793,333	13,978,671
Financial liabilities			
Trade and other payables	27,797,612	27,797,612	-
30.09.2021			
Financial assets			
Other investments	10,000	10,000	-
Trade and other receivables (excluding prepayment)	13,002,556	13,002,556	-
Cash and cash equivalents	61,590,217	47,853,746	13,736,471
Financial liabilities			
Trade and other payables	21,454,643	21,454,643	-
Company			
30.09.2022			
Financial assets			
Trade and other receivables	13,364,000	13,364,000	-
Cash and cash equivalents	8,631,380	8,631,380	-
Financial liabilities			
Trade and other payables	141,623	141,623	-
30.09.2021			
Financial assets			
Trade and other receivables	9,225,000	9,225,000	-
Cash and cash equivalents	13,325,010	13,325,010	-
Financial liabilities			
Trade and other payables	114,503	114,503	-

NOTES TO THE FINANCIAL STATEMENTS
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27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk, credit risk and liquidity risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's and the Company's policy that no derivatives shall be undertaken.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

(i) Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the business segment of its trade receivables on an ongoing basis.

At the reporting date, there was no significant concentration of credit risk for the Group.

(ii) Assessment of impairment losses

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

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt).

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**(a) Credit Risk (Cont'd)****(ii) Assessment of impairment losses (Cont'd)***Trade receivables*

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

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

For certain large customers or customers with a high risk of default, the Group assesses the risk of loss of each customer individually based on their financial information, past trends of payments and external credit rating, where applicable.

Also, the Group considers any trade receivables having financial difficulty or in default with significant balances outstanding for more than 90 days are deemed credit impaired and assess for their risk of loss individually, unless it is fully recovered subsequently.

For collective impairment losses on trade receivables, the Group uses a provision matrix to calculate expected credit losses. The provision rates are depending on the number of days that a trade receivable is past due. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information (if any). At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The information about the exposure to credit risk and trade receivables aging are disclosed in Note 10(a) to the financial statements.

Other receivables and intercompany balances

Other receivables and intercompany balances are also subject to the impairment requirements of MFRS 9, the identified impairment loss is assessed to be immaterial and hence it is not provided for.

Cash and cash equivalents

The Group and the Company consider these banks and financial institutions have low credit risk. Therefore, the Group and the Company are in the view that the loss allowance is immaterial.

(b) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk, foreign currency risk and equity price risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in the market interest rates. The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the financial year would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

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27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**(b) Market Risk (Cont'd)****(i) Interest rate risk (Cont'd)**

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on the carrying amounts as at end of the financial year is as follows:

	Group		Company	
	30.09.2022	30.09.2021	30.09.2022	30.09.2021
	RM	RM	RM	RM
Fixed rate instruments				
<u>Financial asset</u>				
Deposits with licensed banks	12,150,000	15,650,000	8,550,000	13,250,000

Sensitivity analysis for interest rate risk

Sensitivity analysis for fixed rate instruments is not presented as fixed rate instruments are not affected by changes in interest rates.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group is exposed to transactional currency risk primarily through sales and purchases that are denominated in a currencies other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily United States Dollar and Euro Dollar ("USD" and "EUR"). As such, the Group is exposed to foreign currency risk. These exposures are managed, to the extent possible, by natural hedge that arise when payments for foreign currency payables are matched against receivables denominated in the same foreign currency. The Group also has stand-by foreign exchange forward contract to mitigate foreign currency risk, but remain unutilised throughout the financial year and previous financial years.

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**(b) Market Risk (Cont'd)****(ii) Foreign currency risk (Cont'd)**

The transactional currency exposure arising from financial assets and liability that are denominated in a currency other than functional currency, are as follow:

	United States Dollar ("USD") RM	Euro ("EUR") RM	Total RM
Group			
30.09.2022			
Financial assets			
Trade and other receivables	8,342,456	970,612	9,313,068
Cash and bank balances	30,205,291	1,040,501	31,245,792
	38,547,747	2,011,113	40,558,860
Financial liability			
Trade and other payables	(10,169,300)	(47,368)	(10,216,668)
	28,378,447	1,963,745	30,342,192
Company			
30.09.2021			
Financial assets			
Trade and other receivables	9,628,922	887,593	10,516,515
Cash and bank balances	26,911,144	1,019,932	27,931,076
	36,540,066	1,907,525	38,447,591
Financial liability			
Trade and other payables	(7,137,283)	(60,583)	(7,197,866)
	29,402,783	1,846,942	31,249,725

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27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**(b) Market Risk (Cont'd)**(ii) Foreign currency risk (Cont'd)Sensitivity Analysis for Foreign Currency Risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the USD and EUR exchange rates against the respective functional currencies of the Group entities, with all other variables held constant.

		2022 RM	Group 2021 RM
USD/RM	- strengthened 10%	2,837,845	2,940,278
	- weakened 10%	(2,837,845)	(2,940,278)
EUR/RM	- strengthened 10%	196,375	184,694
	- weakened 10%	(196,375)	(184,694)

(iii) Equity price risk

Equity price risk is the risk that the fair value of the financial instruments of the Group would fluctuate because of changes in market price.

The Group's principal exposure to market price risk mainly arising from money market instruments, which are classified as FVTPL.

Equity price risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the market prices of the money market instruments at the end of the reporting period, with all other variables held constant:

	30.09.2022 RM	Group 30.09.2021 RM
Effect on profit/(loss) before tax		
Increase of 10%	1,397,867	1,373,647
Decrease of 10%	(1,397,867)	(1,373,647)

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**(c) Liquidity Risk**

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Analysis of Financial Instruments by Remaining Contractual Maturities

The table below summarises the maturity profile of the Group's and the Company's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	<-----30.09.2022----->		
	On demand or within one year RM	One to five years RM	Total RM
Group			
Financial Liability			
Trade and other payables	27,797,612	-	27,797,612
<hr/>			
Company			
Financial Liability			
Trade and other payables	141,623	-	141,623
<hr/>			
	<-----30.09.2021----->		
	On demand or within one year RM	One to five years RM	Total RM
Group			
Financial Liability			
Trade and other payables	21,454,643	-	21,454,643
<hr/>			
Company			
Financial Liability			
Trade and other payables	114,503	-	114,503
<hr/>			

NOTES TO THE FINANCIAL STATEMENTS

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28. CONTINGENCIES**28.1 Corporate Guarantees**

	Company	
	2022	2021
	RM	RM
Secured:		
Corporate guarantees granted by financial institution for credit facilities granted to subsidiary company	2,000,000	–

The fair value on initial recognition of corporate guarantee was not material as the possibility of default by the said companies is negligible.

28.2 Bank Guarantees

	Group	
	2022	2021
	RM	RM
Bank guarantees issued to utility supplier	814,720	726,270

Bank guarantees issued to utility supplier is in respect of payment guarantee for utility facility.

The Group has assessed the bank guarantee contract and determined that the guarantee is not likely to be called upon by the bank.

29. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business and geographical segments based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

Business Segments

The Group's business segments mainly comprise the manufacture and sale of rubber hose and related products with associated services (if any).

Business segmental information has therefore not been prepared as all the Group's revenue, operating profit, assets employed, liabilities, depreciation, amortisation and non-cash expenses are mainly confined to one business segment.

29. SEGMENT INFORMATION (CONT'D)**Geographical Segments**

The manufacturing and investment holding segments are operated solely in Malaysia. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers while segment assets are based on the geographical location of assets.

	Revenue from external customers RM'000	Carrying amount of segment assets RM'000	Capital expenditure RM'000
2022			
Geographical location:			
Malaysia	16,949	159,406	536
Middle East	10,260	-	-
Europe	25,315	-	-
USA/Canada	48,309	-	-
Australia/New Zealand	21,330	-	-
Asia	33,147	-	-
South America	15,867	-	-
Africa	5,525	-	-
Total	176,702	159,406	536

	Revenue from external customers RM'000	Carrying amount of segment assets RM'000	Capital expenditure RM'000
2021			
Geographical location:			
Malaysia	12,209	155,942	814
Middle East	12,872	-	-
Europe	23,495	-	-
USA/Canada	37,297	-	-
Australia/New Zealand	18,677	-	-
Asia	33,323	-	-
South America	15,233	-	-
Africa	3,910	-	-
Total	157,016	155,942	814

Major customers

There is no single customer that contributed 10% or more to the Group's revenue.

NOTES TO THE FINANCIAL STATEMENTS
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30. PRIOR YEAR RECLASSIFICATION

Prior year reclassification are made for certain financial statements line items of the Group either due to erroneously recorded or wrongly classified.

The effect of the reclassifications are disclosed as follows:

	As previously stated RM	Prior year reclassification RM	As restated RM
Group			
Statements of financial position			
30.09.2021			
Trade and other receivables	6,594,938	7,975,288	14,570,226
Trade and other payables	(14,329,355)	(7,125,288)	(21,454,643)
Tax payable	(1,550,240)	(850,000)	(2,400,240)
01.10.2020			
Investment property	3,485,211	334,923	3,820,134
Capital work-in-progress	334,923	(334,923)	-
Trade and other receivables	5,657,905	4,701,536	10,359,441
Trade and other payables	(13,055,123)	(4,401,536)	(17,456,659)
Tax payable	(1,300,527)	(300,000)	(1,600,527)
Statements of profit or loss and other comprehensive income			
2021			
Cost of sales	(95,197,117)	(5,210,401)	(100,407,518)
Selling and distribution costs	(6,179,966)	5,210,401	(969,565)
Statements of cash flows			
2021			
<u>Cash flows from/(used in) operating activities</u>			
Adjustment for:			
Distribution income from money market instruments	-	240,216	240,216
Fair value gain on money market instruments	-	1,347	1,347
Finance costs	-	185,022	185,022
<i>Changes in working capital:</i>			
- Increase in trade and other receivables	(876,191)	(3,213,684)	(4,089,875)
- Increase in trade and other payables	739,089	3,213,684	3,952,773
Interest paid	-	(185,022)	(185,022)
<u>Cash flows from/(used in) investing activities</u>			
Distribution received from money market instruments	-	(240,216)	(240,216)
Fair value gain on money market instruments	-	(1,347)	(1,347)

31. SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR

On 30 November 2022, the Group has issued a purchase order to acquire a full automatic mandrel hose assembly machine set with approximate consideration of RM5.37 million (equivalent to Euro 1.18 million), via internally generated fund.

As of the date of approval of financial statements, the transaction has yet to complete.

32. AUTHORISATION FOR ISSUE

The financial statements of the Company for the financial year ended 30 September, 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 16 January 2023.

LIST OF PROPERTIES OWNED BY THE GROUP

AS AT 26 JANUARY 2023

Location / Title No.	Existing Usage	Age of Building (Years)	Land Area (sq. ft.)	Built-Up Area (sq. ft.)	Tenure	Carrying Amount As at 30 Sep 2022 (RM)	Year of Acquisition
Plot 48, P.T. 8290, Jalan Johan 2/5, Kawasan Perindustrian Pengkalan II, Fasa II, 31550 Pusing, Perak Darul Ridzuan. Held Under: HSD 48717 P.T. 8290 in the Mukim Sungai Terap, District of Kinta, State of Perak Darul Ridzuan.	Industrial land erected with a block of factory / office building and canteen, which is currently used by Wellcall Hose (M) Sdn. Bhd. for the purpose of carrying out manufacturing activities.	26	217,600	150,000	Leasehold expiring on 6th May, 2056	4,942,150	1997
P.T. 8300, Jalan Johan 2/5, Kawasan Perindustrian Pengkalan II, Fasa II, 31550 Pusing, Perak Darul Ridzuan. Held Under: HS(D) 48727 P.T. 8300 in the Mukim Sungai Terap, District of Kinta, State of Perak Darul Ridzuan.	Industrial land erected with a block of factory, a canteen and workers' hostel for the purpose of carrying out manufacturing activities.	16	286,973	190,000	Leasehold expiring on 6th May, 2056	6,203,246	2007
P.T. 22551, Jalan Johan 2/6, Kawasan Perindustrian Pengkalan II, Fasa II, 31550 Pusing, Perak Darul Ridzuan. Held Under: Geran HS(D) 5053/82 for Lot P.T. 744 situated in Mukim Sungai Terap, District of Kinta, State of Perak Darul Ridzuan.	Industrial land erected with a block of factory, a canteen and workers' hostel for the purpose of carrying out manufacturing activities.	8	370,260	186,000	Leasehold expiring on 31st July, 2111	15,542,216	2014
Plot No. 60, Jalan Johan 2/6, Kawasan Perindustrian Pengkalan II, Fasa II, 31550 Pusing, Perak Darul Ridzuan Held Under: Geran HS (D) 48725 in Mukim Sungai Terap, District of Kinta, State of Perak Darul Ridzuan.	Vacant land.	-	52,711	-	Leasehold expiring on 6th May, 2056	2,859,098	2019
Lot 300827, Kawasan Perindustrian Perabot Negeri Perak, 31550, Pusing, Perak Darul Ridzuan Held Under: Geran HS (D) 45666 in Mukim Belanja, District of Kinta, State of Perak Darul Ridzuan	Industrial land erected with single storey detached factory/office for purpose of renting out.	3	59,557	27,285	Leasehold expiring on 24th November 2055	4,104,613	2020

ANALYSIS OF SHAREHOLDINGS

Issued and fully paid-up Ordinary Shares	: RM68,836,508.58 divided into 497,947,555
Class of shares	: Ordinary Share
Voting Rights	: 1 vote per Ordinary Share
Number of Shareholders as at 23 December 2022	: 6,915

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
1 – 99	159	2.30	7,551	0.00***
100 – 1,000	895	12.95	586,685	0.12
1,001 – 10,000	3,560	51.49	18,052,922	3.63
10,001 – 100,000	1,979	28.62	62,257,380	12.50
100,001 – 24,897,376(*)	320	4.63	321,486,189	64.56
24,897,377 and above (**)	2	0.02	95,556,828	19.19
Total	6,915	100.00	497,947,555	100.00

Note :

- (*) means less than 5% of issued and paid-up share capital
 (**) means 5% and above of issued and paid-up share capital
 (***) means negligible

SUBSTANTIAL SHAREHOLDERS AS AT 23 DECEMBER 2022

The Substantial Shareholders of Wellcall Holdings Berhad (holding 5% or more of the capital) based on the Register of Substantial Shareholdings of the Company and their respective shareholdings are as follows:-

Substantial Shareholders	Direct interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Maximum Perspective Sdn. Bhd.	55,989,478 ^o	11.24	–	–
Tan Kang Seng	1,687,500 [#]	0.34	55,989,478 [^]	11.24

Notes :

- ([#]) 1,687,500 shares are held through HLIB Nominees (Tempatan) Sdn. Bhd. pledged securities account for Tan Kang Seng.
 (^o) 55,989,478 shares are held through HLIB Nominees (Tempatan) Sdn. Bhd. pledged securities account for Maximum Perspective Sdn. Bhd..
 ([^]) Deemed interested by virtue of Section 8(4)(c) of the Companies Act, 2016, through his shareholding in Maximum Perspective Sdn. Bhd. via HLIB Nominees (Tempatan) Sdn. Bhd. pledged securities account for Maximum Perspective Sdn. Bhd..

ANALYSIS OF SHAREHOLDINGS

(CONT'D)

DIRECTORS' SHAREHOLDINGS AS AT 23 DECEMBER 2022

Directors	Direct interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Datuk Ng Peng Hong @ Ng Peng Hay	–	–	9,475,550 ^o	1.90
Huang Sha	16,945,317	3.40	168,750 [*]	0.03
Tan Kang Seng	1,687,500 [#]	0.34	55,989,478 [^]	11.24
Huang Yu Fen	562,500	0.11	–	–
Goh Hoon Leum	–	–	–	–
Datuk Yong Peng Tak	–	–	–	–
Chin Yoke Wah	–	–	–	–
Puan Azian Binti Mohd Yusof	–	–	–	–
Huang Kai Lin (Alternate Director to Huang Sha)	–	–	2,186,850 [@]	0.44

Notes :

- (*) Deemed interested by virtue of Section 59(11)(c) of the Companies Act, 2016, through the shareholding of his children in the Company.
- (^o) Deemed interested by virtue of Section 59(11)(c) of the Companies Act, 2016, through the shareholding of his spouse in the Company.
- ([#]) 1,687,500 shares are held through HLIB Nominees (Tempatan) Sdn. Bhd. pledged securities account for Tan Kang Seng.
- ([^]) Deemed interested by virtue of Section 8(4)(c) of the Companies Act, 2016, through his shareholding in Maximum Perspective Sdn. Bhd. via HLIB Nominees (Tempatan) Sdn. Bhd. pledged securities account for Maximum Perspective Sdn. Bhd..
- ([@]) Deemed interested by virtue of Section 59(11)(c) of the Companies Act, 2016, through the shareholding of his spouse and his stepchild.

DIRECTORS' INTERESTS IN RELATED CORPORATIONS AS AT 23 DECEMBER 2022

By virtue of their interests in the shares of the Company, Datuk Ng Peng Hong @ Ng Peng Hay, Huang Sha, Huang Yu Fen, Huang Kai Lin and Tan Kang Seng are deemed interested in shares of the Company's subsidiary to the extent the Company has an interest.

None of the other Directors in office had any interest in shares in the Company's subsidiary or related corporation as at 23 December 2022.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES AS AT 23 DECEMBER 2022

The Company and/or its subsidiary did not issue any options, warrants or convertible securities to the directors of the Company for the financial year ended 30 September 2022.

ANALYSIS OF SHAREHOLDINGS
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THIRTY LARGEST SHAREHOLDERS AS AT 23 DECEMBER 2022

No	Shareholders	No. of Shares	%
1	HLIB NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR MAXIMUM PERSPECTIVE SDN BHD (CCTS)	55,989,478	11.24
2	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN (HONG KONG) LIMITED (A/C CLIENTS)	39,567,350	7.95
3	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-NR)	24,232,775	4.87
4	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	24,169,105	4.85
5	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR OCBC SECURITIES PRIVATE LIMITED (CLIENT A/C-R ES)	17,171,300	3.45
6	HUANG SHA	16,945,317	3.40
7	CARTABAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UNION BANCAIRE PRIVEE, UBP SA, SINGAPORE BRANCH	15,026,250	3.02
8	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	13,683,381	2.75
9	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	12,099,500	2.43
10	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	11,868,100	2.38
11	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR FORTRESS VALUE TACTICAL FUND	9,396,100	1.89
12	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR BANK OF SINGAPORE LIMITED (FOREIGN)	8,284,755	1.66
13	HSBC NOMINEES (ASING) SDN BHD QUINTET LUXEMBOURG FOR SAMARANG UCITS - SAMARANG ASIAN PROSPERITY	7,505,500	1.51
14	LEONG HON CHONG	5,369,350	1.08

ANALYSIS OF SHAREHOLDINGS

(CONT'D)

THIRTY LARGEST SHAREHOLDERS AS AT 23 DECEMBER 2022

No	Shareholders	No. of Shares	%
15	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR FONG KIAH YEOW	5,010,200	1.01
16	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN GEOK LAN	4,657,700	0.94
17	CHENG SHU NU	4,537,375	0.91
18	HSBC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-TEMP)	4,078,900	0.82
19	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (RHBISLAMIC)	3,206,200	0.64
20	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG KHONG SHOONG (E-IMO/JSI)	3,100,000	0.62
21	TAN GEOK LAN	2,920,000	0.59
22	CHIU MING TE	2,874,375	0.58
23	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO LIA ENG (CCTS)	2,811,000	0.56
24	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	2,696,049	0.54
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GAN TEE JIN	2,250,000	0.45
26	TAN JOO CHIN	2,186,850	0.44
27	LEE CHEAN SEONG	2,124,037	0.43
28	LIN CHING LING	1,956,237	0.39
29	AMANAHRAYA TRUSTEES BERHAD PUBLIC STRATEGIC SMALLCAP FUND	1,831,300	0.37
30	ALJEAN TIO PUEY JIN	1,829,350	0.37

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Seventeenth Annual General Meeting (“17th AGM”) of Wellcall Holdings Berhad (“the Company”) will be held fully virtual through live streaming from the broadcast venue at Level 43A, MYEG Tower, Empire City, No.8, Jalan Damansara PJU 8, 47820 Petaling Jaya, Selangor, Malaysia (“Broadcast Venue”) on Friday, 24 February 2023 at 10.00 a.m., for the following purposes :-

AGENDA

AS ORDINARY BUSINESS

- To lay before the meeting the Audited Financial Statements for the financial year ended 30 September 2022 together with the Reports of the Directors and Auditors thereon.
- To approve the payment of Non-Executive Directors’ fees for an amount of up to RM1,500,000.00 payable to Non-Executive Directors on a monthly basis for the period from 25 February 2023 until the next Annual General Meeting of the Company, in such proportions and manner as the Directors may determine as follows:

(Please refer to Explanatory Note 1)

*(Please refer to Explanatory Note 2)
(Ordinary Resolution 1)*

No.	Type of Director	Non-Executive Directors’ fees (RM)		
		the Company	the Board of subsidiaries	Total
1	Chairman of the Board	160,000	320,000	480,000
2	Non-Independent Non-Executive Directors	130,000	330,000	460,000
3	Independent Non-Executive Directors	560,000	–	560,000

AND THAT to approve the Non-Executive Directors’ benefits (excluding Directors’ fees) for an amount of up to RM112,500.00 payable to Non-Executive Directors for the period from 25 February 2023 until the next Annual General Meeting of the Company, in such manner as the Directors may determine:-

No.	Type of Director	Non-Executive Directors’ fees (RM)		
		the Company	the Board of subsidiaries	Total
1	Chairman of the Board	33,500	–	33,500
2	Non-Independent Non-Executive Directors	19,500	12,000	31,500
3	Independent Non-Executive Directors	47,500	–	47,500

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

3. To re-elect the following Directors who retire pursuant to Clause 89 of the Company's Constitution and being eligible, have offered themselves for re-election:-
- (i) Mr. Tan Kang Seng; and *[Ordinary Resolution 2]*
- (ii) Mr. Goh Hoon Leum *[Ordinary Resolution 3]*
4. To re-elect the following Directors who retire pursuant to Clause 96 of the Company's Constitution and being eligible, have offered themselves for re-election:-
- (i) Puan Azian Binti Mohd Yusof; and *[Ordinary Resolution 4]*
- (ii) Mr. Chin Yoke Wah *[Ordinary Resolution 5]*
5. To re-appoint Messrs. Ecovis Malaysia PLT as the Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. *[Ordinary Resolution 6]*

AS SPECIAL BUSINESS

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

6. **ORDINARY RESOLUTION
CONTINUING IN OFFICE AS INDEPENDENT NON-EXECUTIVE DIRECTOR** *[Please refer to
Explanatory Note 3]
[Ordinary Resolution 7]*
- THAT** authority be and is hereby given to Mr. Goh Hoon Leum, who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company until 31 May 2023.
7. **ORDINARY RESOLUTION
- AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO THE
COMPANIES ACT 2016** *[Please refer to
Explanatory Note 4]
[Ordinary Resolution 8]*
- THAT** pursuant to the Companies Act 2016 ("**the Act**"), the Constitution of the Company, the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**") and approvals of the relevant government and/or regulatory authorities, where such approval is required, the Directors of the Company be and are hereby authorised and empowered pursuant to Sections 75 and 76 of the Act, to issue and allot shares in the capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("**New Shares**") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may, in their absolute discretion deem fit, provided that the aggregate number of shares to be issued, to be subscribed under any rights granted, to be issued from the conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed ten per centum (10%) of the total number of issued shares of the Company (excluding treasury shares) for the time being ("**Proposed General Mandate**");

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

THAT the existing shareholders of the Company do hereby waive their preemptive rights pursuant to Section 85(1) of the Act read together with Paragraph 7.08 of the Listing Requirements and the Company's Constitution to be offered the New Shares to be allotted and issued under the Proposed General Mandate, which rank equally with the existing issued shares in the Company;

THAT such approval on the Proposed General Mandate shall continue to be in force until:

- a) The conclusion of the next Annual General Meeting of the Company held after the approval was given;
- b) The expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or
- c) Revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

Whichever is earlier.

THAT the Directors be and are hereby also empowered to obtain approval from Bursa Securities for the listing and quotation for such New Shares on Bursa Securities;

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND THAT the Directors of the Company be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate.

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

8. **ORDINARY RESOLUTION****- PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE***[Please refer to
Explanatory Note 5]
[Ordinary Resolution 9]*

THAT approval be given to the Company and/or its subsidiary company to enter into recurrent transactions of a revenue or trading nature with related parties which are necessary for the Company's and/or its subsidiary's day-to-day operations and carried out in the ordinary course of business on normal commercial terms not more favourable to the related parties than those generally available to the public and are not to the detriment of the minority shareholders as set out in Part A of the Company's Circular to Shareholders dated 26 January 2023 ("**the Mandate**");

AND THAT the Directors be and are hereby empowered to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give full effect to the Mandate, with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities **AND THAT** the Mandate shall commence upon passing of this ordinary resolution and will expire at the conclusion of the next AGM of the Company following the passing of this ordinary resolution or the expiry of the period within which the next AGM is required by law to be held but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act, 2016 (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting).

9. **SPECIAL RESOLUTION****- PROPOSED ADOPTION OF NEW CONSTITUTION OF THE COMPANY***[Please refer to
Explanatory Note 6]
[Special Resolution]*

THAT approval be and is hereby given to revoke the existing Constitution of the Company with immediate effect and in place thereof, the proposed new Constitution of the Company, as set out in "**Appendix II**" in Part B of the Circular to Shareholders dated 26 January 2023 to be despatched together with the Company's Annual Report 2022 be and is hereby adopted as the Constitution of the Company ("**Proposed Adoption**");

AND THAT the Directors of the Company be and are hereby authorised to assent to any modification, variation and/or amendment as may be required by the relevant authorities (if any) and to do all acts and things and take all such steps as may be considered necessary to give effect to the Proposed Adoption.

10. To transact any other ordinary business of which due notice has been given in accordance with the Company's Constitution and/or Companies Act, 2016.

BY ORDER OF THE BOARD

TEO SOON MEI (SSM PC No. 201908000235) (MAICSA 7018590)**LIM JIA HUEY** (SSM PC No. 201908000929) (MAICSA 7073258)**TEE WAN TING** (SSM PC No. 202208000388) (MAICSA 7077906)

Company Secretaries

Kuala Lumpur

Dated: 26 January 2023

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)

Explanatory Notes on Ordinary and Special Businesses:

1. Item 1 of the Agenda

This Agenda item is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval of the shareholders for the Audited Financial Statements. As such, this Agenda item is not put forward for voting.

2. Item 2 of the Agenda

Section 230(1) of the Companies Act 2016 provides that the fees of the directors and any benefits payable to the directors including any compensation for loss of employment of a director or former director of a public company or a listed company and its subsidiaries, shall be approved at a general meeting.

The Company had, at its Sixteenth Annual General Meeting (“**16th AGM**”) held on 21 February 2022, obtained approval from the shareholders in respect of:-

Approved limit granted by the shareholders at the 16th AGM		
	Directors' Fee (RM)	Meeting allowance and claimable benefits (RM)
Chairman	350,000	26,500
Independent Non-Executive Directors	846,000	98,500
Non Independent Non-Executive Directors	304,000	25,000
Total for Non-Executive Directors (“ Approved Limit ”)	1,500,000	150,000

The Directors remuneration policy of the Company and its subsidiaries for the financial year ended 30 September 2022 is as follows:-

	The Company		The Board of subsidiaries		Total (“Column I”)	
	Directors' Fee (RM)	Meeting allowance and claimable benefits (RM)	Directors' Fee (RM)	Meeting allowance and claimable benefits (RM)	Directors' Fee (RM)	Meeting allowance and claimable benefits (RM)
Chairman	120,000	26,500	230,000	–	350,000	26,500
Independent Non-Executive Directors	398,000	27,000	–	–	398,000	27,000
Non-Independent Non-Executive Directors	164,000	25,000	140,000	–	304,000	25,000
Total	682,000	78,500	370,000		1,052,000	78,500

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)

Explanatory Notes on Ordinary and Special Businesses: (Cont'd)

2. Item 2 of the Agenda (Cont'd)

Details of the Directors' Remuneration for the financial year ended 30 September 2022 are enumerated in the Corporate Governance Report 2022 of the Company.

The Non-Executive Directors' Fees and Non-Executive Directors' benefits (excluding Directors' fees) payable to the Non-Executive Directors for the financial year ended 30 September 2022 were not exceeded the Approved Limit that were approved by the shareholders at the 16th AGM of the Company in 2022.

The Company is seeking shareholders' approval for the payment of Non-Executive Directors' fees for an amount up to RM1,500,000.00 and Non-Executive Directors' benefits for an amount up to RM112,500.00 payable to the Non-Executive Directors on a monthly basis for the period from 25 February 2023 until the next Annual General Meeting of the Company under Ordinary Resolution 1.

The estimated Non-Executive Directors' fees and benefits proposed for the financial period from 25 February 2023 until the next Annual General Meeting of the Company are derived based on the current Board size.

The benefits payable to the Non-Executive Directors comprising of meetings allowances based on actual attendance of meetings by the Non-Executive Directors and other claimable benefits including reimbursable expenses incurred in the course of carrying out their duties as Directors. The payment of benefits to the Non-Executive Directors will be made by the Company on a monthly basis and/or as and when incurred.

Ordinary Resolution 1 is to facilitate payment of Directors' fees and benefits for the financial year 2023/2024.

In the event that the proposed Directors' fees and benefits payable are insufficient due to the enlarged Board size, the Company will seek shareholders' approval at the next AGM of the Company for the additional Directors' fees and benefits payable to meet the shortfall.

3. Item 6 of the Agenda

For Ordinary Resolution 7, the Nomination Committee of the Company has assessed the independence of Mr. Goh Hoon Leum who has served for a cumulative term of more than nine (9) years and has recommended to the Board that he continues to act as Independent Non-Executive Director of the Company. Mr. Goh Hoon Leum was appointed on 8 December 2010 as Independent Non-Executive Director and he has served the Company for more than twelve (12) years as at the date of the notice of 17th AGM. However, he has met the independence guideline as set out in Chapter 1 of Listing Requirements of Bursa Securities. The Board upon the recommendation from the Nomination Committee of the Company, therefore, considers him to be independent until 31 May 2023. After taking into the consideration the provisions of Listing Requirements of Bursa Securities and based on the justifications in the Corporate Governance Report 2022 and the Statement Accompanying the Notice of the 17th AGM of the Company, the Board recommends him to continue act as Independent Non-Executive Director of the Company subject to the approval from the shareholders of the Company through a two-tier voting process pursuant to Practice 5.3 of Malaysian Code on Corporate Governance 2021.

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)**Explanatory Notes on Ordinary and Special Businesses: (Cont'd)****4. Item 7 of the Agenda**

Ordinary Resolution 8 is to seek a renewal of the general mandate for allotment and issuance of shares by the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed the prescribed limit under the Listing Requirements of Bursa Securities (“**General Mandate**”).

However, pursuant to Section 85(1) of the Act and Clause 9(2) of the Company's Constitution and Paragraph 7.08 of Listing Requirements of Bursa Securities, the New Shares will have to be offered to the existing shareholders of the Company unless there is a direction to the contrary given in the general meeting of the Company. Should the existing shareholders of the Company approve the proposed Ordinary Resolution 8, they are waiving their pre-emptive rights pursuant to Section 85(1) of the Act, which then would allow the Directors to issue New Shares to any person without having to offer the said New Shares equally to all existing shareholders of the Company prior to issuance. This will result in a dilution to the shareholding percentage of the existing shareholders of the Company.

The Board of Directors of the Company is of the view that the General Mandate is in the best interest of the Company and its shareholders as it will provide flexibility to the Company to issue new shares without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time. It will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company fund raising activities, including but not limited to further placement of shares for the purpose of funding the Company's current and/or future investment projects, working capital, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such applications as the Directors may deem fit in the best interest of the Company and its shareholders, provided that the aggregate number of shares or convertible securities issued must not be more than 10% of the total number of issued shares.

The proposed Ordinary Resolution 8 is a renewal of the previous year's mandate. As of the date of this Notice, no new shares in the Company were issued pursuant to the General Mandate granted to the Directors at the last Annual General Meeting of the Company held on 21 February 2022 and which will lapse at the conclusion of this 17th AGM.

5. Item 8 of the Agenda

Ordinary Resolution 9 proposed under Item 8 of the Agenda, if passed, will enable the Group to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature in the ordinary course of business which are necessary for the Group's day-to-day operations and on normal commercial terms not more favourable to the related parties than those generally available to the public, and are not to the detriment of the minority shareholders of the Company. The procurement of the Proposed Shareholders' Mandate would reduce substantially administrative time, effort and expenses associated with the convening of separate general meetings to seek members' approval as and when potential Recurrent Related Party Transactions arise.

The authority given for Ordinary Resolution 9 mentioned above unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

Further information on Ordinary Resolution 9 is set out in the Part A of the Circular to Shareholders of the Company dated 26 January 2023 which is despatched together with the Annual Report 2022.

NOTICE OF ANNUAL GENERAL MEETING

(CONT'D)

Explanatory Notes on Ordinary and Special Businesses: (Cont'd)**6. Item 9 of the Agenda**

Special Resolution under Item 9 of the Agenda is the Proposed Adoption of New Constitution, which if passed, will streamline the Company's Constitution with the prevailing statutory and regulatory requirements and to enhance administrative efficiency and provide greater clarity to the Constitution. The Board proposed that the existing Constitution be revoked in its entirety and the proposed new Constitution of the Company as set out in "Appendix II" in the Part B of the Circular to Shareholders dated 26 January 2023 be adopted as the new Constitution of the Company.

The Proposed Adoption shall take effect once the Special Resolution has been passed by a majority of not less than seventy-five per centum (75%) of the members who are entitled to vote and do vote in person or by proxy at the 17th AGM.

Notes:

- (1) *The 17th AGM of the Company will be held fully virtual through live streaming from the **Broadcast Venue** and online remote voting using Remote Participation and Voting ("**RPV**") facilities provided by Agmo Digital Solutions Sdn. Bhd. through its website at <https://web.vote2u.my>. Please refer to the Administrative Guide for the 17th AGM which is available at the Company's website at www.wellcallholdings.com for the procedures to register, participate and vote remotely at the 17th AGM through the RPV facilities.*
- (2) *Shareholders are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote (collectively, "participate") remotely at the 17th AGM using the RPV.*
- (3) *The Broadcast Venue of the 17th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act, 2016 which requires the Chairperson of the meeting to be at the main venue of the meeting. The Broadcast Venue is to inform shareholders where the electronic AGM production and streaming would be conducted from. No shareholder(s)/proxy(ies) from the public will be physically present at the meeting venue on the day of the 17th AGM.*
- (4) *A member who is entitled to attend and vote at the 17th AGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the 17th AGM. A proxy may but need not be a member of the Company, and need also not be an advocate, an approved company auditor or a person approved by the registrar of the Company. Where a member appoints two (2) proxies to attend the 17th AGM, the member shall specify the proportion of his/her shareholding to be represented by each proxy, failing which the appointment shall be invalid.*
- (5) *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, he/she may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account. The appointment of two (2) proxies in respect of any particular securities account shall be invalid unless the authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*
- (6) *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("**Omnibus Account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each Omnibus Account it holds. The appointment of two (2) or more proxies in respect of any particular omnibus account shall be invalid unless the exempt authorised nominee specifies the proportion of its shareholding to be represented by each proxy.*

NOTICE OF ANNUAL GENERAL MEETING
(CONT'D)**Notes: (Cont'd)**

- (7) *The instrument appointing a proxy and the power of attorney or other authority, if any, shall be in writing under the hand of appointer or of his/her attorney duly authorised in writing or a copy of that power of attorney, certified by an advocate and solicitor, or where the appointer is a corporation, either under the corporation's common seal or under the hand of an officer or attorney duly authorised. Any alteration in the proxy form must be initialled.*
- (8) *The instrument appointing either a proxy, a representative, a power of attorney or other authorities, where it is signed or certified by a notary as a true copy shall be deposited at the office of the Company's Registered Office, No. 7-1, Jalan 109F, Plaza Danau 2, Taman Danau Desa, 58100 Kuala Lumpur, Wilayah Persekutuan or fax to (03) 7980 1242 or email to WellcallAGM@amerits.com.my, not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.*
- (9) *Pursuant to Paragraph 8.29A(1) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in this Notice of the 17th AGM will be put to vote by poll.*
- (10) *In respect of deposited securities, only members whose names appear in the Record of Depositors on 15 February 2023 (General Meeting Record of Depositors) shall be entitled to attend, participate and vote at the 17th AGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.*
- (11) *Those proxy forms which are indicated with "X" in the spaces provided to show how the votes are to be cast will also be accepted. Any alteration in the form of proxy must be initialled.*

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the 17th AGM and/or any adjournment thereof, a member of the Company:

- (i) *consents to the collection, use and disclose of the member's personal data by the Company (or its agents) for the purpose of processing and the administration by the Company (or its agents) of proxies and representatives appointed for the 17th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 17th AGM (including any adjournment thereof), and in order for the Company (or its agent) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes");*
- (ii) *warrants that the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclose of the proxy(ies) and/or representative(s) personal data by the Company for the Purposes; and*
- (iii) *agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses, and damages as a result of the member's breach of warranty.*

STATEMENT ACCOMPANYING THE NOTICE OF THE SEVENTEENTH ANNUAL GENERAL MEETING

STATEMENT ACCOMPANYING THE NOTICE OF THE 17th AGM

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. Director standing for election or appointment.
There is no individual seeking election or appointment as a Director at the forthcoming the 17th AGM.
2. Directors standing for re-election
The following Directors are seeking re-election at the 17th AGM (the “Retiring Directors”) under Ordinary Resolutions 2 to 5:-
 - (A) Directors who retire pursuant to Clause 89 of the Company’s Constitution and being eligible, have offered themselves for re-election:-
 - (i) Mr. Tan Kang Seng
 - (ii) Mr. Goh Hoon Leum
 - (B) Directors who retire pursuant to Clause 96 of the Company’s Constitution and being eligible, have offered themselves for re-election:-
 - (i) Puan Azian Binti Mohd Yusof; and
 - (ii) Mr. Chin Yoke Wah

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Securities (“MMLR”), the details of the Retiring Directors are as set out in their respective Directors’ Profile of the Company’s Annual Report 2022. The details of their interest in the securities of the Company can be found in the Company’s Annual Report 2022.

The Nomination Committee (“NC”) has considered the performance and contribution of the abovesaid Retiring Directors from the Board Effectiveness Evaluation conducted following factors were taken into consideration:-

- (a) Fit and proper assessment
- (b) Contribution to interaction
- (c) Knowledge and caliber
- (d) Provision of quality of input to the Board
- (e) Understanding of role

The NC and Board also review the tenure of the Directors and the Board composition to ensure the Board has an appropriate mix of skills and experience for the requirements of the business.

Retiring Directors who are Independent Non-Executive Directors have provided their confirmation that they fulfilled the independence criteria prescribed by the MMLR. They have confirmed that they do not have any existing or potential conflict of interest, business or family that could affect the execution of their role as Directors.

STATEMENT ACCOMPANYING THE NOTICE OF
THE SEVENTEENTH ANNUAL GENERAL MEETING
(CONT'D)

Mr. Goh Hoon Leum, the Independent Non-Executive Director who has served on the Board for more than 12 years. Below is the justification for the Board to recommend to re-elect Mr. Goh Hoon Leum as the Independent Non-Executive Director until 31 May 2023 through two-tier voting process at the 17th AGM:-

- (a) He fulfils the independence criteria prescribed by the MMLR;
- (b) He has ensured that he always maintains his independent status;
- (c) He did not involve to any matter that would give rise to the conflict of interest;
- (d) He has been acting in good faith and in the best interests of the Company as an Independent Non-Executive Director, exercising his independent judgement during deliberations and decision-making during the Company's meetings because he is familiar with the Company's business operations;
- (e) He has proven to be a reliable Independent Director with his professional aptitude and outlook of business perspective, devoted sufficient time and attention to his professional obligations for informed and balance decision-making and had also exercised due care during his tenure in the best interests of the Company and the shareholders.
- (f) the Company has adopted the best practices duly advocated under the Malaysian Code on Corporate Governance ("MCCG") to establish various policies and procedures to manage and monitor the Company's business operation and affairs. Certain governance factors are effective in mitigating the impact of long tenured independent directors, specifically, for the Group that adopt internal audit function, risk management enterprise and other policies. The effect of potentially erode the board's objectivity due to the long independent directors' tenure is significantly weaker.
- (g) The Board has on 22 August 2022 appointed two (2) new Independent Directors in place of the two (2) long serving Independent Directors to mitigate the potential negative impact that directors' long tenure may have on their independence. Three (3) out of four (4) Independent Directors are new members of our Board, brought in to revitalize or stimulate its performance by bringing with them new ideas or energy. Also, consistent with the best practice advocated under the MCCG being an effective monitor and mechanism in countering the weakened monitoring by compromised independent directors, if any.

The following are explanatory why there is no other candidate apart from Mr. Goh Hoon Leum, the long serving Independent Director who can be appointed as the independent director:

- (a) The twelve (12) years tenure was due on 8 December 2022 and subject to passing the Ordinary Resolution 7, he will continue to serve the Board as the Independent Non-Executive Director until 31 May 2023. The Board has recently revised the Board composition to reduce the total number of the directors of the Company and in compliance with the best practice advocated under MCCG. The Board does not have an intention to increase the board size and to seek a candidate. The Board of the view that the revised board size is optimal and able to cope the current size of the operation. At this juncture, the Board does not want to increase the total number of Directors after taking into accounts cost considerations, the effectiveness and the operational requirement of the Group.
 - (b) Pursuant to MMLR, his tenure of independent director shall be end by 1 June 2023. The NC and the Board will observe the Group's selection and appointment procedures and carefully consider with to identify a suitable individual with diverse backgrounds who is equipped with sufficient professional and technical knowledge, to effectively represent the interests of shareholders in setting the Company's strategy and ensuring its implementation to fill in any vacancy.
3. Statement relating to a general mandate for the issue of securities in accordance with Paragraph 6.03(3) of the MMLR.

Please refer to the Explanatory Note 5 of the Notice of the 17th AGM.



WELLCALL HOLDINGS BERHAD
(Registration No. 200501025213 (707346-W))
(Incorporated in Malaysia)

FORM OF PROXY

Number of Shares Held	
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CDS Account No.	
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Telephone No.	
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*I/We (FULL NAME IN CAPITAL LETTERS) NRIC No.

of (FULL ADDRESS)

being a *Member/Members of **WELLCALL HOLDINGS BERHAD**, do hereby appoint the following person(s):-

FULL NAME (IN BLOCK):	NRIC/PASSPORT NO.:	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
E-MAIL ADDRESS:	MOBILE NO.:		

* and/or

FULL NAME (IN BLOCK):	NRIC/PASSPORT NO.:	PROPORTION OF SHAREHOLDINGS	
		NO. OF SHARES	%
E-MAIL ADDRESS:	MOBILE NO.:		

or failing whom, the CHAIRMAN of the General Meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Seventeenth Annual General Meeting ("17th AGM") to be held as a fully virtual meeting through live streaming and online remote voting from the broadcast venue at Level 43A, MYEG Tower, Empire City, No.8, Jalan Damansara PJU 8, 47820 Petaling Jaya, Selangor, Malaysia on Friday, 24 February 2023 at 10.00 a.m. and at any adjournment thereof.

Please indicate with an "X" in the space provided below how you wish your votes to be casted. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain for voting at his(her) discretion.

No.	Ordinary Business (Ordinary Resolutions)	For	Against
1.	Approval of the payment of Non-Executive Directors' fees for an amount up to RM1,500,000.00 and Directors' benefit (excluding Directors' fees) of RM112,500.00 payable to the Non-Executive Directors of the Company on a monthly basis for the period from 25 February 2023 until the next Annual General Meeting of the Company.		
2.	Re-election of Mr. Tan Kang Seng, the retiring Director of the Company, who retires pursuant to Clause 89 of the Company's Constitution and being eligible, has offered himself for re-election.		
3.	Re-election of Mr. Goh Hoon Leum, the retiring Director of the Company, who retires pursuant to Clause 89 of the Company's Constitution and being eligible, has offered himself for re-election.		
4.	Re-election of Puan Azian Binti Mohd Yusof, the retiring Director of the Company, who retires pursuant to Clause 96 of the Company's Constitution and being eligible, has offered herself for re-election.		
5.	Re-election of Mr. Chin Yoke Wah, the retiring Director of the Company, who retires pursuant to Clause 96 of the Company's Constitution and being eligible, has offered himself for re-election.		
6.	Re-appointment of Messrs. Ecovis Malaysia PLT as the Auditors of the Company until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.		
No.	Special Business (Ordinary Resolutions)	For	Against
7.	Retention of Mr. Goh Hoon Leum as Independent Non-Executive Director		
8.	Authority to allot and issue shares pursuant to the Companies Act 2016		
9.	Proposed renewal of shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature		
No.	Special Business (Special Resolution)	For	Against
10.	Proposed adoption of new Constitution of the Company		

As witness *my/our hand this day of

.....
Signature of Member(s)/Common Seal

* Strike out whichever not applicable.

NOTES:-

- A member of the Company who is entitled to attend, speak and vote at this 17th AGM may appoint a proxy to attend, speak and vote on his(her) behalf. A proxy may but need not be a member of the Company, and a member may appoint any person to be his (her) proxy without limitation.
- A member of the Company shall not be entitled to appoint more than two (2) proxies to attend, speak and vote at the same meeting.
- Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depository) Act, 1991 ("SICDA"), he/she may appoint one (1) proxy in respect of each security account it holds with ordinary shares of the Company standing to the credit of the said security account.
- Where a member of the Company is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA who is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- The instrument appointing a proxy shall be in writing by the appointer or an attorney duly authorised in writing or, if the appointer is a corporation, whether under its seal or by an officer or attorney duly authorised.
- The instrument appointing either a proxy, a representative, a power of attorney or other authorities, where it is signed or certified by a notary as a true copy shall be deposited at the Company's registered office at No. 7-1, Jalan 109F, Plaza Danau 2, Taman Danau Desa, 58100 Kuala Lumpur, Wilayah Persekutuan or fax to (603) 7980 1242 or email to WellcallAGM@amerits.com.my, not less than forty-eight (48) hours before the time appointed for holding the meeting or at any adjournment thereof at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid. Kindly refer to the Administrative Guide for the 17th AGM for the procedures on Remote Participation and Voting ("RPV").
- The right of foreigners to vote in respect of deposited securities is subject to Sections 41(1)(e) and 41(2) of the Securities Industry (Central Depositories) Act, 1991; the Securities Industry (Central Depositories) (Foreign Ownership) Regulations 1996 and the Constitution of the Company.
- In respect deposited securities, only members whose names appear in the Record Depositors on 15 February 2023 ("General Meeting Record of Depositors") shall be eligible to attend, speak and vote at this 17th AGM.
- Any alteration in the form of proxy must be initialled.
- Pursuant to Paragraph 8.29A(1) of Main Market Listing Requirement of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of 17th AGM will be put to the vote by poll.
- By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the 17th AGM and/or any adjournment thereof, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of 17th AGM dated 26 January 2023.



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Stamp

The Company Secretary of

WELLCALL HOLDINGS BERHAD

[Registration No. 200501025213 (707346-W)]

c/o AMERITS CORPORATE SDN. BHD.

[Registration No. 200801029086 (830415-H)]

No. 7-1, Jalan 109F, Plaza Danau 2,
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Wilayah Persekutuan Kuala Lumpur.

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Fasa II, 31550 Pusing,
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