

WELLCALL HOLDINGS BERHAD

Registration No: 200501025213 (707346-W)



**ANNUAL
REPORT 2023**

CONTENTS

Corporate Information	02
Corporate Structure	04
Six Years Group Financial Review	05
Awards	07
Management Discussion and Analysis	08
Directors' Profile	12
Key Senior Management Profile	23
Corporate Governance Overview Statement	29
Statement on Risk Management and Internal Control	49
Audit Committee Report	55
Sustainability Statement	61
Additional Compliance Information	83
Statement of Directors' Responsibility	86
Financial Statements	87
List of Properties Owned by the Group	151
Analysis of Shareholdings	153
Notice of Annual General Meeting	157
Statement Accompanying the Notice of the Eighteenth Annual General Meeting	164
Form of Proxy	

CORPORATE INFORMATION

BOARD OF DIRECTORS

Group Non-Independent Non-Executive Chairman

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

Group Non-Independent Managing Director

Huang Sha, P.M.P.

Non-Independent Executive Director

Huang Yu Fen

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

Huang Kai Lin

Non-Independent Non-Executive Director

Tan Kang Seng

Alternate Director to Tan Kang Seng

Chua Yi Rong, Edmund (Cai YiRong, Edmund)

Senior Independent Non-Executive Director

Datuk Yong Peng Tak

Independent Non-Executive Directors

Goh Hoon Leum (resigned w.e.f 1 June 2023)

Chin Yoke Wah

Azian Binti Mohd Yusof

Tan Choon Soon (appointed w.e.f 1 June 2023)

REMUNERATION COMMITTEE

Chairman

Goh Hoon Leum (resigned w.e.f. 1 June 2023)

Datuk Yong Peng Tak (appointed w.e.f. 1 June 2023)

Members

Tan Kang Seng

Chin Yoke Wah (resigned w.e.f. 1 June 2023)

Azian Binti Mohd Yusof (appointed w.e.f. 1 June 2023)

Tan Choon Soon (appointed w.e.f. 1 June 2023)

AUDIT COMMITTEE

Chairman

Goh Hoon Leum (resigned w.e.f. 1 June 2023)

Datuk Yong Peng Tak (redesignated w.e.f. 1 June 2023)

Members

Tan Kang Seng

Chin Yoke Wah

Tan Choon Soon (appointed w.e.f. 1 June 2023)

NOMINATION COMMITTEE

Chairman

Datuk Yong Peng Tak (resigned w.e.f. 1 June 2023)

Chin Yoke Wah (appointed w.e.f. 1 June 2023)

Members

Goh Hoon Leum (resigned w.e.f. 1 June 2023)

Azian Binti Mohd Yusof

Tan Choon Soon (appointed w.e.f. 1 June 2023)

CORPORATE DISCLOSURE COMMITTEE

Chairman

Huang Kai Lin

Members

Leong Hon Chong

Yu Tat Keong

CORPORATE INFORMATION (CONT'D)

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

Chee Chin Shian (appointed w.e.f 3 April 2023)

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

Chee Chin Shian (appointed w.e.f 3 April 2023)

COMPANY SECRETARIES

Teo Soon Mei
(SSM PC 201908000235)
(MAICSA 7018590)

Lim Jia Huey
(SSM PC 201908000929)
(MAICSA 7073258)

Tee Wan Ting
(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
Email : info@amerits.com.my
Website : www.amerits.com.my

REGISTRAR

One Capital Market Services Sdn. Bhd.
(ceased w.e.f. 2 February 2023)
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

Symphony Corporate Services Sdn. Bhd.
(appointed w.e.f. 2 February 2023)
The Gamuda Biz Suites,
S-4-04, No. 12, Jalan Anggerik Vanilla 31/99,
Kota Kemuning,
40460, Shah Alam, Selangor.

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

PRINCIPAL BANKERS

Malayan Banking Berhad
HSBC Bank Malaysia Berhad

STOCK EXCHANGE LISTING

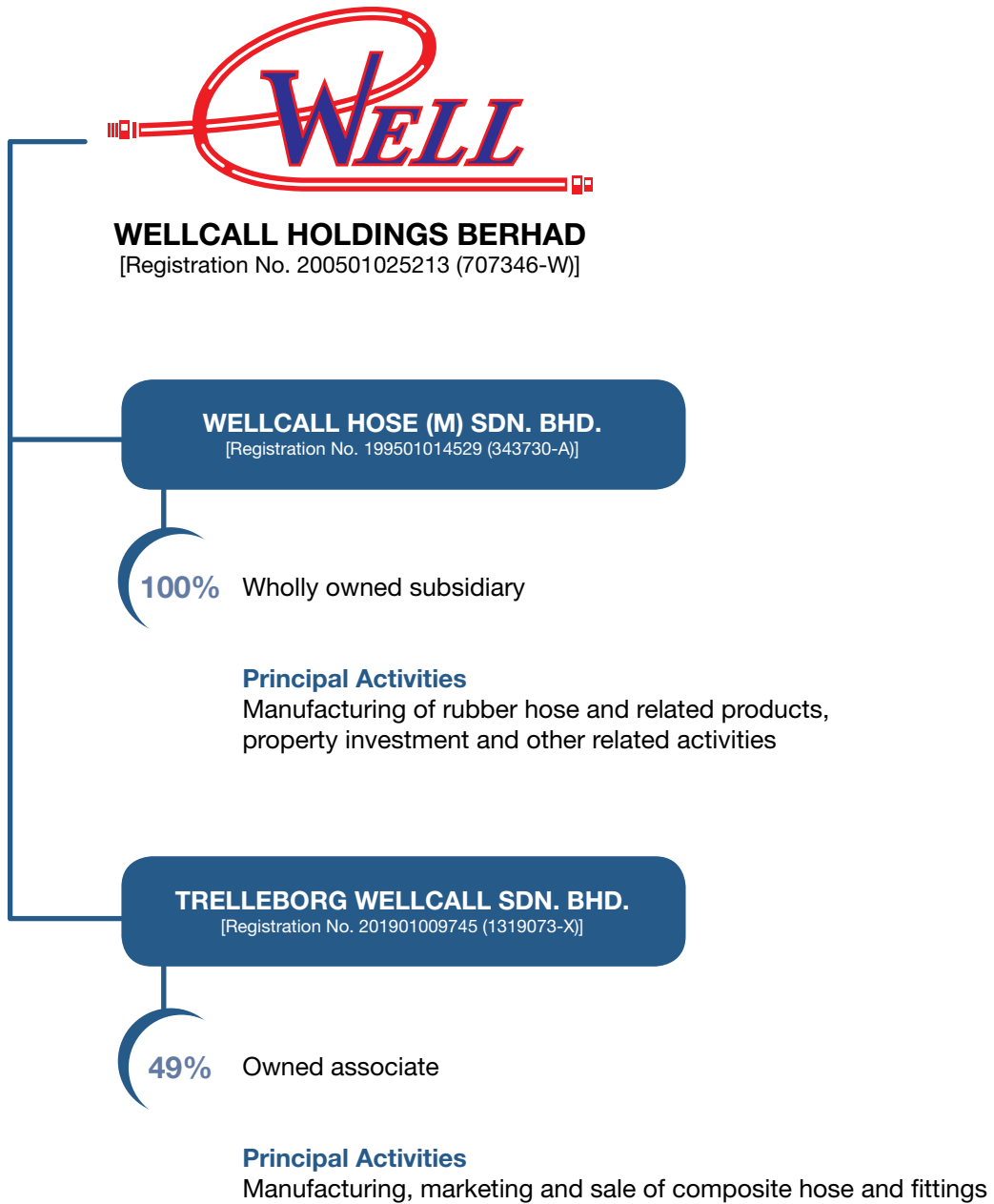
Main Market
Bursa Malaysia Securities Berhad
Stock Name : Wellcal
Stock Code : 7231
Sector : Industrial Products

AUDITORS

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

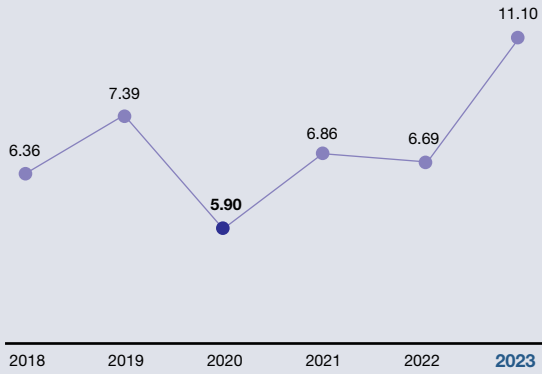
Tel : 03-7981 1799
Website : www.ecovis.com.my

CORPORATE STRUCTURE



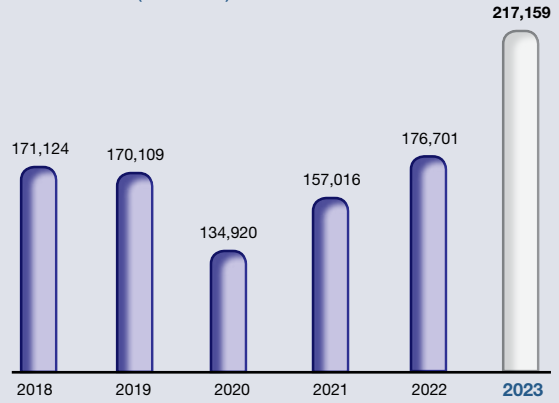
SIX YEARS GROUP FINANCIAL REVIEW

NET EARNINGS PER SHARE (SEN)



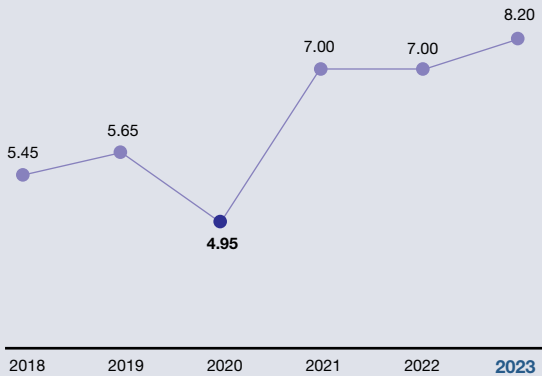
Financial Year Ended 30 September 2023

REVENUE (RM'000)



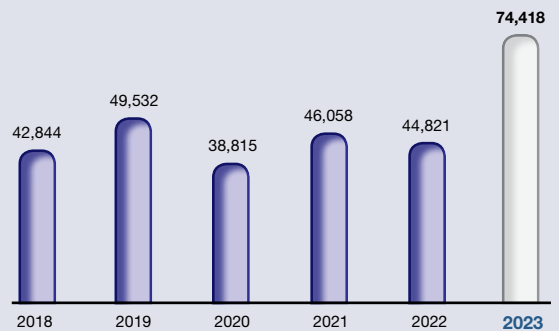
Financial Year Ended 30 September 2023

DIVIDEND PER SHARE (SEN)



Financial Year Ended 30 September 2023

PROFIT BEFORE TAXATION (RM'000)



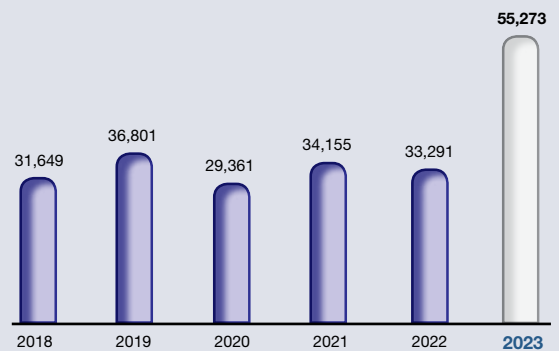
Financial Year Ended 30 September 2023

RETURN ON CAPITAL EMPLOYED (%)



Financial Year Ended 30 September 2023

PROFIT AFTER TAXATION (RM'000)



Financial Year Ended 30 September 2023

SIX YEARS GROUP FINANCIAL REVIEW (CONT'D)

	2018 RM'000	2019 RM'000	2020 RM'000	2021 RM'000	2022 RM'000	2023 RM'000
Revenue	171,124	170,109	134,920	157,016	176,701	217,159
Earnings Before Interest, Depreciation and Taxation	47,794	53,576	43,359	51,330	49,686	78,136
Interest Expense	(386)	–	–	(185)	(168)	(215)
Interest Income	911	1,213	1,038	293	331	1,421
Depreciation	(5,475)	(5,257)	(5,582)	(5,380)	(5,028)	(4,924)
Profit Before Taxation	42,844	49,532	38,815	46,058	44,821	74,418
Tax Expense	(11,195)	(12,731)	(9,454)	(11,903)	(11,530)	(19,145)
Profit Attributable to Equity Holders	31,649	36,801	29,361	34,155	33,291	55,273
Net Assets/Shareholders' Equity (RM'000)	107,485	116,400	120,864	127,134	124,573	140,010
Total Assets (RM'000)	130,581	138,153	145,095	155,942	159,406	175,333
Net EPS (Sen) *	6.36	7.39	5.90	6.86	6.69	11.10
Net Dividend Per Share (Sen) * (single tier)	5.45	5.65	4.95	7.00	7.00	8.20
Return On Capital Employed (%)	29.97	32.87	24.75	27.54	26.45	41.78
Return On Assets (%)	24.38	27.39	20.73	22.69	21.11	33.02
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)	21.59	23.38	24.27	25.53	25.02	28.12

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 Management Discussion and Analysis of the Company and its subsidiary company (“**Wellcall**” or “**the Group**”) for the financial year ended 30 September 2023 (“**FYE 2023**”) where we registered another record with revenue and profit after tax at RM217 million and RM55 million respectively.

The following management discussion and analysis of the operating performance and financial condition of the Group for the twelve (12) months ended 30 September 2023 should be read in conjunction with the Audited Financial Statements (“**AFS**”) for the FYE 2023 and related notes thereto.

OVERVIEW

FYE 2023 was a year filled with challenges as the economic recovery was hindered by various factors, including rising inflation, foreign currency fluctuations, market-related issues and supply chain disruptions.

Despite these challenges, the Group preserved by, finding innovative ways to manage its businesses. This included improving operational efficiencies through product development, technology enhancements, automation, and investing in our employees.

FINANCIAL PERFORMANCE REVIEW

Review on Statements of Comprehensive Income

(a) Revenue

For the financial year under review, the Group recognised revenue of RM217 million for FYE 2023 compared to revenue of RM177 million recorded for the financial year ended 30 September 2022 (“**FYE 2022**”), representing a RM40 million increase or a rise of 23%. The export and local market contributed approximately 92% and 8% respectively to the Group’s annual revenue. The export market experienced at 25% increase, while the local market maintained consistent revenue compared to the preceding financial year. This revenue growth was primarily driven by continuous orders from the industrial rubber hoses market.

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

The Group achieved a higher profit before taxation (“**PBT**”) of RM74 million for FYE 2023 compared to PBT of RM45 million recorded in FYE 2022, representing a RM29 million increase or approximately 64%. This improvement in PBT was mainly due to the increase in revenue.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL PERFORMANCE REVIEW (CONT'D)

Review on Statements of Comprehensive Income (Cont'd)

(c) Non-Financial Performance

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

(i) Customer Retention

We are pleased to announce that we maintained over 95% customer retention. Our marketing team performed data analytics to predict customers' purchasing behaviour, and we regularly communicated with existing and inactive customers to address any concerns in a timely manner.

(ii) Customer Satisfaction

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

(iii) On Time Delivery

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

Review on Statements of Financial Position

(i) Total Assets

The Group's total assets stood at RM175 million for FYE 2023 compared to RM159 million for FYE 2022. Although cash and cash equivalents increased slightly from RM63 million for FYE 2022 to RM74 million for FYE 2023, inventories decreased due to improved stock control.

(ii) Total Liabilities

Total liabilities remained at RM35 million for both FYE 2022 and FYE 2023, primarily due to higher tax liability which arise from the higher profit before tax for FYE 2023 compared to FYE 2022.

(iii) Loan & Borrowing

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

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

The Group maintains a strong financial position, with net assets per share of 28.12 sen for FYE 2023 (FYE 2022: 25.02 sen per share). Basic earnings per share for FYE 2023 was 11.10 sen per share as compared to 6.69 sen per share in FYE 2022.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

FINANCIAL PERFORMANCE REVIEW (CONT'D)

Review on Statements of Cash Flow

(i) Operating Activities

The Group recorded a net cash flow from operating activities of RM56 million for FYE 2023, representing a 63% increase. This increase was primarily due to the higher profit before taxation achieved during the financial year under review.

(ii) Investing Activities

Net cash flow used in investing activities amounted to RM4 million for FYE 2023 compare to RM0.4 million for FYE 2022. Investing activities mainly included the purchase of property, plant and equipment, investment property, capital work-in-progress and intangible assets.

(iii) Financing Activities

The Group's net cash used in financing activities amounted to RM40 million for FYE 2023 compared to RM36 million for FYE 2022. The different was primarily due to higher dividends paid out.

Capital Expenditure

During the financial year, the Group spent RM4.0 million on property, plant and equipment, mainly for the maintenance and upgrading of production lines to improve productivity efficiency. Additionally, the Group also spent RM0.8 million on investment property and RM 0.4 million on intangible assets.

RISK RELATING TO OUR BUSINESS

Business Risk

The Group is not immune to general business risks, as well as risks inherent in the manufacturing industry. For example, the Group may be affected by a general downturn in the global, regional and/or national economy, constraints in labour supply, shortage and the rising cost of raw materials, changes in the law and tax legislation affecting the industry, increased operational costs, fluctuations in foreign exchange rates and changes in business and credit condition.

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

Credit Risk

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

RISK RELATING TO OUR BUSINESS (CONT'D)

Cost Fluctuation of Raw Materials

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

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

INDUSTRY TREND, DEVELOPMENT AND PROSPECT

In order to improve production efficiency, the Group actively invests in automation. Currently, the Group is in the process of expanding one of its plants to increase production capacity and improve production efficiency. The Group expects the expansion to be completed by March 2024, with a capital expenditure of approximately RM10 million.

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

Barring unforeseen circumstances and market condition uncertainty, the Group will continue its efforts in delivering high quality products to existing customers, actively securing orders from new customers and monitoring prevailing market conditions to adopt appropriate strategies to mitigate risks and achieve sustainable growth for the Group.

DIVIDEND POLICY

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

APPRECIATION

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

HUANG SHA, P.M.P.

Group Managing Director

DIRECTORS' PROFILE

DATUK NG PENG HONG @

NG PENG HAY, D.M.S.M., D.S.M., P.J.K.

Group Non-Independent Non-Executive Chairman

Malaysian | Male | 71

Date First Appointed to the Board:

17 April, 2006

Qualification:

Malaysia Certificate of Education

Occupation:

Company Director

Board Committee:

None

Other Directorships in Public Companies and Listed Issuers

(a) Bonia Corporation Berhad

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5

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

None

Securities Holding in the Company

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

Securities Holding in Subsidiary Company

Nil

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

None

Working Experience

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

DIRECTORS' PROFILE (CONT'D)

<p>HUANG SHA, P.M.P.</p> <p>Group Non-Independent Managing Director</p> <p>Taiwanese (Permanent Resident of Malaysia) Male 68</p>	<p>Date First Appointed to the Board: 17 April, 2006</p> <p>Qualification: Secondary Education, Taiwan</p> <p>Occupation: Director of Wellcall Holdings Berhad and Wellcall Hose (M) Sdn. Bhd.</p> <p>Board Committee: None</p>
--	---

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, P.M.P.

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

DIRECTORS' PROFILE (CONT'D)

<p>HUANG YU FEN</p> <p>Non-Independent Executive Director</p> <p>Taiwanese (Permanent Resident of Malaysia) Female 44</p>	<p>Date First Appointed to the Board: 23 May, 2018</p> <p>Qualification: Diploma in London Chamber of Commerce and Industry (LCCI), UK</p> <p>Occupation: Manager</p> <p>Board Committee: Member of Sustainability Committee</p>
--	--

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, P.M.P.

Working Experience

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

DIRECTORS' PROFILE (CONT'D)

HUANG KAI LIN

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

Taiwanese (Permanent Resident of Malaysia)
Male | 39

Date First Appointed to the Board:
12 April, 2010

Qualification:
Bachelor of Chemical Engineering
National Taiwan University, Taiwan

Occupation:
Company Director

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

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

Note:

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

DIRECTORS' PROFILE (CONT'D)

TAN KANG SENG

Non-Independent Non-Executive Director

Malaysian | Male | 56

Date First Appointed to the Board:

17 April, 2006

Qualification:

Malaysian Certificate of Education

Occupation:

Company Director

Board Committee:

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

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), Alternate Director to Tan Kang Seng

Working Experience

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

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

Malaysian | Male | 55

Date First Appointed to the Board:

1 April, 2015

Qualification:

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

Occupation:

Company Director

Board Committee:

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

Other Directorships in Public Companies and Listed Issuers

None

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5

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

None

Securities Holding in the Company

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

Securities Holding in Subsidiary Company

Nil

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

None

Working Experience

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

DIRECTORS' PROFILE (CONT'D)

CHIN YOKE WAH

Independent Non-Executive Director

Malaysian | Male | 40

Date First Appointed to the Board:

22 August, 2022

Qualification:

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

Occupation:

Company Director

Board Committee:

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

Other Directorships in Public Companies and Listed Issuers

None

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5

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

None

Securities Holding in the Company

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

Securities Holding in Subsidiary Company

Nil

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

None

Working Experience

He was appointed to Board of Wellcall on 22 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.

DIRECTORS' PROFILE (CONT'D)

AZIAN BINTI MOHD YUSOF

Independent Non-Executive Director

Malaysian | Female | 65

Date First Appointed to the Board:

22 August, 2022

Qualification:

Bachelor Degree of Economics,
University of Malaya.

Occupation:

Company Director

Board Committee:

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

Other Directorships in Public Companies and Listed Issuers

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

Conflict of Interest

None

Board Meetings Attended in the Financial Year

5 out of 5

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

None

Securities Holding in the Company

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

Securities Holding in Subsidiary Company

Nil

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

None

Working Experience

She was appointed to Board of Wellcall on 22 August, 2022, 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

Singaporean | Male | 39

Date First Appointed to the Board:

10 January, 2023

Qualification:

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

Occupation:

Director/Country Head, Singapore

Board Committee:

None

Other Directorships in Public Companies and Listed Issuers

None

Conflict of Interest

None

Board Meetings Attended in the Financial Year

4 out of 4*

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.

Note:

- (*) Mr. Chua Yi Rong, Edmund (Cai Yirong, Edmund) attended 4 out of 4 meetings by invitation.

DIRECTORS' PROFILE (CONT'D)

TAN CHOON SOON

Independent Non-Executive Director

Malaysian | Male | 64

Date First Appointed to the Board:

1 June, 2023

Qualification:

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

Occupation:

Director

Board Committee:

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

Other Directorships in Public Companies and Listed Issuers

None

Conflict of Interest

None

Board Meetings Attended in the Financial Year

1 out of 1

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

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

KEY SENIOR MANAGEMENT PROFILE

HUANG SHA, P.M.P.

Group Non-Independent Managing Director
Taiwanese (Permanent Resident of Malaysia) | Male | 68

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

HUANG YU FEN

Non-Independent Executive Director
Taiwanese (Permanent Resident of Malaysia) | Female | 44

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

HUANG KAI LIN

Alternate Director to Huang Sha, P.M.P.
Taiwanese (Permanent Resident of Malaysia) | Male | 39

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

LEONG HON CHONG

Executive Director of Wellcall Hose (M) Sdn Bhd
Malaysian | Male | 78

**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.

KEY SENIOR MANAGEMENT PROFILE (CONT'D)

YU TAT KEONG

Financial Controller
Malaysian | Male | 46

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

CHEE CHIN SHIAN

Deputy Financial Controller
Malaysian | Female | 45

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

Ms. Chee was appointed on 22 April 2019. She is a fellow member of the Association of Chartered Certified Accountants (ACCA), UK and also a member of Malaysian Institute of Accountants (MIA). She has more than 20 years working experiences in trading, education and healthcare industry before joining our subsidiary, Wellcall Hose (M) Sdn. Bhd. She has vast experience in the segments of accounting and finance, procurement, taxation, internal audit, secretarial, human resource management and administrative. She left Wellcall Hose (M) Sdn. Bhd. in March 2022 and subsequently rejoined as Deputy Financial Controller on 3 April 2023.

KEY SENIOR MANAGEMENT PROFILE (CONT'D)

LIEW KEAN PENG

Senior Manager – Production
Malaysian | Male | 65

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

TAN BEE LENG

Marketing Manager
Malaysian | Female | 52

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

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

KEY SENIOR MANAGEMENT PROFILE (CONT'D)

FOO LAI BEE

Finance Manager - Treasury
Malaysian | Female | 52

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

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

LOW WOAN MEY

Manager – Business Development
Malaysian | Female | 54

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

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

KEY SENIOR MANAGEMENT PROFILE (CONT'D)

YEONG YOKE WEI

Assistant Manager – Procurement
Malaysian | Female | 49

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

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

CHOONG PHOOI FUN

Manager – Administrative & Human Resources
Malaysian | Female | 42

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

Ms. Choong was appointed as Personal Assistant to General Manager on 20 April 2016. She graduated with an Advanced Diploma in Business Administration in 2005. She has more than 12 years working experience in sales, marketing, property advisor and event organizing before joining Wellcall Hose (M) Sdn. Bhd.. Currently, she has been promoted as Manager – Administrative & Human Resources to oversee the functions of Administrative & Human Resources of the Group.

KEY SENIOR MANAGEMENT PROFILE (CONT'D)

HASSIMA BINTI MOHAMED SALEHAN

Acting Head of Department – Logistic & Shipping
Malaysian | Female | 43

**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

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

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 2023 (“**FYE 2023**”) 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 Paragraph 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 2023 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 2023. The CG Report is available at <https://www.wellcallholdings.com>.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Intended Outcome

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

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

In the discharge of the Board’s duties and responsibilities, the Board has delegated certain duties and authorities to six (6) Board Committees namely, the 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Intended Outcome (Cont'd)

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

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

During the FYE 2023, 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 2023.

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 2023 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	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
Huang Yu Fen	Executive Director	5/5	Not member	Not member	Not member	Not member
Tan Kang Seng	Non-Independent Non-Executive Director	5/5	5/5	Not member	3/3	Not member
Goh Hoon Leum ¹	Independent Non-Executive Director	4/4	4/4	–	2/2	Not member
Datuk Yong Peng Tak ²	Senior Independent Non-Executive Director	5/5	5/5	–	1/1	Not member
Huang Kai Lin	Alternate Director to Huang Sha	5/5*	Not member	Not member	Not member	2/2
Azian Binti Mohd Yusof ³	Independent Non-Executive Director	5/5	Not member	1/1	1/1	Not member
Chin Yoke Wah ⁴	Independent Non-Executive Director	5/5	5/5	1/1	2/2	Not member
Chua Yi Rong, Edmund (Cai YiRong, Edmund)	Alternate Director to Tan Kang Seng	4/4*	Not member	Not member	Not member	Not member
Tan Choon Soon ⁵	Independent Non-Executive Director	1/1	1/1	1/1	1/1	Not member

Notes:-

¹ Mr. Goh Hoon Leum was resigned as Independent Non-Executive Director and ceased to be the chairman and members of the Board Committees all on 1 June 2023.

² Datuk Yong Peng Tak was appointed as Chairman of AC and RC and resigned as the Chairman of NC all on 1 June 2023.

³ Pn. Azian Binti Mohd Yusof was appointed as RC member on 1 June 2023.

⁴ Mr. Chin Yoke Wah was resigned as RC member and appointed as the Chairman of NC all on 1 June 2023.

⁵ Mr. Tan Choon Soon was appointed as Independent Non-Executive Director and the member of the AC, RC and NC all on 1 June 2023.

* By invitation

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Intended Outcome (Cont'd)

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

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

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

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Intended Outcome (Cont'd)

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

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

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

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

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

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

The Group is preparing the framework towards sustainability reporting to identify the material matters that are important to both the organisation and their stakeholders which covering three (3) main material matters category, namely Governance, Environment and Social. Overall, out of the 13 sustainability issues identified from the assessment, the management have identified 8 material topics that could be included within the sustainability blueprint for the near-term period, including common material topics mandated by Bursa Malaysia Securities Berhad. The Company views stakeholders’ engagement as an integral aspect in our sustainability commitments. Successful stakeholder management is crucial in terms of building relationships and trust to implement corporate sustainability strategies and program. Leveraging expertise from all levels within and outside of the organisation can ensure that the Group understand the perspective views of all stakeholders. Stakeholders’ feedback is valuable for our continuous improvement on sustainability measuring and reporting standard. The Group is encouraging all stakeholders to provide their feedback and comment to the group. Through the stakeholder engagement as stipulated in the Sustainability Statement in Annual Report for the current financial year under review, the Board and the Management are actively engaged with various stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. BOARD RESPONSIBILITIES (CONT'D)

Intended Outcome (Cont'd)

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

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

To ensure that the Board remains informed on sustainability matters relevant to the Group's business and operations, both the directors and the management have participated in various training programmes to gather further insights. The following seminars, courses and training programs were attended during FYE 2023:-

Date Attended	Seminars/Courses/Training Programs
21 August 2023	Introduction to ESG Training

- 4.4 The Board together with the NC had reviewed a Gap Analysis study of the internal practices in the Group against the best practices recommended in the revised MCCG (“**Gap Analysis**”). Both parties acknowledged that the performance of the Board and senior management in addressing the Company's material sustainability risks and opportunities. The Board conducted a review on the current evaluation system for the Directors and the Management, resulting in revision to include their experience in management of sustainability. However, both the Directors' observations and the senior management's feedback have consistently highlighted the need for greater focus and attention in managing sustainability. The Sustainability Statement in the Company's Annual Report 2023 which demonstrates the strategic approach adopted by the Management in addressing risks and opportunities within the context of Governance, Environment and Social aspects. The objective is to achieve business sustainability and create long-term value for our shareholders and stakeholders.
- 4.5 The Board does not identify the Chief ESG Officer, however, the Group MD leads the management of sustainability FYE 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION

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.

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

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

Designation	Name	Directorship
Chairperson	Datuk Yong Peng Tak (Resigned on 1 June 2023)	Senior Independent Non-Executive Director
Chairperson	Mr. Chin Yoke Wah (Appointed on 1 June 2023)	Independent Non-Executive Director
Member	Mr. Goh Hoon Leum (Resigned on 1 June 2023)	Independent Non-Executive Director
Member	Puan Azian Binti Mohd Yusof	Independent Non-Executive Director
Member	Mr. Tan Choon Soon (Appointed on 1 June 2023)	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 2023, 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 resignation of Mr. Goh Hoon Leum as the Independent Non-Executive Director (“INED”) of the Company;
- (f) Reviewed and assessed the appointment of Mr. Tan Choon Soon as INED of the Company based on the selection criteria including fit and proper, character, qualification, experience, integrity, competence, time commitment to effectively discharge his 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; and
- (h) Reviewed and assessed the compliance scorecard study of the internal practices in the Group against the requirements under MMLR, MCGG, the Act and other rules and regulations.

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Intended Outcome (Cont'd)

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

- 5.1 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. (Cont'd)

Summary activities of the NC (Cont'd)

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 2023, the Directors have attended at least one (1) training program.

The training programs and seminars attended by the Directors during the FYE 2023 were as follows:

Directors	Seminars/Conferences/Training Programmes Attended	Date Attended
Datuk Ng Peng Hong @ Ng Peng Hay	Introduction to ESG Training	21 August 2023
Huang Sha	Introduction to ESG Training	21 August 2023
Huang Kai Lin	Introduction to ESG Training	21 August 2023
Huang Yu Fen	Introduction to ESG Training	21 August 2023
Tan Kang Seng	Introduction to ESG Training	21 August 2023
Datuk Yong Peng Tak	CGS-CIMB 15th Annual Malaysia Virtual Corporate Day 2022	5 January 2023
	AML, Anti-Bribery and Corruption	30 May 2023
	Introduction to ESG Training	21 August 2023
	Transitioning Into Supercharged Growth Phase	7 September 2023
	RHB Sectorial Series: Plantation	26 September 2023
Azian Binti Mohd Yusof	Introduction to ESG Training	21 August 2023
Chin Yoke Wah	Introduction to ESG Training	21 August 2023
	Joint Ventures – Strategy & Planning, Integration & Practicalities	3 August 2023
Chua Yi Rong, Edmund (Cai YiRong, Edmund) **	Mandatory Accreditation Programme (MAP)	4 – 6 April 2023
Tan Choon Soon ***	Introduction to ESG Training	21 August 2023
	Introduction to ESG Training	21 August 2023
	Mandatory Accreditation Programme (MAP)	28 – 30 August 2023
	Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers	19 September 2023

Remarks:

** appointed with effect from 10 January 2023.

*** appointed with effect from 1 June 2023.

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)

5.2 The Board composition has been revised as follows:-

- (a) Appointment of Mr. Tan Choon Soon as an INED with effect from 1 June 2023; and
- (b) The resignation of Mr. Goh Hoon Leum as the Director of the Company with effect from 1 June 2023

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

After the Revision of the Board Composition, the Board size has been maintained at 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 collectively form a majority of the Board size, make a positive contribution and development of the Company’s strategy and policies through their independent, constructive and informed judgement.

5.3 For FYE 2023, the INEDs of the Company have the following tenures:-

- (a) 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. He has resigned as a Director of the Company on 1 June 2023;
- (b) 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;
- (c) Datuk Yong Peng Tak was first appointed to the Board on 1 April 2015 and his nine years’ tenure on Board will be ending on 31 March 2024;
- (d) Both Puan Azian Binti Mohd Yusof and Mr. Chin Yoke Wah were appointed as the INEDs on 22 August 2022 respectively. They have served on Board for 1 year 6 months; and
- (e) Mr. Tan Choon Soon was appointed as the new INEDs on 1 June 2023. His tenure on Board is less than a year.

During the Company’s 17th Annual General Meeting of the Company, shareholders of the Company approved the re-appointment of Puan Azian Binti Mohd Yusof and Mr. Chin Yoke Wah as the INEDs, as well as the retention of Mr. Goh Hoon Leum as the INED of the Company until 31 May 2023.

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 was considered independent by the Board until 31 May 2023, based on the recommendation from the NC. The Board recommended his continuation as an INED of the Company, subject to shareholders’ approval through two-tier voting processes as per Practice No. 5.3 of the MCCG. He resigned as an INED of the Company on 1 June 2023.

The Board 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, in compliance with the provision of the MMLR.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Intended Outcome (Cont'd)

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

5.3 For FYE 2023, the INEDs of the Company have the following tenures:- (Cont'd)

The justification for the Board's recommendation to re-elect Mr. Goh Hoon Leum as the INED until 31 May 2023, through two-tier voting process at the 17th AGM are disclosed in the CG Report. The same evaluation criteria have been applied to Datuk Yong Peng Tak for the Board's recommendation to re-elect him as the INED through two-tier voting process at the Eighteenth Annual General Meeting ("**18th AGM**").

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

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

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 2023 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.

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 During the financial year under review, the Group has achieved 29.4% of women employees from the total workforce of the Group. The NC shall review and monitor from time to time the status of the diversity level. Insofar as board diversity is concerned, the Board does not discriminate on the basis of age, gender, physical disability or religion. The evaluation of the suitability of candidates for filling of casual vacancy, re-election or re-appointment is solely based on the candidates' competency, character, time commitment, integrity and experience in meeting the needs of the Company, including, where appropriate, the ability of the candidates to act as Independent Non-Executive Directors, as the case may be.

The NC has also taken this into consideration when assessing the performance of the Directors. The diverse backgrounds of the Board of the Company by gender, age and races as at 30 September, 2023 is as follows:-

Age (Years)	20 – 40		41 – 60		61 above		Total
Race	M	C	M	C	M	C	
	%	%	%	%	%	%	%
Male	–	30	–	20	–	30	80
Female	–	–	–	10	10	–	20

The total workforce of the Group by gender, age and races as at 30 September, 2023 are as follows:-

Age (Years)	18 – 30				31 – 40				41 above				Total
Race	M	C	I	O	M	C	I	O	M	C	I	O	
	%	%	%	%	%	%	%	%	%	%	%	%	%
Male	3.7	0.7	–	23.7	3.0	1.8	0.9	28.5	3.9	3.2	1.8	7.4	78.6
Female	3.5	0.9	0.7	–	3.4	1.1	0.9	–	5.3	3.5	2.1	–	21.4
Total	7.2	1.6	0.7	23.7	6.4	2.9	1.8	28.5	9.2	6.7	3.9	7.4	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.

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)

5.7 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 Eighteenth Annual General Meeting (“18th AGM”) of the Company:

- (a) Datuk Ng Peng Hong @ Ng Peng Hay pursuant to Clause 84.1 of the Constitution of the Company;
- (b) Mr. Huang Sha pursuant to Clause 84.1 of the Constitution of the Company; and
- (c) Mr. Tan Choon Soon pursuant to Clause 91 of the Constitution of the Company.

Additionally, Datuk Yong Peng Tak will be subject to two-tier voting process at the upcoming 18th AGM as advocated under MCCG for his re-appointment and will continue to serve as the Independent Non-Executive Director. This is due to his nine years' tenure, which will expire on 31 March 2024.

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 18th AGM.

The justification for the recommendations of the NC and the Board to re-elect Datuk Yong Peng Tak as the INED at the upcoming 18th AGM, through two-tier voting process has been disclosed in Practice 5.3 of the CG Report.

- 5.8 The NC is chaired by Datuk Yong Peng Tak, the Senior Independent Non-Executive Director and was resigned effective on 1 June 2023 then the NC is chaired by Mr. Chin Yoke Wah, the INED with effective on 1 June 2023. In addition, the composition of the NC has been revised on 1 June 2023 due to the change of the members of the NC.
- 5.9 The Board comprises approximately 25% women directors after the appointment of Puan Azian Binti Mohd Yusof.
- 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. BOARD COMPOSITION (CONT'D)

Intended Outcome (Cont'd)

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

6.1 The Board through NC had on 21 August 2023 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 2023. 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 2023 comprising the following seven (7) areas:

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

(b) Performance Evaluation for Individual Director

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

- (c) Reviewed the size and composition of the Board and made recommendation to the Board as regards any changes that may, in their view, be beneficial to the Company and Group;
- (d) Reviewed the effectiveness of the Board as a whole, Board Committees and the contribution of individual Directors;
- (e) Reviewed the terms of office and effectiveness of the AC as a whole and the performance of individual AC Members;
- (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 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

III. REMUNERATION

Intended Outcome (Cont'd)

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

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

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

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

Designation	Name	Directorship
Chairperson	Mr. Goh Hoon Leum (Ceased on 1 June 2023)	Independent Non-Executive Director
Chairperson	Datuk Yong Peng Tak (Appointed on 1 June 2023)	Senior Independent Non-Executive Director
Member	Mr. Tan Kang Seng	Non-Independent Non-Executive Director
Member	Mr. Chin Yoke Wah (Resigned on 1 June 2023)	Independent Non-Executive Director
Member	Puan Azian Binti Mohd Yusof (Appointed on 1 June 2023)	Independent Non-Executive Director
Member	Mr. Tan Choon Soon (Appointed on 1 June 2023)	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>.
- 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 2023 is disclosed in the CG Report of the Company FYE 2023.
- 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 (Cont'd)

9.0 There is an effective and independent AC.

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

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

- 9.1 The AC is chaired by Datuk Yong Peng Tak, who is an INED, while the Chairman of the Board is Datuk Ng Peng Hong @ Ng Peng Hay, the Group Non-Independent Non-Executive Chairman. This ensured that the objectivity of the Board's review of AC's findings and recommendations is not impaired.
- 9.2 The AC has adopted a policy that requires a former 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 FYE 2023, the AC assessed the suitability, objectivity and independence of the External Auditors, Ecovis Malaysia PLT ("**Ecovis**"). According to the annual assessment conducted for FYE 2023, the AC is satisfied with the performance, competence and independence of the External Auditors.

Ecovis has indicated their willingness for seeking for re-appointment at the forthcoming 18th 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 18th AGM of the Company.

- 9.4 The AC comprises a chairperson who is Senior Independent Non-Executive Director and two (2) members are INED and one (1) member is a Non-Independent Non-Executive Director. The AC of the Company not comprise solely of Independent Directors, but instead have a majority of independent directors along with exclusively Non-Executive Directors, is to maintain a balance of perspectives and expertise within the AC. Overall, a balance between Independent Directors and Non-Executive directors in the AC can enhance its effectiveness and provide a holistic perspective on financial matters while maintaining strong corporate governance practices.
- 9.5 The NC conducted the following reviews of AC for FYE 2023:
- (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.

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

Intended Outcome (Cont'd)

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

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

- 10.1 The Board Charter sets out that the Board is responsible for the system internal control and risk management of the Group. The Board, through RMC, monitors risks and internal control. The Board has established a Risk Management Framework. Risk reports are presented to the AC and tabled to the Board to deliberate the Group's risk mitigating measures and any further action required for improvement.
- 10.2 The Board has established an Enterprise Risk Management Policy ("**ERM Policy**"). The Board, through the RMC, monitors risks and internal control via an Enterprise Risk Management Framework, which is a comprehensive report tabling the current status, action taken and conclusion of the key risks identified in twice a year. The ERM Policy is available on the Company's website.
- 10.3 Group would include the members of INED as part of the RMC in the coming financial year. The Board has formed a Risk Management Committee that does not comprises a majority of independent directors, but instead consist of various department heads or functions, is to ensure that individuals with a deep understanding of the specific risks and operations of the Company and its subsidiary are actively involved in the risk management process. Various functions or department heads possess specialized knowledge and expertise in their respective domains. Their involvement in the risk management committee allows for a comprehensive and nuanced analysis of risks specific to their areas of responsibility.

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

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

- 11.1 The internal audit function of the Group is carried out by an outsourced professional service firm, Needsbridge Advisory Sdn Bhd ("**Needsbridge**"). The outsourced Internal Auditors report directly to the AC and provides the AC and the Board with much of the assurance it requires in respect of the adequacy and effectiveness of the Group's system on the risk management and internal control. The internal audit function is independent and the internal audit assignments are performed with impartiality, proficiency and due professional care. The internal audit review of the Group's operations encompasses independent assessment of the adequacy of the internal control system and the auditee company's compliance with its internal control system and recommendations are made for further improvement. During the FYE 2023, 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

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

Intended Outcome (Cont'd)

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. (Cont'd)

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 2023. 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

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

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

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

(a) The Company's corporate website

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

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. COMMUNICATION WITH STAKEHOLDERS (CONT'D)

Intended Outcome (Cont'd)

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

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

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

(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 (Cont'd)

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

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

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

(f) Investors' Relation

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

(g) Minutes of the General Meeting

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

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

II. CONDUCT OF GENERAL MEETINGS

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 17th 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 17th AGM of the Company which was held on 24 February 2023 on a fully virtual basis to engage with the shareholders proactively. In compliance with the MCGG, all Directors of the Company had attended the 17th AGM and the Chair of the AC, NC, RC and RMC have provided meaningful responses to the questions addressed to them.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. CONDUCT OF GENERAL MEETINGS (CONT'D)

Intended Outcome (Cont'd)

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

- 13.3 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 17th 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 17th 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 17th 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 24 February 2023 to engage with the shareholders virtually and proactively. The Administrative Guides for the 17th 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 17th 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 17th AGM.
- 13.5 The 17th AGM of the Company was held on 24 February 2023 as fully virtual meeting through live streaming and online remote voting from the broadcast venue. The Board has appointed a Poll Administrator to verify the eligibility of shareholders/corporate representatives/proxies to attend the 17th 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 17th AGM. Shareholders who participated at the 17th 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 17th AGM, the Company has uploaded the list of questions posed by shareholders via the RPV facilities together with the answers responded by the Board and Management on the Company's website within thirty (30) business days. To uphold the best practice as per MCCG, the minutes of the 17th AGM was published on the Company's website no later than 30 business days after the 17th AGM.

The Corporate Governance Overview Statement and the Corporate Governance Report are made in accordance with a resolution of the Board of Directors passed on 19 January 2024.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors is responsible for the adequacy and effectiveness of the Group's risk management and internal control system. The Board recognises the importance of good corporate governance and is committed in maintaining a sound system of internal control to safeguard shareholders' investment and the Group's assets. In doing so, the Board acknowledges its responsibility to identify major risks faced by the Group and ensure that relevant internal controls are in place in order to manage these risks.

In view of the above, the Board is pleased to provide the following Statement on Risk Management and Internal Control which outlines the nature and scope of internal controls of the Group during the year pursuant to Paragraph 15.26(b) of the MMLR of Bursa Securities.

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

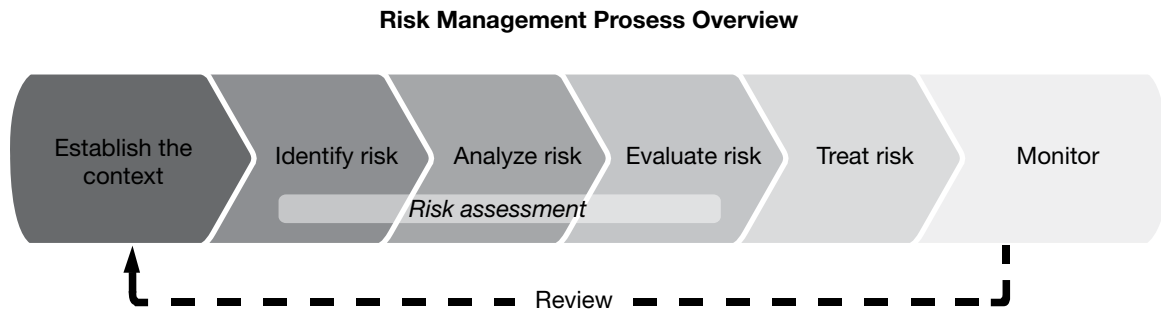
The Board had formalised its RMC which is headed by the General Manager and comprised of the Head of each Department. The RMC had also presented its ERM Policy which was tabled and approved by the Board of Directors. According to the ERM Policy, the RMC shall meet at least twice a year or more frequent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

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

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

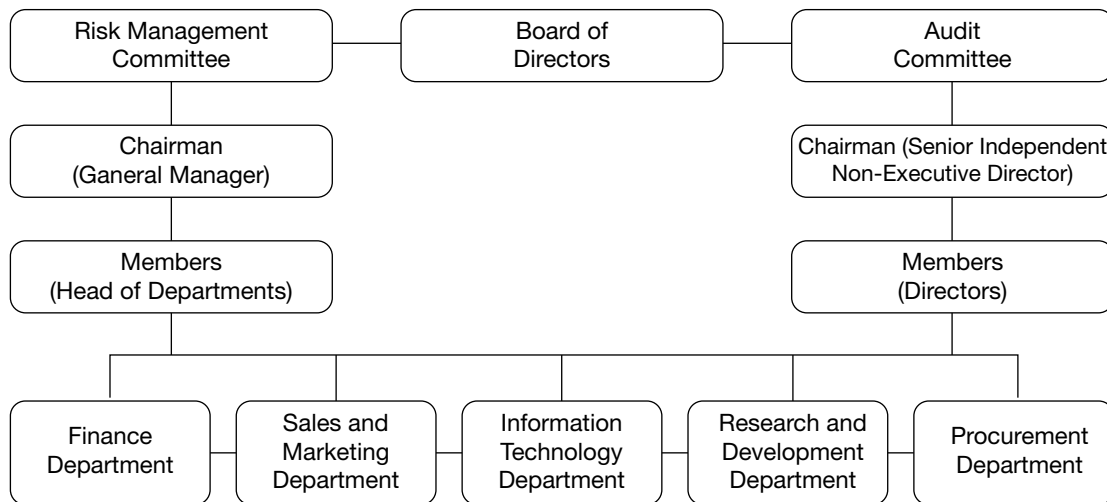
RISK MANAGEMENT GOVERNANCE AND SYSTEM (CONT'D)

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



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

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



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

The Group's subsidiary has been audited by International Organization for Standardization ("ISO") auditor during the financial year under review and there were two (2) potential risks namely phishing attack and cybersecurity risk found in the Company's Information Technology Department. After the review done in the respective departments, the total of risks registered stood at 49 as per the table below:-

Department	Residual Risk Rating			
	Low	Medium	High	Total
Sales & Marketing	–	6	–	6
Production	–	3	–	3
Warehouse (Store)	–	4	–	4
Maintenance & Facilities	–	3	–	3
Finance	–	6	–	6
Human Resource	–	3	1	4
Information Technology	2	4	–	6
Shipping (Logistic)	–	3	–	3
Purchasing	–	5	–	5
Quality Assurance & Control	–	3	–	3
Research & Development	–	2	1	3
Electrical	–	3	–	3
	2	45	2	49

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

INTERNAL AUDIT GOVERNANCE

The Group's internal audit function is outsourced to NeedsBridge, 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 AC to provide the AC 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.

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.

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

INTERNAL AUDIT GOVERNANCE (CONT'D)

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

- Conducted four (4) cycles of internal audit on production management, human resource management; and 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 AC, 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 AC its staff strength, qualification and experience as well as continuous professional education for the AC to review.

Risk-based internal audit plan in respect of financial year ended 30 September 2023 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 AC 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; and
- Regular meetings with Head of Departments which provide a platform for the Head of Departments to communicate with, and provide feedback to, the Management.

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

OTHER CORE COMPONENT OF INTERNAL CONTROL SYSTEM

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

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

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

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

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

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

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

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

In accordance to the Guideline of Bursa Securities, Management is accountable to the Board for identifying risks associated with the business of the Group and its strategies; maintaining sound system of risk management and internal control; and monitoring and reporting to the Board of control deficiencies and changes in risks that could affect the Group achievement of its objective and performance significantly.

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

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

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

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

REVIEW BY THE EXTERNAL AUDITORS

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

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

This Statement is issued in accordance with a resolution of the Board dated 19 January 2024.

AUDIT COMMITTEE REPORT

The Board of Directors (“the Board”) is pleased to present the following Audit Committee Report and its summary of work for the financial year ended 30 September 2023.

1. COMPOSITION AND DESIGNATION

The composition of the Audit Committee for the financial year ended 30 September 2023 comprises the following members:-

Chairman

Goh Hoon Leum (*Independent Non-Executive Director*) (ceased w.e.f. 1 June 2023)

Datuk Yong Peng Tak (*Senior Independent Non-Executive Director*) (redesignated as Chairman w.e.f. 1 June 2023) ^{*(1)}

Members

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

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

(iii) Tan Choon Soon (*Independent Non-Executive Director*) (appointed w.e.f. 1 June 2023)

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

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

^{*(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 TOR of the AC as approved by the Board are available on the Company website at www.welcallholdings.com.

AUDIT COMMITTEE REPORT (CONT'D)

3. ATTENDANCE OF MEETINGS

During the financial year ended 30 September 2023, the AC held five (5) meetings to discuss matters relating to the accounting, operating procedures, internal control, financial reporting, and compliance practices of the Group and the Company. Details of attendance of each AC member are as follows:-

Members	Position	No. of Meetings Attended on their tenure of service	Percentage (%)
Goh Hoon Leum <i>Chairman</i> (ceased w.e.f. 1 June 2023)	Independent Non-Executive Director	4/4	100%
Datuk Yong Pek Tak <i>Chairman</i> (Redesignated as <i>Chairman</i> w.e.f. 1 June 2023)	Senior Independent Non-Executive Director	5/5	100%
Tan Kang Seng <i>Member</i>	Non-Independent Non- Executive Director	5/5	100%
Chin Yoke Wah <i>Member</i>	Independent Non-Executive Director	5/5	100%
Tan Choon Soon <i>Member</i> (appointed w.e.f. 1 June 2023)	Independent Non-Executive Director	1/1	100%

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

- 29 November 2022;
- 16 January 2023;
- 24 February 2023;
- 30 May 2023; and
- 21 August 2023.

The external auditors for both the Company and the Group had attended three (3) of the AC meetings during the year.

4. SUMMARY OF ACTIVITIES OF THE AUDIT COMMITTEE

During the financial year ended 30 September 2023, the AC had discharged its functions and carried out its duties as set out in TOR which is published on our website at www.wellcallholdings.com. The AC had also met up the External Auditors without the presence of all the Executive Directors of the Company and the Management during the financial year.

The following activities were undertaken by the AC for the financial year ended 30 September 2023:-

Financial Reporting

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

AUDIT COMMITTEE REPORT (CONT'D)

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

Financial Reporting (Cont'd)

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

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

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

Dividend Declaration

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

Internal Audit

- reviewed the annual internal audit plan to ensure adequate scope and comprehensive coverage over the activities of the Group;
- reviewed and discussed the internal audit reports which were tabled during the meetings, the audit issues, root causes, potential risks, implications and recommendations made and management's response to these recommendations;
- monitoring and ensuring corrective actions have been taken to rectify the weaknesses highlighted and all the key risks and control lapses have been addressed;
- reviewed and assessed the competency of the internal audit function;
- reviewed and assessed audit personnel are free from any relationships or conflicts of interest, which impair their objectivity and independence;
- reviewed whether the internal audit 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.

AUDIT COMMITTEE REPORT (CONT'D)

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

External Audit

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

Risk Management Function

The AC 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 AC reviewed the mitigating measures and updates from the RMC.

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

Related Party Transactions

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

AUDIT COMMITTEE REPORT (CONT'D)

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

Annual Reporting

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

Others

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

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

Evaluation and Assessment of the AC

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

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

Training

During the year, all of the AC 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 AC. The primary responsibility of this internal audit function is to assist the Board and the AC 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 independent professional firm. The outsourced internal audit function assists the Board and the AC in providing an independent assessment on the adequacy and effectiveness of the Group's system of internal control. The outsourced internal audit function reports directly to the AC. The appointment and resignation of the internal audit function as well as the proposed audit fees are subject to review and approval by the AC for its reporting to the Board for ultimate approval.

AUDIT COMMITTEE REPORT (CONT'D)

5. INTERNAL AUDIT FUNCTION (CONT'D)

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

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

To preserve the independence and objectivity, the outsourced internal audit function is not permitted to act on behalf of the Management, decide and implement management action plan, perform on-going internal control monitoring activities (except for follow up on progress of action plan implementation), authorise and execute transactions, prepare source documents on transactions, have custody of assets or act in any capacity equivalent to a member of the Management or the employee. The outsourced internal audit function is accorded unrestricted access to all functions, records, property, personnel, Audit Committee and other 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, the outsourced internal audit function conducted scheduled internal audits in accordance with the internal audit plan (and any amendments thereof) approved by the AC.

Areas of improvement in internal controls identified together with the recommendations and management action plans were presented during the corresponding AC. 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. The total fees incurred for the internal audit function in respect of the financial year ended 30 September 2023 was RM44,000.00.

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 formulated to present the sustainability initiatives and endeavors conducted 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 objective of the Group is to furnish a comprehensive and easily navigable document that elucidates the Group's sustainability strategy, articulates the rationale behind these initiatives, and provides relevant data points adhering to globally recognised reporting standards.

2.0 SCOPE OF THIS STATEMENT

This statement comprehensively addresses the sustainability initiatives and performance of our consolidated entities during the financial year 2023 ("**FYE 2023**"). It is strategically designed to elucidate the Group's sustainability performance, activities, and initiatives. The material issues and topics outlined in this report have been meticulously chosen based on their significance within the Group's operational boundaries, the prevailing sustainability context, and materiality. These considerations are reflective of our core business operations.

As this marks the Group's third year in the pursuit of sustainability reporting, this statement strengthens the foundational baseline established in financial year 2021 ("**FYE 2021**") for future reporting endeavors. Predominantly, it encompasses the Group's initial data, providing insights into the initial phases of our sustainability journey. The data presented herein is representative of the Group in its entirety unless explicitly stated otherwise.

In forthcoming reports, our aim is to augment the indicators associated with the material matters covered herein, fostering a more comprehensive representation of our evolving sustainability initiatives.

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

Who we are?

The Group, established as a beacon of excellence within the industrial manufacturing sector, has carved a niche as a premier provider of industrial rubber hose products and services. Since our inception, we have been steadfast in our commitment to quality, innovation, and reliability, which has cemented our reputation as a trusted partner to businesses across the globe. Our diverse product range serves a multitude of industries, including automotive, petroleum, and construction, ensuring that we are integral to the operational success of our clients. Our ethos of continuous improvement drives us to consistently refine our offerings and push the boundaries of what is possible within our field.

At the heart of the Group, lies a profound understanding of the criticality of our role in the supply chain. We are more than just a manufacturer; we are a key enabler of efficiency and progress. Our products are designed to withstand the rigors of industrial demands, providing durability and performance that our clients depend on. With a focus on sustainability and environmental responsibility, we ensure that all our operations adhere to stringent ecological standards, minimising our footprint while maximising our output.

SUSTAINABILITY STATEMENT (CONT'D)

4.0 ORGANISATIONAL STRUCTURE (CONT'D)

Who we are? (Cont'd)

Our corporate philosophy is built upon the pillars of integrity, customer satisfaction, and social responsibility. We believe that ethical business practices are not just a legal obligation but a moral imperative that guides our operations and interactions with stakeholders. Our customers' trust is our most valuable asset, and we strive to foster long-term relationships built on transparency and mutual respect. We invest heavily in research and development, ensuring that our solutions not only meet but exceed the expectations of a rapidly evolving marketplace.

The people of the Group are the lifeblood of our success. We are a collective of skilled professionals, innovators, and thinkers who share a common vision of delivering excellence. We recognise that our employees are the foundation upon which our achievements are built, and we are committed to their growth and well-being. Through comprehensive training programs and a culture that champions inclusivity and diversity, we nurture a workforce that is not only adept at navigating today's challenges but is also equipped to tackle the opportunities of tomorrow.

The Group serves as the parent company, publicly listed on the Bursa Malaysia, primarily engaged in the production of rubber hoses tailored for diverse industry segments such as oil and gas, marine, food, water, and more. The diagram provided illustrates the Group's presence in these varied segments.



Kindly refer to page 4 for additional details regarding the structure of the Group and its business activities.

SUSTAINABILITY STATEMENT (CONT'D)

4.0 ORGANISATIONAL STRUCTURE (CONT'D)

What we do?

The Group stands as a testament to Malaysian manufacturing prowess, having established itself as the largest industrial rubber hose manufacturer in the nation since 1995. Their expansive product line is meticulously designed for a variety of applications, catering to the diverse needs of industries globally. The Group's product offerings are segmented into several categories, each addressing specific industry requirements.

The Group's offerings are diverse, ranging from hoses suited for the conveyance of water, air, and petroleum products, to specialised hoses designed for welding, automobiles, and abrasive materials handling. Each product is a testament to the Group's commitment to quality, with hoses carefully constructed to manage the rigorous demands of different substances.

In the realm of petroleum and oil, the Group provides hoses for suction and discharge that can handle petroleum products with an aromatic content of up to 50%. These hoses are crafted to withstand a temperature range from -20°C to +70°C, featuring a black, smooth NBR rubber tube, high-strength synthetic cord and helix wire reinforcement, and a weather and oil-resistant outer cover.

For instance, their Fuel / Oil Suction and Discharge Hose is meticulously engineered for the suction and delivery of petroleum products, able to endure a range of temperatures while boasting a robust reinforcement of high strength synthetic cord and helix wire. The Group's dedication to safety and quality, with features that cater to a variety of working conditions and requirements.

Beyond their existing catalogue, the Group is adaptable to unique customer needs, offering customisation options such as different diameters, colors, working pressures, lengths, and temperature ranges. This flexibility is indicative of their customer-centric approach, ensuring that clients receive products that are tailored to their specific operational needs.

5.0 REPORT METHODOLOGY

Data Preparation Methodology

The calculation, collection and consolidation of economic, environmental, and social indicators presented in the Report were carried out in accordance with GRI Standard reporting principles and requirements and on the basis of the current procedures in place for collecting and preparing management information in the Group.

Financial information is presented in Ringgit Malaysia ("RM"), if amounts other than RM, our conversion will be based on Bank Negara Malaysia spot rate. Sources of information related to personnel management, labour protection, industrial safety and environmental protection, which are mandatory information submitted to the state, will be used as a basis of our reporting.

In order to ensure the comparability of data, the most significant indicators related to the Group activities are presented with FYE 2023.

6.0 OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY STATEMENT (CONT'D)

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

Our commitment to sustainability is driven by our vision to excel as the premier manufacturer of high-quality industrial hose products worldwide. We persistently integrate sustainability into our mission, aligning with our overarching goals.

We integrate sustainability principles into our core values, namely "Integrity and total commitment, Global Customer Satisfaction, Do it right the first time and every time, Excellence in quality and competitiveness, and Environment-friendly and social responsibility." This integration has significantly influenced our methodology for identifying material matters, as elaborated further in this report.

7.0 SUSTAINABILITY GOVERNANCE

The Board is responsible for supervising the strategy of all sustainability initiatives across the Group, while the Management team ensures the proper execution of these initiatives. For details on corporate governance matters, remuneration, and compensation, please consult page 29 – 48, which offers more comprehensive information on corporate governance.

We are presently in the process of establishing a Sustainability function to implement a transparent tracking and reporting system for long-term effectiveness. Sustainable development is integral across all organisational levels within the Group. The overall direction for Group sustainable development is set by the Board of Directors, specifically through its Audit Committee. The Audit Committee receives support from the Group Managing Director and the senior key management team to oversee and monitor sustainability-related activities. Each business's sustainability unit is responsible for goal setting and executing specific tasks aligned with their respective functions.

8.0 MATERIAL MATTERS

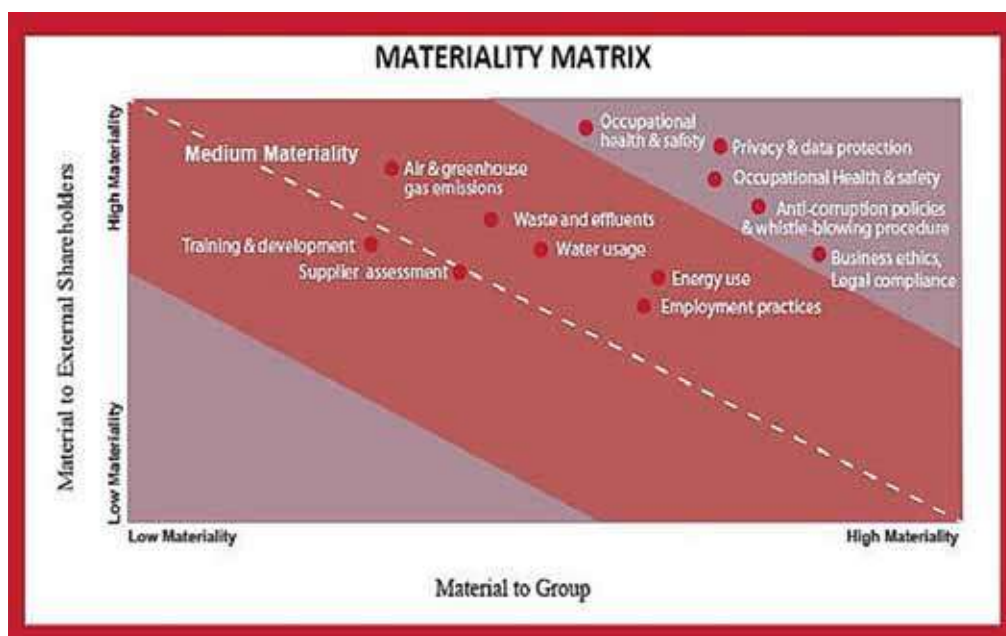
In the context of this report, we define materiality as the substantial economic, environmental, and social impacts of the Group that carry significant weight and influence on the decisions of our stakeholders.

To identify significant concerns, the Group conducted a materiality assessment involving key internal and external stakeholders. The results of this assessment form the foundation for the material matters outlined in the report. Data and information regarding these material matters are presented in the following sections.

8.0 MATERIAL MATTERS (CONT'D)

SUSTAINABILITY STATEMENT (CONT'D)

Key material matters:



Governance Matters	Environmental Matters	Social Matters
Anti-corruption and whistleblowing procedures	Legal compliance on environmental matters	Legal compliance on employment practices
Business Ethics	Waste and effluents	Employment practices
Privacy & data protection	Air and greenhouse gas emissions	Occupational Health and Safety (OSH)
Supplier assessment	Water Usage	Training and development
	Energy Usage	

9.0 STAKEHOLDER ENGAGEMENT

Effective stakeholder management plays a pivotal role in successfully implementing our corporate sustainability strategies and programs. Establishing strong relationships and trust is key, and we actively seek insights from individuals at all levels within and outside our organisation to ensure a comprehensive understanding of diverse stakeholder perspectives.

Open and consistent communication channels are integral to stakeholder engagement. These channels serve as a vital conduit for receiving feedback from our key stakeholders. As part of our commitment to continuous improvement, we regularly evaluate the appropriateness of our engagements with relevant stakeholders. We remain open to and encourage any suggestions that can enhance the transparency and effectiveness of our reporting disclosures. This commitment reflects our dedication to maintaining meaningful and collaborative relationships with our stakeholders.

For any comments and feedback, please contact us through:

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

9.0 STAKEHOLDER ENGAGEMENT (CONT'D)

SUSTAINABILITY STATEMENT (CONT'D)

Our stakeholders engagement primarily are listed below:-

Stakeholders and focus areas	Engagement Methods	Frequency
Customers: <ul style="list-style-type: none"> Customers assessments Anti-corruption and whistleblowing Privacy and data protection 	Feedback survey	On going
	Customer audits	On going
	Live interactions	On going
	Regular meetings	On going
	Customer site visits	On going
Employees: <ul style="list-style-type: none"> Employment practices Training and development Occupational Health and Safety 	Health and safety briefing	On going
	In-house trainings	On going
	Corporate/staff memos	On going
	Performance evaluations	Annually
	Regular meetings	On going
	Anti-bribery and corruption briefings	On going
Management: <ul style="list-style-type: none"> Sustainability governance Business ethics Environmental management Anti-corruption and whistleblowing 	Monthly operation reviews	Monthly
	Semi-annual operation review	Semi-annually
	Preparation of budget	Annually
Suppliers: <ul style="list-style-type: none"> Supplier assessments Privacy and data protection 	Evaluation of suppliers	On going
	Live interactions	On going
	Supplier audit	On going
	Anti-bribery and corruption briefings	On going
Investors: <ul style="list-style-type: none"> 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

10.0 BUSINESS CONDUCT AND ETHICS

We pledge to maintain the highest standards of corporate governance in compliance with Bursa Sustainability Guideline listing requirements. Our anti-bribery and corruption policy and our whistleblowing policy provide a framework that is in line with global best practices. Our organisation follows these policies while controlling related effects and satisfying reasonable expectations from stakeholders. Our dedication is focused on upholding the highest standards of ethics and corporate conduct.

10.0 BUSINESS CONDUCT AND ETHICS (CONT'D)

SUSTAINABILITY STATEMENT (CONT'D)

10.1 ANTI-BRIBERY AND CORRUPTION POLICY

At the Group, along with its subsidiaries, the anti-bribery and corruption policy is a cornerstone of our governance, firmly upheld by all employees, as well as our business partners, agents, contractors, and consultants. Corruption, identified within our operations as the misuse of entrusted power for private gain, and bribery, characterised as the provision or solicitation of undue advantages to sway decisions, are stringently prohibited. To fortify our commitment against these unethical practices, we have executed a comprehensive risk assessment, revealing critical focus areas as shown in the table below: -

Risk Assessment Areas	Compliance Rate	Methodology of Assessment
Suppliers	In progress	Via Business Associate declaration form
Employees	100%	Yearly training conducted for all employees
Customers	100%	Via insertion of clause in all invoices, proforma invoices and other communicated materials to customers.

In pursuit of transparency, the Group mandates the maintenance of accurate financial records, reflecting all transactions and financial dispositions without exception. This directive extends to all persons associated with the Group, enforcing the creation and preservation of detailed records that reflect the true nature of transactions, disregarding their scale or financial impact. The policy categorically bans the misuse of company funds or assets for corrupt activities, including but not limited to indirect or direct offers of unlawful payments or gifts, disproportionate commissions, or unauthorised political contributions and personal use.

Our dedication to combating bribery and corruption is not static; it is an evolving commitment that adapts to new challenges and incorporates advancements in anti-corruption measures. Our vigilance in policy enforcement has been effective, as evidenced by the absence of any bribery or corruption incidents in the financial year 2023. It is a testament to our proactive approach in addressing potential corruption risks through ongoing education, stringent policy application, and a zero-tolerance stance on violations, thereby safeguarding our company's integrity and ethical standards.

10.2 WHISTLEBLOWING POLICY

The Group and its affiliate entities rigorously maintain the utmost levels of integrity, transparency, and accountability in all aspects of business practices and operational procedures. It is the Group's enduring priority to guarantee that all business activities are executed with the highest degree of ethical responsibility and candour.

The Whistleblowing Policy of the Group is established to provide a formalised mechanism for employees and external parties to report instances of improper conduct or unlawful acts within the organisation. The scope of reportable incidents under this policy is comprehensive and includes, but is not limited to, fraud, bribery, misappropriation of company assets, abuse of authority, undisclosed conflicts of interest, fiduciary breaches, questionable accounting practices, legal violations, endangerment to health and safety, and any actions detrimental to the company's interests or contrary to legal, regulatory, or public policy standards. Moreover, it mandates the reporting of any deliberate attempt to hide such misdeeds.

To facilitate this process, the Group has instituted secure whistleblowing channels. Reports made through these channels are treated with the highest confidentiality, with the assurance that the anonymity of the whistleblowers will be preserved to the fullest extent possible. Nonetheless, personal identification details must be provided to the Group when making a report to allow for appropriate follow-up actions and afford the necessary protections to the whistleblower. The Group actively encourages the use of these channels to report any perceived misconduct or unethical behaviour.

SUSTAINABILITY STATEMENT (CONT'D)

10.0 BUSINESS CONDUCT AND ETHICS (CONT'D)

10.2 WHISTLEBLOWING POLICY (CONT'D)

The channels provided below are communicated via the AC Chairman.

Letter	Email	ABC Unit
Chairman, Audit Committee % WellCall Holdings Berhad Plot 48, Jalan Johan 2/5, Kawasan Perindustrian Pengkalan II, Fasa II, 31550 Pusing, Perak Darul Ridzuan	Email: acchairman@wellcall. com.my	Compliance Unit (ABCCU):- Head of Finance/ Purchasing/ Marketing/ Human Resources Department - Contact number: +605-3668805 - Email: abccu@wellcall.com.my

Community Investment

The Group contributed to the community investment through various channels namely donation to Sekolah Semangat Maju and participated in the Pesta Makanan Amal 2023.



PESTA MAKANAN AMAL 2023



SUSTAINABILITY STATEMENT (CONT'D)

11.0 ENVIRONMENTAL MATERIAL MATTERS

Environmental strategy

In an effort to align with environmental stewardship, the Group has proactively engaged in the development and implementation of sustainable practices throughout its entire value chain. As part of this initiative, the Group has embedded environmental considerations into each facet of its operations and leveraged a comprehensive set of tools to effectively enact its environmental strategy. A critical component of this strategy is the Group's commitment to a five-year environmental plan targeting a reduction in Scope 1, 2, and 3 emissions.

The Group's five-year environmental objectives are articulated through targeted areas of assessment, with the ambition to achieve a 2% annual reduction in Scope 1 emissions from the 2021 baseline. This goal is underpinned by the adoption of 2021 as the baseline year for measuring key performance metrics. Furthermore, the Group aims to maintain a CO₂ intensity ratio below two tonnes of CO₂ per tonne of rubber hose produced, leveraging the established baseline to monitor progress and drive improvements.

The Group's five-year environmental targets.

Area of Assessment	Five-year target (2026-2030)	2021 results (Baseline) (Units)
Scope 1	Reduction of 2% per annum from the year 2021 for Scope 1, 2 and 3.	Wellcall adopt 2021 as the baseline for measuring key performance metrics.
Scope 2		
Scope 3		
Water consumption		
CO ₂	Maintain an intensity ratio of less than two tonnes of CO ₂ ("t/CO ₂ ") per tonne of rubber hose production.	

The Group's Scope 1 emissions are primarily derived from company-owned vehicle operations and diesel consumption within its manufacturing processes, as detailed in the table below. The consumption volumes for various fuels over three consecutive years reflect a tailored approach to fuel utilisation, with the initial year recording diesel use in manufacturing and the subsequent reducing in the following years and the consistent consumption for manufacturing purposes underscore the Group's evolving energy profile. Gasoline usage remains a significant component within manufacturing, yet a declining trend in consumption is observed. The introduction of natural gas in the third year marks a strategic shift, further diversifying the Group's energy mix.

		2021	2022	2023
Diesel (used in manufacturing) (forklift)	L	76,440	60,060	65,520
Gasoline (used in manufacturing) (light fuel gas)	L	1,212,120	939,120	857,220
Natural Gas	m ³	0	0	132,153

The data presented details the consumption volumes of various fuels across three consecutive years, segmented by their specific applications. For the initial year, diesel fuel utilised in manufacturing is recorded at 76,440 liters, while in the following two years, indicates a continuing demand with consumption at 60,060 liters in the second year and 65,520 liters in the third year. Gasoline, exclusively used in manufacturing, the data show initial year is recorded at 1,212,120 liters, but decreasing to 939,120 liters in the second year and further to 857,220 liters in the third year. Interestingly, the data includes natural gas usage only in the third year, with a consumption of 132,153 cubic meters. The pattern of fuel usage over these years reflects a decline in the total volume of liquid fuels used, counterbalanced by the introduction of natural gas in the final year. This data encapsulates the dynamics of fuel usage within this period, highlighting the variations and shifts in fuel preferences or requirements.

SUSTAINABILITY STATEMENT (CONT'D)

11.0 ENVIRONMENTAL MATERIAL MATTERS (CONT'D)

Environmental strategy (Cont'd)

The summarised CO2 emissions are represented in the table below:

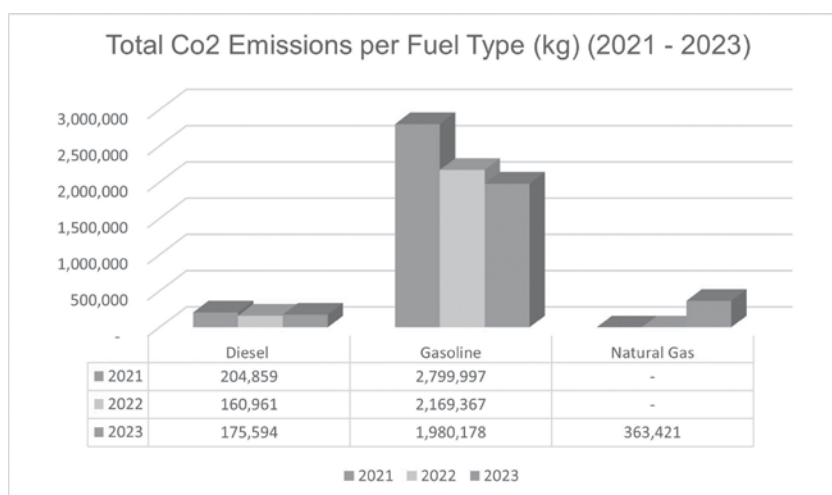
Year	Diesel (Manufacturing)	Gasoline (Manufacturing)	Natural Gas	Total CO2 Emissions (kg)
2021	204,859	2,799,997	0	3,004,856
2022	160,961	2,169,367	0	2,330,328
2023	175,594	1,980,178	363,421	2,519,193

We used this based on the emission factor as indicated.

- Source: US EPA & IPCC
- Diesel: 2.68 kg CO2 per liter
- Gasoline: 2.31 kg CO2 per liter
- Natural Gas: 2.75 kg CO2 per cubic meter

This table elucidates the scale and distribution of CO2 emissions from different fuel types, highlighting the evolving nature of fuel consumption and its environmental implications.

Note : that no data were available for year 2021 and 2022 for Natural Gas.



The Scope 2 emissions, attributed to the consumption of purchased electricity, are calculated with an emission factor of 0.78 kg CO2 per kWh, reflecting the average emissions intensity associated with the Group’s electricity use. The data indicates a growth in Scope 2 emissions, mirroring the increased electricity demand and underscoring the need for continued focus on energy efficiency and sustainable energy sourcing.

For the given data set, the Scope 2 CO2 emissions were calculated based on the consumption of purchased electricity across three different years, with an emission factor of 0.78 kg of CO2 per kilowatt-hour (kWh). This factor represents the average emissions per unit of electricity transmitted to the organisation, taking into account the mix of energy sources used in production and the efficiency of the generation process.

SUSTAINABILITY STATEMENT (CONT'D)

11.0 ENVIRONMENTAL MATERIAL MATTERS (CONT'D)

Environmental strategy (Cont'd)

The calculated Scope 2 emissions for each year are as follows:

Year	Electricity Consumption (kWh)	Emission Factor (kg CO ₂ /kWh)	Scope 2 Emissions (kg CO ₂)
2021	8,334,626	0.78	6,501,008.28
2022	8,014,556	0.78	6,251,353.68
2023	8,611,375	0.78	6,716,872.50

This comprehensive approach to environmental management, highlighted by the detailed emission data and the Group's strategic targets, exemplifies the Group's commitment to reducing its environmental footprint and enhancing its sustainability performance over the coming years.

As we approach environmental protection, the Group is developing sustainable practices and implementing environmental practices into each area of the value chain and using all available tools to deliver the environmental strategy.

The Group has identified the key areas of concern as shown in the table below and the groups five-year environmental plan on reduction of its Scope 1,2 and 3.

Scope 3 – Category 6 Employee Commuting

The calculations for the total Scope 3 CO₂ emissions from employee commuting are as follows:

- i. **Total Distance Travelled by All Employees:** 4,766 km
- ii. **Total Fuel Consumed:** Approximately 560.71 liters of gasoline
- iii. **Total CO₂ Emissions:** Approximately 1,295.23 kg of CO₂

These results are based on the assumption that all employees travel by car using gasoline, with an average CO₂ emission factor of 2.31 kg CO₂ per liter of gasoline and an average fuel economy of 8.5 km per liter.

11.1 WATER USAGE

The water usage data provided outlines a rising trend in consumption over a three-year period. In 2021, the recorded water usage stood at 103,677 m³. This figure reflects the baseline water consumption for the given context, potentially serving as a reference point for measuring water efficiency initiatives or the impact of operational changes on water use. The following year, 2022, saw a significant increase, with consumption rising to 106,897 m³. This substantial uptick may suggest an expansion in operational activities, increased production demands, or potentially fewer water conservation measures being in effect. The upward trajectory continued into 2023, where water usage further escalated to 112,658 m³. This consistent increase could indicate ongoing growth in the operations necessitating more water or could highlight an area for implementing more robust water-saving strategies to curb the rising trend.

SUSTAINABILITY STATEMENT (CONT'D)

11.0 ENVIRONMENTAL MATERIAL MATTERS (CONT'D)

11.1 WATER USAGE (CONT'D)

The table below showcases the water consumption data over the three-year period, providing a clear depiction of the usage pattern:

Year	Water Consumption (m3)
2021	103,677
2022	106,897
2023	112,658

11.2 WASTE MANAGEMENT

Enacting sustainable waste management practices underscores the Group's proactive efforts to reduce the volume of waste generated in the course of production and manufacturing. Equally critical is the commitment to minimizing the disposal of solid waste through landfill or incineration.

Here are the calculated CO₂ emissions (in kilograms) for each type of waste for the years 2021, 2022, and 2023, using general emission factors:

Year	Packing Materials (kg)	Containment Materials (kg)	Other Materials (kg)
2021	216,142	47,923	52,549
2022	252,710	28,774	147,040
2023	260,557	264,343	62,246

The data on CO₂ emissions from various waste types over the years 2021, 2022, and 2023 provides crucial insights into the environmental impact of waste management and the importance of sustainable practices. In 2021, the total CO₂ emissions from the listed waste materials amounted to approximately 316,614 kg.

In 2022, there was a noticeable increase in total CO₂ emissions, reaching approximately 428,524 kg. This rise was primarily due to a significant increase in emissions from 'Other Materials,' which jumped to 147,040 kg, indicating an accumulation of various unsorted or unspecified waste types with higher emission factors.

The year 2023 saw the highest CO₂ emissions, totalling around 587,146 kg. The increase can be attributed to a substantial rise in containment waste, possibly due to increased industrial activity or inadequate recycling measures. Reducing waste, particularly in an industrial or manufacturing context like the Group, involves implementing a series of strategic measures aimed at minimising environmental impact while enhancing efficiency and sustainability. Here are some key strategies that could be effective:

SUSTAINABILITY STATEMENT (CONT'D)

11.0 ENVIRONMENTAL MATERIAL MATTERS (CONT'D)

11.2 WASTE MANAGEMENT (CONT'D)

11.2.1 Waste Minimisation at Source:

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

- **Recycling and Reuse:** Implementing a robust recycling program can significantly reduce waste. This involves segregating waste at the source, ensuring different types of waste (like metals, plastics, and paper) are collected separately to facilitate recycling. Reusing materials wherever possible, such as reconditioning and reusing drums and pallets, can also decrease waste.
- **Supply Chain Management:** Working with suppliers to reduce packaging and to use recyclable or returnable packaging materials can significantly reduce waste. Optimising inventory to prevent overstocking and eventual disposal of unused materials also plays a crucial role.
- **Employee Training and Awareness:** Employees should be trained and made aware of the importance of waste reduction. Encouraging a culture of sustainability where every worker understands their role in reducing waste can lead to significant improvements.
- **Investment in Technology:** Investing in more efficient, modern machinery can reduce waste generation. Technology that enables more precise measurements and cuts, or machinery that has lower rates of malfunction, can decrease the amount of waste produced.
- **Regular Audits and Monitoring:** Regularly auditing waste management processes helps in identifying areas where waste can be reduced further. Monitoring and reporting on waste generation and management also help in setting targets and measuring progress towards waste reduction goals.
- **Collaboration for Waste Management Solutions:** Partnering with other businesses or waste management experts can provide innovative solutions for waste reduction. For example, waste from one process could be a resource for another company, facilitating a circular economy approach.
- **Compliance with Environmental Regulations:** Staying compliant with local and international environmental regulations not only reduces legal risks but also often leads to better waste management practices.

12.0 SOCIAL MATERIAL MATTERS

The Group has recognised the subsequent social sustainability matters as material to our business, determined through the materiality exercise conducted for the financial year ending in 2023:

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

The details below are sorted by our different manufacturing centres because we think these are the places where our actions have the most impact on society.

We follow all the relevant employment laws in the areas we operate in order to stay legal with social matters. Our internal teams, like compliance and audit committees, manage this, reporting to both the management and the Board.

In addition, throughout the financial year 2023, the organisation experienced no instances of non-compliance with social matters.

SUSTAINABILITY STATEMENT (CONT'D)

12.0 SOCIAL MATERIAL MATTERS (CONT'D)

12.1 EMPLOYMENT PRACTICES

As an organisation, we adhere to our "Human Resource Policy" to ensure effective and efficient operations by hiring and retaining adequately skilled employees with the relevant knowledge, skills, and experience to carry out their duties effectively. We conduct performance evaluations across all staff levels to identify performance gaps, addressing training needs and fostering talent development.

This policy is communicated to all our employees and considering our diverse workforce with people from various nationalities, we ensure translations in English, Malay, and the languages spoken by our foreign workers. The Group provides benefits such as contributions to the Employee Provident Fund (EPF), and overtime is extended to all employees, irrespective of their employment status.

12.2 DIVERSITY

The Group is committed to preventing discrimination against suppliers, employees, and relevant stakeholders based on race, age, gender, sexual orientation, religion, disability, and nationality.

The principle of equal pay for equal work emphasizes the right of all workers to receive comparable remuneration for work of equal value. This encompasses various forms of compensation, including overtime pay, bonuses, travel allowances, insurance, and other benefits. Upholding diversity requires us to ensure that employees are remunerated based on merit, irrespective of race, age, gender, sexual orientation, religion, disability, and nationality.

Our objective is to guarantee equal work opportunities and pay for all employees. Malaysia ratified the ILO's Equal Remuneration Convention in 1997, and we are committed to upholding this principle within the organisation.

In alignment with our commitment to gender diversity, we have formalised a Sexual Harassment Policy and Grievance Procedure included in employee handbooks and regularly communicated to relevant employees. We are pleased to report that no instances of sexual harassment were reported to management during the reporting period.

Recognising that employees are the driving force of the Group; we are dedicated to maintaining a performance-driven culture centred around inclusivity. Although the global issue of insufficient female representation at management levels persists, the Group is actively working to promote female representation in management positions within our organisation.

The gender breakdown between staff and management in our operating factories is provided below. We aspire to enhance female representation across our organisation and management levels in future reporting years.

Management Level	Male (Total number)	Male (Total Percentage)	Female (Total number)	Female (Total Percentage)
General Staff	270	62%	108	25%
Middle Management Staff	23	5%	12	3%
Senior Management Staff	14	3%	8	2%

Table below shows the breakdown of age distribution across our operations, with most of our staff being under 50 years old.

SUSTAINABILITY STATEMENT (CONT'D)

12.0 SOCIAL MATERIAL MATTERS (CONT'D)

12.2 DIVERSITY (CONT'D)

Age Breakdown	Total Number	Percentage
Aged 30 or below	144	33%
Aged 31-40	173	40%
Aged 41-50	88	20%
Aged 51 or above	30	7%

Women Representation

At the Group, we take immense pride in our commitment to fostering a diverse and inclusive work environment, with a special emphasis on empowering women from all walks of life. Our organisation believes in the strength of diversity and the unique perspectives that each individual brings to the table. Women at the Group are leaders, innovators, and visionaries, playing pivotal roles across various departments and levels of management. We celebrate the cultural, educational, and experiential differences that our female colleagues contribute, making us not just a workforce, but a rich tapestry of ideas and insights. Their dedication and expertise not only drive our company forward but also set a powerful example for equality and representation in the industry.

In addition, the Group takes pride in having more women representation on board. At Wellcall, we have a total of 2 women representation on board representing approximately percentage of 20%.

12.3 DEVELOPING OUR EMPLOYEES

Management Approach

The Group recognises that the achievement and success it takes pride in would not be possible without the considerable efforts of the employees. For this reason, the Group works continuously in ensuring the effectiveness of the personnel management practices, including those relating to employee recruitment, retention, and education; increasing employee engagement; and developing internal social programmes. Besides, the Group takes measures to ensure respect and to provide equal rights and opportunities to all our employees.

The Group is committed to creating favourable working conditions and guaranteeing social security and safeguarding employee rights and adheres to the principles of equality and non-discrimination.

All types of modern slavery are strictly prohibited and also among the suppliers of the Group. The Group is committed to conducting business ethically and requiring the suppliers to agree to the same ethical framework.

The Group complies with the respective legislations and applicable international labour standards. The activities in this area are regulated by the Code of Ethics and Conduct Policy, the Anti-Bribery and Corruption Policy and Anti-Fraud Policy which can be found at the Company website at www.wellcallholdings.com under the "Corporate Governance" section.

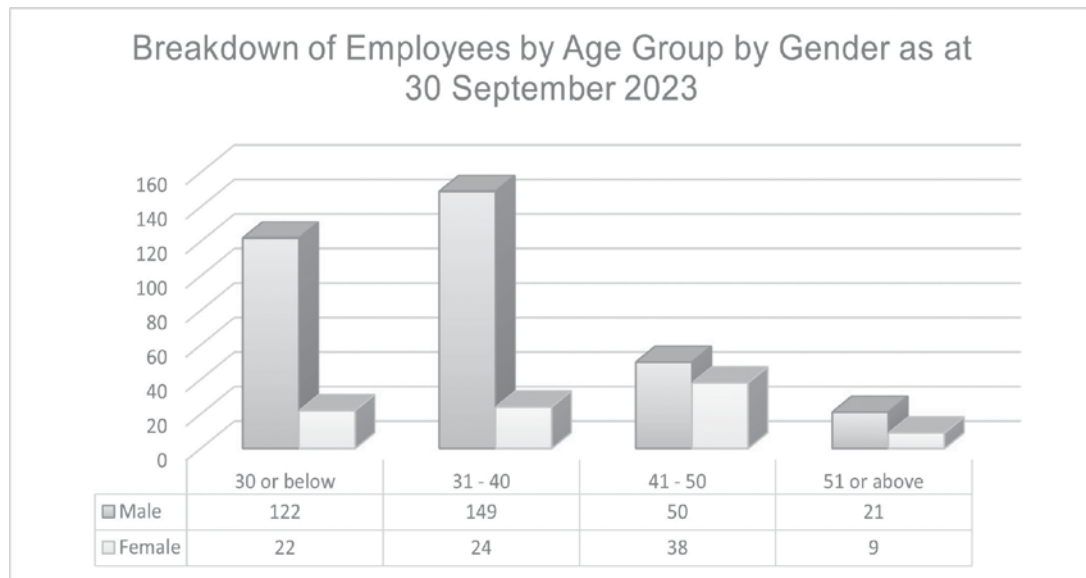
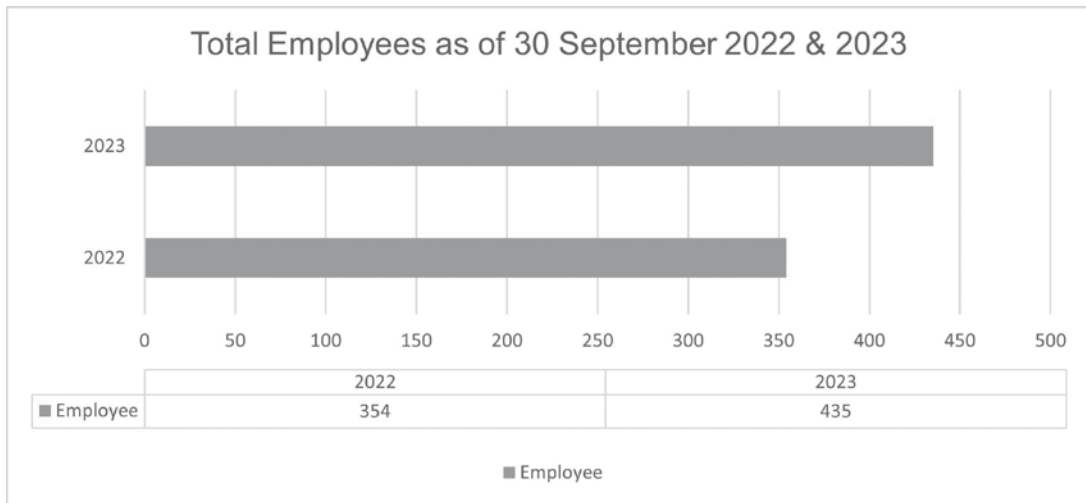
SUSTAINABILITY STATEMENT (CONT'D)

12.0 SOCIAL MATERIAL MATTERS (CONT'D)

12.3 DEVELOPING OUR EMPLOYEES (CONT'D)

Our Employees Structure – Our Asset

The Group places great importance on its employees. As of 30 September 2023, the Group boasts a family of 435 employees and ensures everyone in the family is taken care of as a socially responsible company.

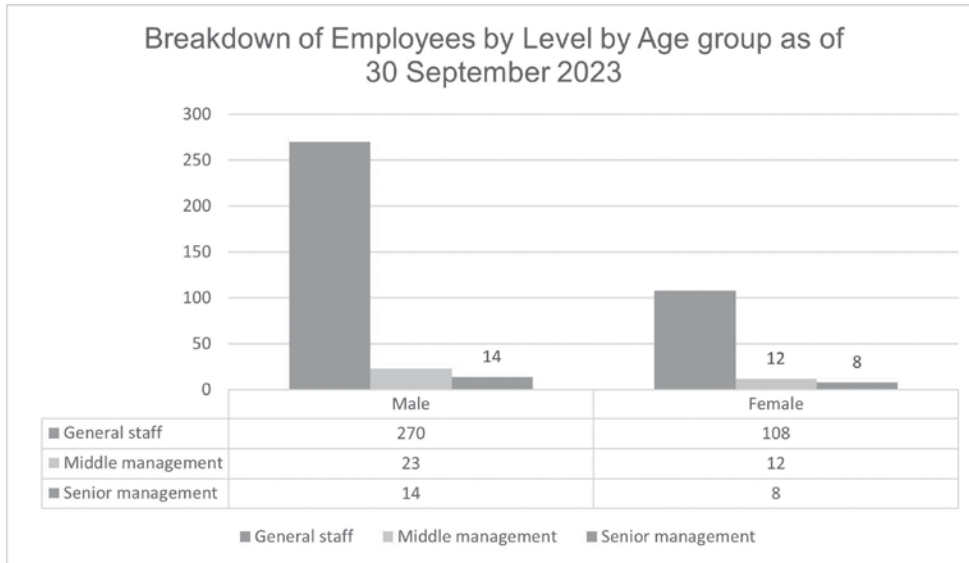


SUSTAINABILITY STATEMENT (CONT'D)

12.0 SOCIAL MATERIAL MATTERS (CONT'D)

12.3 DEVELOPING OUR EMPLOYEES (CONT'D)

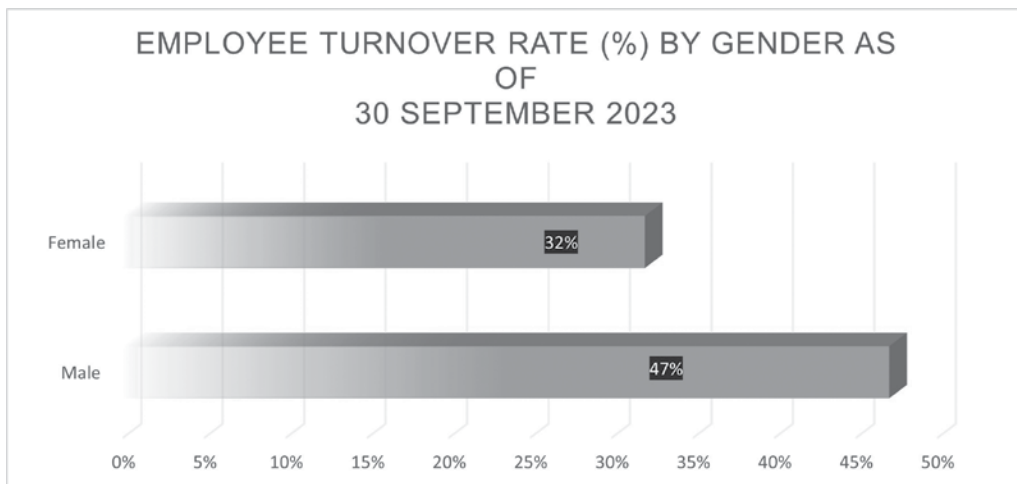
Our Employees Structure – Our Asset (Cont'd)



Employee Turnover

Employee turnover of varying degrees is shown in the graph below.

$$\text{Employee Turnover rate \%} = \frac{\text{Number of Separation}}{\text{Average number of employees}} \times 100$$



Based on the chart above, the Group employee turnover rate in 2023 for the female is 32% whereas for the male is 47%.

SUSTAINABILITY STATEMENT (CONT'D)

12.0 SOCIAL MATERIAL MATTERS (CONT'D)

12.3 DEVELOPING OUR EMPLOYEES (CONT'D)

Recruitment, Adaptation and Retention

Effective recruitment provides companies with employees with the required level of qualifications. It is also important to ensure that new employees adapt successfully in a company, in order to help them realise their talents as early as possible.

Recruitment

As part of the continuous development, the Group pays particular attention to improving the practices related to attracting new talent. The Group operates on Human Resource Payroll software where it promotes transparency, accurate payroll calculations and minimises error in computing annual leave, medical leaves etc.

Motivation and Engagement

The Group recognises that factors such as employee engagement, financial and non-financial motivation, and working conditions largely determine the operational efficiency. For this reason, the Group devotes special attention to these issues as part of the Group Human Resources (“HR”) strategy.

Financial Motivation

The Group endeavours to make the remuneration system transparent and comprehensible for employees, as well as consistent with internal regulations and external competitiveness. Salary levels are determined based on the market range established for each grade and are reviewed annually.

The Group pays based on prevailing industry market rates and draws reference to the minimum wage as stipulated by the Act 732 National Wages Consultative Council Act. The Group pays according to the act for non-executive levels.

Non-Financial Motivation

As a socially responsible company, the Group offers the employees a broad non-financial compensation package that commensurate with the industry practices and forms part of total remuneration. The employees receive medical leave, maternity leave, annual leave, the group personal accident insurance for its outdoor sales and marketing personnel, and the group director and officer liability insurance for all the directors, managerial and executive staff.

Social and Labour Conditions

The Group cares for the employees’ health and well-being. Therefore, the Group believes that it is essential to provide comfortable working living conditions.

Learning, Training and Reskilling

The Group believes that employee development is an essential part of a company’s growth. The Group continuously seeks to provide a full variety of high-quality training and development programmes. In 2023, the Group developed its core competencies to provide reskilling for its employees and ensure all necessary skills are imparted to improve job satisfaction.

The approach to achieving this goal includes endeavouring to fill our target positions with employees from the Group’s personnel talents.

SUSTAINABILITY STATEMENT (CONT'D)

12.0 SOCIAL MATERIAL MATTERS (CONT'D)

12.3 DEVELOPING OUR EMPLOYEES (CONT'D)

Human Rights

The Group understands the importance of respecting human rights and will do its utmost to prevent human rights violations, minimise the consequences if violations occur, and devote special attention to ensuring a diversity of personnel.

The Group endeavours to act ethically and requires the suppliers to conduct their businesses within the same ethical framework. Our Code of Ethics and Conduct includes a commitment to treat the employees in a way that ensures equal opportunities.

13.0 OCCUPATIONAL HEALTH AND SAFETY

We are dedicated to establishing a secure working environment for all employees and are committed to fostering a safety culture that prevents accidents and minimises any adverse impact on the overall well-being of the organisation. Aligned with our Sustainability Policy, the Group adheres to the highest health and safety principles, delineating the responsibilities of the Group, Managing Director, Safety Committees, Safety Officers, and employees in ensuring a safe and healthy workplace for contractors and employees.

Our operations adhere to local requirements in their respective jurisdictions, overseen by Health and Safety Committees at each location. These committees, comprising individuals from various departments, ensure compliance with health and safety standards. In preparation for emergencies, such as fires, hazardous leaks, or accidents, our Health and Safety Committee follows standard procedures and maintains safety equipment, including emergency lights and fire extinguishers.

During FYE2022, we implemented additional health and safety measures to safeguard our employees amid the COVID-19 pandemic and up to FYE2023 our company still keeps maintaining the current health and safety measures for all the employees. We uphold best practice standards of hygiene for our staff and regularly clean and sanitize our air conditioning systems every two months to meet the highest cleanliness standards.

For the record, we had one (1) work site incidence in 2023. To further improve and maintain the safety records, we strive to disseminate the importance of safeguarding against work hazards by implementing safety briefings to all staff and contractors.

13.1 SAFETY AND HEALTH

Our business inherently poses potential risks to the safety and well-being of our workforce and contractors. Consequently, we are deeply committed to fostering a culture that prioritises the protection and health of our employees.

We are dedicated to meeting all essential safety and health standards, ensuring a secure working environment that allows our staff to operate without compromising their well-being, and returning home in optimal health. Through effective governance processes, we actively work towards minimising risks associated with safety and health.

The management of safety and health is a crucial aspect of aligning with regulations and addressing potential risks to ensure incidents are kept to a minimum. Our Safety and Health Committee provides regular updates to the Managing Director on safety and health metrics, discussing strategies to continually improve our safety practices.

SUSTAINABILITY STATEMENT (CONT'D)

13.0 OCCUPATIONAL HEALTH AND SAFETY (CONT'D)

13.1 SAFETY AND HEALTH (CONT'D)

We adhere to our approved Environment, Safety, and Health (ESH) Policy, which guides our commitment to instilling a culture of accountability for these practices. It is imperative for all stakeholders, including vendors and contractors, to adhere to these established standards.

On-site, our safety and health officers diligently oversee activities, ensuring that all operations are conducted in a secure manner. Creating a safe environment for both employees and contractors necessitates collaboration with relevant departments, as our safety and health officers rely on their support.

In the event of an incident, it is mandatory to notify a Safety and Health Representative within 24 hours. An investigation into the incident will be initiated, focusing on evaluating the following areas:

- 1) Nature of injury
- 2) Cause of injury
- 3) Location of injury
- 4) Contributing factors to the incident (method of work, machinery, human behavior)
- 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 are conducted comprehensively, involving the meticulous collection of evidence and interviews with witnesses. Subsequent discussions with the relevant departments are undertaken as a part of this process. Typically, these investigations are finalised within a timeframe of five working days. The identified preventive and corrective actions are subsequently communicated to the management for their awareness and consideration.

13.1.1 SAFETY AND HEALTH LEGAL REQUIREMENTS

In accordance with Malaysian law, we adhere to the provisions of the Occupational Safety and Health Act (OSHA) 1994. This legislation establishes the legal framework for ensuring the safety, health, and welfare of individuals across all our sites, with a primary objective of preventing and safeguarding workers against potential hazards and associated risks during their work activities. Our compliance is subject to periodic inspections by the relevant authorities.

To mitigate safety and health-related incidents within our organisation, we prioritise equipping our workforce with relevant training. In the year under review, 2023*, our employees and contractors participated in training programs covering first aid, safety chemical handling, overhead crane safety, forklift safety, and operational procedures.

Type of Training	Hour(s) Completed
Understanding Malaysian Occupational Safety & Health Legislation Training	8
Safety & Health: Ergonomics & Manual Handling Safety Training	8
Safety & Health Officer	176

* The trainings hours recorded is up to December 2023

SUSTAINABILITY STATEMENT (CONT'D)

13.0 OCCUPATIONAL HEALTH AND SAFETY (CONT'D)

13.1 SAFETY AND HEALTH (CONT'D)

13.1.2 CONTINUOUS MEASUREMENT

In the persistent endeavor to cultivate a secure workplace milieu, our objective is to systematically evaluate performance against predefined internal benchmarks. The quantitative determinations for our fatality rate, incident rate, frequency rate, and severity rate meticulously align with the established national standards of Malaysia, as delineated by the Department of Occupational Safety and Health. Incident rates are derived from the numerical representation of accidents vis-à-vis the annual average number of employees, while frequency rates are meticulously computed based on the quantification of accidents relative to the aggregate person-hours worked.

13.2 TRAINING AND DEVELOPMENT

AAs advocates of talent cultivation, our objective is to ensure that all employees have access to developmental programs designed to impart knowledge in key operational areas. These areas encompass adherence to regulatory standards, health and safety protocols, technical proficiency, leadership skills, and product development.

A consistent and ongoing commitment to education is deemed crucial for the cultivation of a competitive, skilled, motivated, and productive workforce. The establishment of employee career development and performance management is predicated upon individual merits and the contributory skill sets aligning with the organisational objectives and goals of the Group. Regular performance reviews, adaptable to the evolving business and operational landscape, serve as the mechanism for refining and enhancing employees' career pathways.

As an integral component of our transformational journey, the Group will undertake targeted training and development initiatives, concentrating on addressing competency and skill gaps, particularly in roles deemed critical or high-risk. Our strategies include collaborative efforts with external entities to craft tailored technical programs, facilitation of employee participation in professional certification programs, organization of on-the-job attachments, and engagement of specialists to transfer specialized knowledge for specific roles. Concurrently, systematic upskilling and retraining of existing employees are conducted at regular intervals. It is our accountability to make sure all employees are properly trained for their and the company's betterment.

Gender	Hour(s) completed (by the end of year)
Male	1,837 hours
Female	379 hours

Our trajectory envisions an expansion in the variety and duration of training programs afforded to employees in the forthcoming years. The continuous refinement and augmentation of our training and development initiatives are aimed at bridging competency gaps and perpetuating a culture of continuous improvement.

SUSTAINABILITY STATEMENT (CONT'D)

13.0 OCCUPATIONAL HEALTH AND SAFETY (CONT'D)

13.2 TRAINING AND DEVELOPMENT (Cont'd)



Attachment 1



Attachment 2

Attachment 1 & 2 : Wellcall's Masterclass Training

Below are the list of trainings for our employees to enhance their skills and knowledge:

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 30 September, 2023 are as follows:

	Group RM'000	Company RM'000
Statutory Audit	125.0	47.0
Non-Statutory Audit (including review fee and tax compliance fee)	15.2	8.3

2. MATERIAL CONTRACTS

There were no material contracts (not being contracts entered into the ordinary course of business) entered into by the Company and the Group involving Directors' and/or shareholders' interests during the financial year ended 30 September 2023.

3. REVALUATION POLICY

The Group does not have any revaluation policy on its landed properties during the financial year ended 30 September 2023.

4. UTILISATION OF PROCEEDS

There were no corporate proposals implemented during the financial year ended 30 September 2023.

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

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 Seventeenth Annual General Meeting of the Company which held on 24 February 2023.

In accordance with Practice Note No.12 of the MMLR of Bursa Securities, the aggregate value of the RRPT conducted from 24 February 2023 (the date of the last AGM) to 24 January 2024, pursuant to the Shareholders’ Mandate are as follows:

Transacting Parties		Interested Director(s) and/or interested Major Shareholder(s) and/or person(s) connected with them	Nature of the Recurrent Related Party Transaction	Aggregate Value of Transaction (RM'000)
Wellcall Group	Related Party			
Wellcall Hose (M) Sdn. Bhd. (“WHSB”)	Global Rubber Industry (M) Sdn. Bhd. (“GRI”)	Huang Yu Fen ⁽¹⁾ ⁽²⁾ Tan Joo Chin ⁽²⁾ Leong Ruen Ying ⁽³⁾ Huang Sha ⁽¹⁾ ⁽²⁾ Huang Kai Lin ⁽¹⁾ ⁽²⁾ Leong Hon Chong ⁽³⁾ Tan Kang Seng ⁽⁴⁾ Datuk Ng Peng Hong @ Ng Peng Hay ⁽⁵⁾	Sub-contract services for topping of nylon cord and relevant add-on or further manufacturing process on semi-finished goods and/or hoses	4,048

Notes:-

- (1) Huang Yu Fen is a Director and shareholder of the Company, as well as a Director of WHSB and shareholder of GRI. Huang Sha, who is also a Director and shareholder of the Company, as well as a Director of WHSB and GRI. Huang Kai Lin is a Director of the Company and WHSB.
- (2) Tan Joo Chin is a Shareholder of the Company and GRI, as well as a person connected with Huang Sha, Huang Kai Lin and Huang Yu Fen.
- (3) Leong Ruen Ying is a shareholder of GRI and a person connected with Leong Hon Chong, who is a shareholder of the Company, as well as a Director of WHSB.
- (4) Tan Kang Seng is a Director and shareholder of the Company, as well as a Director of WHSB. He is also a person connected with the late, Tan Kang Foon, the Director of GRI.
- (5) Datuk Ng Peng Hong @ Ng Peng Hay is Chairman of the Company and a Director of WHSB as well as a Director of GRI.

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 29 December 2023 are as follows:-

Name	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Huang Sha	16,945,317	3.40	⁽¹⁾ 168,750	0.03
Huang Kai Lin	–	–	⁽²⁾ 2,186,850	0.44
Huang Yu Fen	562,500	0.11	–	–
Leong Hon Chong	4,729,350	0.95	–	–
Tan Kang Seng	⁽³⁾ 1,687,500	0.34	⁽⁴⁾ 55,989,478	11.24
Chua Yi Rong, Edmund (Cai YiRong, Edmund)	–	–	–	–
Tan Joo Chin	2,186,850	0.44	–	–
Leong Ruen Ying	–	–	–	–
Datuk Ng Peng Hong @ Ng Peng Hay	–	–	⁽¹⁾ ⁽²⁾ 9,507,250	1.91

Notes:-

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

6. EMPLOYEE SHARE SCHEME

The Group did not grant any employee share scheme to any person during the financial year ended 30 September 2023.

7. MATERIAL CONTRACTS RELATING TO LOANS

There were no material contracts relating to loans entered into by the Group involving Directors' and/or shareholders' interests during the financial year ended 30 September 2023.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible for ensuring that the annual audited financial statements for the financial year ended 30 September 2023 of the Company and of the Group so as to give a true and fair view in accordance with applicable Malaysian Financial Reporting Standards, International Financial Reporting Standards, the requirements of the Companies Act 2016 and Paragraph 15.26(a) of the MMLR of Bursa Securities.

In preparing the annual audited financial statements for the financial year ended 30 September 2023, the Directors have:-

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

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

FINANCIAL STATEMENTS

Directors' Report	88
Statement by Directors and Statutory Declaration	93
Independent Auditors' Report	94
Statements of Financial Position	98
Statements of Profit or Loss and Other Comprehensive Income	99
Statements of Changes in Equity	100
Statements of Cash Flows	101
Notes to the Financial Statements	103

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 2023.

PRINCIPAL ACTIVITIES

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

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

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

RESULTS

	Group RM	Company RM
Profit before taxation	74,418,273	41,252,080
Tax expense	(19,144,753)	(48,499)
Profit for the year	55,273,520	41,203,581

RESERVES AND PROVISIONS

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

DIVIDENDS

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

- i) a fourth single tier dividend of 1.60 sen per ordinary share totaling RM7,967,161 and special interim dividend of 1.00 sen per ordinary share totaling RM4,979,475 in respect of the financial year ended 30 September 2022 and paid on 23 December 2022.
- 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 2023 and paid on 24 March 2023.
- iii) a second single tier dividend of 1.80 sen per ordinary share totaling RM8,963,056 in respect of the financial year ended 30 September 2023 and paid on 22 June 2023.
- iv) a third single tier dividend of 2.20 sen per ordinary share totaling RM10,954,846 in respect of the financial year ended 30 September 2023 and paid on 21 September 2023.
- v) a fourth single tier dividend of 1.80 sen per ordinary share totaling RM8,963,056 and special interim dividend of RM1.00 per ordinary share totaling RM4,979,476 in respect of the financial year ended 30 September 2023 and paid on 21 December 2023.

DIRECTORS' REPORT (CONT'D)

DIRECTORS

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

Datuk Ng Peng Hong @ Ng Peng Hay, DMSM, DSM, PJK*
Datuk Yong Peng Tak
Huang Sha, PMP*
Huang Yu Fen*
Huang Kai Lin* (Alternate director of Huang Sha)
Tan Kang Seng*
Tan Choon Soon (Appointed on 1 June 2023)
Goh Hoon Leum (Resigned on 1 June 2023)
Chin Yoke Wah
Azian Binti Mohd Yusof
Chua Yi Rong, Edmund (Cai YiRong, Edmund)* (Alternate director of Tan Kang Seng)
Leong Hon Chong* (Resigned on 3 October 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 21 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest in companies which traded with the Company in the ordinary course of business as disclosed in Note 27(a) to the financial statements.

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

DIRECTORS' 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 01.10.2022	Number of ordinary shares		At 30.09.2023
		Bought	Sold	
<u>Direct interest</u>				
Huang Sha, PMP	16,945,317	–	–	16,945,317
Leong Hon Chong	5,369,350	–	180,000	5,189,350
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 2023 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Fees	1,173,417	1,052,000	663,417	682,000
Remuneration	3,180,000	2,804,769	–	–
Allowance	190,500	136,500	69,000	24,500
Ex-gratia	–	65,000	–	65,000
Bonus	4,846,225	2,942,608	–	–
E.P.F.	183,684	141,992	–	–
E.I.S.	238	194	–	–
Socso	3,565	2,903	–	–
	9,577,629	7,145,966	732,417	771,500

DIRECTORS' REPORT (CONT'D)

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 impairments need not been made; and
- ii) to ensure that any current assets which were unlikely to realise in the ordinary course of business their value as shown in the accounting records of which were written down to an amount which they might be expected so to realise.

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

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

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

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

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 2023 are as follow:

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

AUDITORS

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

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

HUANG SHA, PMP
Director

HUANG YU FEN
Director

Dated: 19 January 2024

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 98 to 150 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 2023 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: 19 January 2024

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 98 to 150 are drawn up, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed at Ipoh in Perak on)
19 January 2024)

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 2023 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 98 to 150.

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 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

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

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

Key Audit Matters

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

Key audit matter	How the matter was addressed in our audit
<p>Valuation of inventories</p> <p>Refer to Note 10 to the financial statements.</p> <p>As at 30 September 2023, the Group has inventories amounted to RM25,454,666 (30.9.2022: RM29,058,355), which represents 15% (30.9.2022: 18%) of total assets of the Group.</p> <p>Inventories are stated at the lower of cost and net realisable value.</p> <p>The valuation of work-in-progress and finished goods requires management's judgement and estimates in determining an appropriate costing basis and assessing the net realisable value of these inventories.</p>	<p>Our audit procedures (amongst others) included the following:</p> <p>(a) Obtained an understanding of the inventories valuation policy and relevant controls surrounding inventories valuation implemented by the management;</p> <p>(b) Performed testing on sampling basis the costs of raw materials, direct labour, other direct costs and manufacturing overheads incurred in production;</p> <p>(c) Assessed the management's basis of allocation of the raw materials, direct labour, other direct costs and manufacturing overheads for the valuation of inventories based on normal production capacity;</p> <p>(d) Evaluated management's assessment of net realisable value of finished goods and compared the carrying amount against the selling price subsequent to the period end.</p> <p>(e) Reviewed the adequacy of the disclosure based on the requirements of MFRS 102.</p>

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

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report and the information included in Group's 2023 annual report but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

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)

- (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.

OTHER MATTERS

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

ECOVIS MALAYSIA PLT
AF 001825
Chartered Accountants

Kuala Lumpur
19 January 2024

PAT YIN LAI
03073/12/2025 J
Chartered Accountant

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2023

	Note	2023 RM	Group 2022 RM	Company 2023 RM	2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	4	46,631,407	47,326,669	–	–
Investment properties	5	4,997,208	4,325,964	–	–
Investments in subsidiary company	6	–	–	57,540,803	57,540,803
Investment in associate company	7	–	–	–	–
Intangible assets	8	342,820	–	–	–
Other investment	9	10,000	10,000	–	–
		51,981,435	51,662,633	57,540,803	57,540,803
Current assets					
Inventories	10	25,454,666	29,058,355	–	–
Trade and other receivables	11	23,470,244	15,900,019	14,400,000	13,364,000
Tax recoverable		21,549	13,048	21,549	13,048
Cash and cash equivalents	12	74,404,617	62,772,004	8,977,549	8,631,380
		123,351,076	107,743,426	23,399,098	22,008,428
TOTAL ASSETS		175,332,511	159,406,059	80,939,901	79,549,231
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	13	68,836,509	68,836,509	68,836,509	68,836,509
Reserves	14	71,173,940	55,736,224	11,938,876	10,571,099
Total equity		140,010,449	124,572,733	80,775,385	79,407,608
Non-current liability					
Deferred tax liability	15	4,265,667	4,612,698	–	–
Current liabilities					
Trade and other payables	16	24,532,789	27,797,612	164,516	141,623
Tax payable		6,523,606	2,423,016	–	–
		31,056,395	30,220,628	164,516	141,623
Total liabilities		35,322,062	34,833,326	164,516	141,623
TOTAL EQUITY AND LIABILITIES"		175,332,511	159,406,059	80,939,901	79,549,231

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 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	17	217,158,571	176,701,695	42,450,000	36,450,000
Cost of sales		(131,054,074)	(120,264,942)	–	–
Gross profit		86,104,497	56,436,753	42,450,000	36,450,000
Other operating income	18	5,540,261	5,397,253	205,995	166,663
Administrative expenses		91,644,758	61,834,006	42,655,995	36,616,663
Selling and distribution costs		(15,786,394)	(12,460,750)	(1,403,915)	(1,306,189)
Other operating expenses		(1,224,676)	(912,627)	–	–
		–	(2,897,698)	–	(4,419,648)
Profit from operations		74,633,688	45,562,931	41,252,080	30,890,826
Finance costs		(215,415)	(167,662)	–	–
Share of loss in associate company	7	–	(574,457)	–	–
Profit before taxation	19	74,418,273	44,820,812	41,252,080	30,890,826
Tax expense	22	(19,144,753)	(11,529,533)	(48,499)	(38,759)
Profit for the year		55,273,520	33,291,279	41,203,581	30,852,067
Other comprehensive income		–	–	–	–
Total comprehensive income for the year		55,273,520	33,291,279	41,203,581	30,852,067
Earnings per share (sen)					
- Basic	23	11.10	6.69		
Dividend per share (sen)	24	8.00	7.20		

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 2023

	Note	Non-distributable Share capital RM	Distributable Retained profit RM	Total equity RM
Group				
At 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	24	–	(35,852,224)	(35,852,224)
At 30 September 2022/1 October 2022		68,836,509	55,736,224	124,572,733
Total comprehensive income for the year		–	55,273,520	55,273,520
Dividends	24	–	(39,835,804)	(39,835,804)
At 30 September 2023		68,836,509	71,173,940	140,010,449
Company				
At 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	24	–	(35,852,224)	(35,852,224)
At 30 September 2022/1 October 2022		68,836,509	10,571,099	79,407,608
Total comprehensive income for the year		–	41,203,581	41,203,581
Dividends	24	–	(39,835,804)	(39,835,804)
At 30 September 2023		68,836,509	11,938,876	80,775,385

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 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
CASH FLOWS FROM/(USED IN)					
OPERATING ACTIVITIES					
Profit before taxation		74,418,273	44,820,812	41,252,080	30,890,826
Adjustments for:					
Amortisation of intangible assets		8,880	–	–	–
Depreciation of investment property		153,216	148,557	–	–
Depreciation of property, plant and equipment		4,770,728	4,879,869	–	–
Distribution income from money market instruments		(150,936)	(77,567)	–	–
Fair value gain on money market instruments		(298,280)	(164,632)	–	–
Unrealised (gain) on foreign exchange		(375,713)	(2,662,164)	–	–
Share of loss in associate company		–	574,457	–	–
Property, plant and equipment written off		–	1,984	–	–
Gain on disposal of property, plant and equipment		(49,500)	(26,000)	–	–
Dividend income		(31,293)	(6,485)	–	–
Interest income		(1,421,247)	(331,174)	(205,995)	(166,663)
Finance costs		215,415	168,495	–	–
Impairment loss on investment in associate company		–	2,895,714	–	4,419,648
Operating profit before working capital changes		77,239,543	50,221,866	41,046,085	35,143,811
Increase in inventories		3,603,689	(8,915,955)	–	–
Increase in trade and other receivables		(7,048,523)	(1,377,841)	(1,036,000)	(4,139,000)
Decrease in trade and other payables		(3,212,312)	6,299,149	22,893	27,120
Cash generated from operations		70,582,397	46,227,219	40,032,978	31,031,931
Tax paid		(15,399,694)	(11,848,801)	(57,000)	(40,000)
Interest received		1,421,247	331,174	205,995	166,663
Interest paid		(215,415)	(168,495)	–	–
Net cash generated from operating activities		56,388,535	34,541,097	40,181,973	31,158,594
CASH FLOWS FROM/(USED IN)					
INVESTING ACTIVITIES					
Proceeds from disposal of property, plant and equipment		49,500	26,000	–	–
Investment in associate company		–	–	–	–
Dividend received		31,293	6,485	–	–
Distribution income received from money market instruments		150,936	77,567	–	–
Uplift of fixed deposits pledged with a licensed bank		1,000,000	–	–	–
Addition of investment property		(824,460)	(56,604)	–	–
Purchase of intangible assets		(351,700)	–	–	–
Purchase of property, plant and equipment		(4,075,466)	(479,198)	–	–
Net cash used in investing activities		(4,019,897)	(425,750)	–	–

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2023 (CONT'D)

	Note	Group 2023 RM	Company 2022 RM	2023 RM	2022 RM
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITY					
Dividends paid		(39,835,804)	(35,852,224)	(39,835,804)	(35,852,224)
Net cash used in financing activity		(39,835,804)	(35,852,224)	(39,835,804)	(35,852,224)
Net (decrease)/increase in cash and cash equivalents		12,532,833	(1,736,877)	346,169	(4,693,630)
Fair value gain on money market instruments		298,280	164,632	–	–
Effect of exchange rate changes		(198,500)	2,754,032	–	–
Cash and cash equivalents at beginning of the year		61,772,004	60,590,217	8,631,380	13,325,010
Cash and cash equivalents at end of the year	A	74,404,617	61,772,004	8,977,549	8,631,380

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	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	42,726,730	36,643,333	727,549	81,380
Deposits with licensed banks	17,250,000	12,150,000	8,250,000	8,550,000
Money market instrument	14,427,887	13,978,671	–	–
	74,404,617	62,772,004	8,977,549	8,631,380
Less: Deposit pledged with a licensed bank	–	(1,000,000)	–	–
	74,404,617	61,772,004	8,977,549	8,631,380

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

NOTES TO THE FINANCIAL STATEMENTS

- 30 SEPTEMBER 2023

1. GENERAL INFORMATION

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

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

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

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

The registered office of the Company is located at 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 2023 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) Amendments to MFRSs that are effective and have been adopted in the current financial year

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

- Amendments to MFRS 3, ‘Business Combination’ – Reference to the Conceptual Framework
- Amendments to MFRS 16, ‘Lease’ – COVID-19 – Related Rent Concessions beyond 30 June 2021
- Amendments to MFRS 116, ‘Property, Plant and Equipment’ – Proceeds before Intended Use
- Amendments to MFRS 137, ‘Provisions, Contingent Liabilities and Contingent Assets’ – Onerous Contracts – Cost of Fulfilling a Contract
- Annual improvements to MFRS Standards 2018 – 2020:
 - Amendments to MFRS 1, ‘First-time Adoption of Malaysian Financial Reporting Standards’ – Subsidiary as a First-Time Adopter
 - Amendments to MFRS 9, ‘Financial Instruments’ – Fees in the ‘10 per cent’ Test for Derecognition of Financial Liabilities
 - Amendments to MFRS 114, ‘Agriculture’ – Taxation in Fair Value Measurements

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

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

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

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

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

(i) Effective immediately on 23 May 2023

- Amendments to MFRS 112, 'Income Taxes – International Tax Reform – Pillar Two Model Rules (Paragraph 4A and 88A)

(ii) Effective for annual periods beginning on or after 1 January 2023

- MFRS 17, 'Insurance Contracts' and Amendments to MFRS 17, 'Insurance Contracts'
- Amendments to MFRS 17, 'Insurance Contracts' – Initial Application of MFRS 17 and MFRS 9 – Comparative Information
- Amendments to MFRS 101, 'Presentation of Financial Statements' - Disclosure of Accounting Policies
- Amendments to MFRS 108, 'Accounting Policies, Changes in Accounting Estimates and Errors' – Definition of Accounting Estimates
- Amendments to MFRS 112, 'Income Taxes' – Deferred Tax Related to Assets and Liabilities Arising from a Single Transactions
- Amendments to MFRS 112, 'Income Taxes' – International Tax Reform – Pillar Two Model Rules (Paragraphs 88B, 88C, and 88D)

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

2. BASIS OF PREPARATION (CONT'D)

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

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

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

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 expose, 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 affects its returns.

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

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

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

The policy for the recognition and measurement of impairment loss is in accordance with Note 3(i)(i) 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.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of Consolidation (Cont'd)

ii) Business Combinations (Cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

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

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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.

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

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

(d) **Property, Plant and Equipment and Depreciation**

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

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

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

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

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

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

(e) Investment Properties

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Intangible assets

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

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

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

(g) Other investment

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

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

(h) Financial Instruments

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

(i) Recognition and initial measurement

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

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

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial Instruments (Cont'd)

- (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.

- 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.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial Instruments (Cont'd)

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

Financial assets (Cont'd)

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

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

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

Financial liabilities

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

- a. Fair value through profit or loss

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial Instruments (Cont'd)

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

Financial liabilities (Cont'd)

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: (Cont'd)

b. Amortised cost

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

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

- (iii) Regular way purchase or sale of financial assets

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

- (iv) Financial guarantee contracts

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

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

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

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

- (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.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial Instruments (Cont'd)

(vi) Derecognition

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

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

(vii) Offsetting

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

(i) Impairment

(i) Financial Assets

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment (Cont'd)

(i) Financial Assets (Cont'd)

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

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

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

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

(ii) Non-financial Assets

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

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Inventories

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

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

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

(k) Cash and Cash Equivalents

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

(l) Equity

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

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

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

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

(m) Provisions

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

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

(n) Contract Liabilities

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Lease

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

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

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

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

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

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

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

(p) Revenue and Other Income Recognition

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

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.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Revenue and Other Income Recognition (Cont'd)

ii) Dividend Income

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

iii) Interest Income

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

iv) Rental Income

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

(q) Employee Benefits

i) Short Term Benefits

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

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

ii) Defined Contribution Plans

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

(r) Taxes

i) Current Tax

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

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

ii) Deferred Tax

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Taxes (Cont'd)

ii) Deferred Tax (Cont'd)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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

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

(t) Fair Value Measurement

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

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

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

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

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liability that the entity can access at the measurement date;

Level 2: Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3: Inputs are unobservable inputs for the asset or liability.

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

(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.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Contingencies

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

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

(w) Significant Accounting Judgements and Estimates

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

i) Judgements Made in Applying Accounting Policies

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

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

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

ii) Key Sources of Estimation Uncertainty

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

a) Inventories costing

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

b) Impairment of financial assets

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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (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) Impairment of financial assets (cont'd)

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's and the Company's financial assets at the reporting date is disclosed in Note 29(a) to the financial statements.

c) Estimated useful lives of assets

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

d) Income Taxes

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

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2023
(CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT

	As at 01.10.2022 RM	Additions RM	Disposal/ Written off RM	As at 30.09.2023 RM
Group				
COST				
Leasehold lands	10,907,715	-	-	10,907,715
Factory buildings	26,583,601	-	-	26,583,601
Electrical installation	6,385,765	-	-	6,385,765
Fire fighting installation	2,652,297	-	-	2,652,297
Furniture and fittings	652,955	22,300	-	675,255
Motor vehicles	2,695,861	85,000	-	2,780,861
Office equipment	791,403	14,299	-	805,702
Plant and machinery	75,902,850	1,488,291	(259,450)	77,131,691
Renovation	63,884	-	-	63,884
Capital work-in-progress	-	2,465,576	-	2,465,576
	126,636,331	4,075,466	(259,450)	130,452,347

	As at 01.10.2022 RM	Charge for the year RM	Disposal/ Written off RM	As at 30.09.2023 RM
ACCUMULATED DEPRECIATION				
Leasehold lands	1,710,255	182,456	-	1,892,711
Factory buildings	6,234,350	538,623	-	6,772,973
Electrical installation	5,375,967	352,678	-	5,728,645
Fire fighting installation	2,106,052	175,569	-	2,281,621
Furniture and fittings	539,533	37,313	-	576,846
Motor vehicles	2,019,149	231,037	-	2,250,186
Office equipment	687,214	31,728	-	718,942
Plant and machinery	60,633,251	3,220,046	(259,450)	63,593,847
Renovation	3,891	1,278	-	5,169
	79,309,662	4,770,728	(259,450)	83,820,940

	As at 30.09.2023 RM
NET CARRYING AMOUNT	
Leasehold lands	9,015,004
Factory buildings	19,810,628
Electrical installation	657,120
Fire fighting installation	370,676
Furniture and fittings	98,409
Motor vehicles	530,675
Office equipment	86,760
Plant and machinery	13,537,844
Renovation	58,715
Capital work-in-progress	2,465,576
	46,631,407

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

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

	As at 01.10.2021 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 01.10.2021 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

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

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

- (i) The carrying amount of leasehold land and building of the Group pledged to secure bank borrowings facilities amounted to RM15,237,180 (2022: RM15,542,216).
- (ii) The depreciation was charged to profit or loss as follow:

	2023 RM	Group 2022 RM
Factory overheads	4,470,650	4,573,750
Administrative expenses	300,078	306,119
	4,770,728	4,879,869

- (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:

	2023 RM	Group 2022 RM
Electrical installation	2,858,985	2,858,985
Fire fighting installation	1,001,382	1,001,382
Furniture and fittings	419,236	414,233
Motor vehicles	1,348,777	1,147,892
Office equipment	601,362	573,839
Plant and machinery	41,182,512	39,740,078
	47,412,254	45,736,409

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

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

(iv) Information on right-of-use assets are as follow

	Leasehold lands RM	Factory buildings RM	Total RM
Group			
COST			
At 1 October 2021/30 September 2022/ 1 October 2022/30 September 2023	10,907,715	26,583,601	37,491,316
ACCUMULATED DEPRECIATION			
At 1 October 2021	1,527,799	5,695,728	7,223,527
Charge for the year	182,456	538,622	721,078
At 30 September 2022/1 October 2022	1,710,255	6,234,350	7,944,605
Charge for the year	182,456	538,623	721,079
At 30 September 2023	1,892,711	6,772,973	8,665,684
NET CARRYING AMOUNT			
At 30 September 2023	9,015,004	19,810,628	28,825,632
At 30 September 2022	9,197,460	20,349,251	29,546,711

The following are the amounts recognised in profit or loss:

	2023 RM	Group 2022 RM
Depreciation of right-of-use assets	721,079	721,078
Lease expenses:		
- Short term leases	1,416	2,256
- Low value assets	12,256	3,260
	734,751	726,594

NOTES TO THE FINANCIAL STATEMENTS
- 30 SEPTEMBER 2023
(CONT'D)

5. INVESTMENT PROPERTIES

	As at 01.10.2022 RM	Additions RM	As at 30.09.2023 RM
Group			
COST			
Leasehold lands	2,829,733	500,361	3,330,094
Factory buildings	1,826,687	324,099	2,150,786
	4,656,420	824,460	5,480,880
ACCUMULATED DEPRECIATION			
Leasehold lands	222,335	82,000	304,335
Factory buildings	108,121	71,216	179,337
	330,456	153,216	483,672
			As at 30.09.2023 RM
NET CARRYING AMOUNT			
Leasehold lands			3,025,759
Factory buildings			1,971,449
			4,997,208

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

5. INVESTMENT PROPERTIES (CONT'D)

	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
	As at 01.10.2021 RM	Charge for the year RM	As at 30.09.2022 RM
ACCUMULATED DEPRECIATION			
Leasehold land	141,486	80,849	222,335
Factory building	40,413	67,708	108,121
	181,899	148,557	330,456
			As at 30.09.2022 RM
NET CARRYING AMOUNT			
Leasehold land			2,607,398
Factory building			1,718,566
			4,325,964

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

5. INVESTMENT PROPERTIES (CONT'D)

Investment properties of the Group comprise of a leasehold land and building which is being leased to associate company. The lease is for a non-cancellable period with future minimum lease payments and amount recognised in profit or loss as follow:

	Group	
	2023 RM	2022 RM
Not later than one year	143,748	130,680
Recognised in profit or loss:		
Rental income	274,428	249,480

Fair value of investment properties are as follows:

	Group	
	2023 RM	2022 RM
Leasehold lands and buildings	5,600,000	4,450,000

The fair value disclosure of investment properties are 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.

6. INVESTMENT IN SUBSIDIARY COMPANY

	Company	
	2023 RM	2022 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	
			2023	2022
Wellcall Hose (M) Sdn. Bhd.	Malaysia	Manufacturing of rubber hose and related products, property investment and other related activities.	100%	100%

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

7. INVESTMENT IN ASSOCIATE COMPANY

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Unquoted shares, at cost	4,419,648	4,419,648	4,419,648	4,419,648
Share of post-acquisition losses [^]	(1,523,934)	(1,523,934)	–	–
Less: Accumulated impairment losses	(2,895,714)	(2,895,714)	(4,419,648)	(4,419,648)
	–	–	–	–

[^] The Group has ceased to recognise the share of losses from associate during the financial year as the investment in associate has fully impaired with Nil carrying amount in previous financial year.

The movement in accumulated impairment losses on investment in associates are as follows:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
At 1 October	2,895,714	–	4,419,648	–
Addition	–	2,895,714	–	4,419,648
At 30 September	2,895,714	2,895,714	4,419,648	4,419,648

The details of associate company is as follow:

Company name	Country of incorporation	Principal activity	Effective equity interest	
			2023	2022
*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 2022 to 30 September 2023 has been used.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

7. INVESTMENT IN ASSOCIATE COMPANY (CONT'D)

The summarised financial information of the associate company, not adjusted for the proportion of equity interest held by the Company, is as follows:

	TWSB	
	2023 RM	2022 RM
Assets and liabilities		
Non-current assets	4,027,755	5,019,512
Current assets	2,417,213	2,604,840
Total assets	6,444,968	7,624,352
Non-current liabilities	(1,111,477)	(1,111,477)
Current liabilities	(546,608)	(603,608)
Net assets attributable to owners of TWSB	4,786,883	5,909,267

	2023 RM	2022 RM
Financial results		
Revenue	496,736	616,081
Loss before tax	(1,122,367)	(1,172,840)
Taxation	-	-
Net losses for the year [^]	(1,122,367)	(1,172,840)

[^] The Group has ceased to recognise the share of losses from associate during the financial year as the investment in associate has fully impaired with Nil carrying amount in previous financial year.

8. INTANGIBLE ASSETS

	Trade marks 2023 RM
Group	
COST	
At 1 October 2022	-
Addition during the year	351,700
At 30 September 2023	351,700
ACCUMULATED DEPRECIATION	
At 1 October 2022	-
Charge for the year	8,880
At 30 September 2023	8,880
NET CARRYING AMOUNT	
At 30 September 2023	342,820

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

9. OTHER INVESTMENT

	2023 RM	Group 2022 RM
Unquoted shares in Malaysia, at cost	10,000	10,000

10. INVENTORIES

	2023 RM	Group 2022 RM
At cost:		
Raw materials	12,502,165	16,903,459
Work-in-progress	5,053,770	6,304,456
Finished goods	7,898,731	5,850,440
	25,454,666	29,058,355
Recognised in profit or loss:		
Inventories recognised as cost of sales	87,263,253	75,155,236

11. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade receivables	17,965,941	13,961,959	-	-
Amount due from subsidiary company	-	-	14,400,000	13,364,000
Amount due from associate company	464,855	193,511	-	-
Other receivables	77,107	28,193	-	-
Deposits	4,494,987	292,313	-	-
Prepayments	467,354	1,424,043	-	-
	23,470,244	15,900,019	14,400,000	13,364,000

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2022: 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.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(a) Trade receivables (Cont'd)

Ageing analysis of trade receivables

The ageing analysis of the Group's trade receivables is as follows:

	2023 RM	Group 2022 RM
Neither past due nor impaired	14,053,485	10,845,007
Due but not impaired		
1 - 30 days	1,798,435	2,351,371
31 - 60 days	1,799,821	299,128
61 - 90 days	314,200	360,770
91 days and above	-	105,683
	3,912,456	3,116,952
	17,965,941	13,961,959

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 RM3,912,456 (2022: RM3,116,952) 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 - 30 SEPTEMBER 2023 (CONT'D)

12. CASH AND CASH EQUIVALENTS

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<u>At amortised cost:</u>				
Cash in hand and at banks	42,726,730	36,643,333	727,549	81,380
Deposits with licensed banks	17,250,000	12,150,000	8,250,000	8,550,000
	59,976,730	48,793,333	8,977,549	8,631,380
<u>At fair value through profit or loss:</u>				
Cash management funds	14,427,887	13,978,671	–	–
	74,404,617	62,772,004	8,977,549	8,631,380

(a) Deposits with licensed banks

Deposits with licensed banks comprise of fixed deposits and short-term deposits.

Deposits of the Group amounted to Nil (2022: 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 2.70% to 3.60% (2022: 1.35% to 2.25%) per annum and have average maturities of 30 to 90 days (2022: 2 to 91 days).

(b) Cash management funds

Cash management funds represent investment in unit trust funds that invest only in low risk, high liquid short term money market instruments. Distribution income from these funds is recognised as other income.

Cash management funds are valued with reference to the quoted net asset value of the underlying funds as at the reporting date. The fair value of the funds is classified under Level 1 of the fair value hierarchy.

13. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2023	2022	2023 RM	2022 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.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

14. RESERVES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Retained profit	71,173,940	55,736,224	11,938,876	10,571,099

15. DEFERRED TAXATION

	Group	
	2023 RM	2022 RM
At beginning of year	4,612,698	4,953,501
Transfer to statement of profit or loss (Note 22)	(347,031)	(340,803)
At end of year	4,265,667	4,612,698
The deferred tax liabilities recognised is in respect of the following:		
- Temporary difference between depreciation and capital allowance	4,265,667	4,612,698

16. TRADE AND OTHER PAYABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade payables	6,821,311	6,125,907		-
Other payables	3,000,368	3,569,631	109,766	118,623
Advances received from customers	6,299,570	10,842,362		-
Deposit received	36,000	36,000		-
Accruals	8,375,540	7,223,712	54,750	23,000
	24,532,789	27,797,612	164,516	141,623

(a) Trade payables

Trade payables are non-interest bearing and are normally settled on 30 to 60 days (2022: 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 RM765,839 (2022: RM643,661) due to a corporation in which certain directors have interest. These balances arose from normal trade transactions.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

16. TRADE AND OTHER PAYABLES (CONT'D)

(b) Other payables

These amounts are non-interest bearing. Other payables are normally settled on an average term of 90 days (2022: 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 RM10,842,362 (2022: RM6,466,470)

As at 30 September 2023, the aggregate amount of revenue expected to be recognised for purchase orders that are unsatisfied is RM18,261,329 (2022: RM26,440,764). The Group expects to recognised this revenue when the control of the goods or services is delivered, which is expected to occur within next financial year.

17. REVENUE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Dividend income from subsidiary	–	–	42,450,000	36,450,000
Manufacture of rubber hose and related products:				
- Sales of goods	214,429,339	166,770,658	–	–
- Associated services	2,729,232	9,931,037	–	–
	217,158,571	176,701,695	42,450,000	36,450,000
Timing of recognition:				
At a point in time	217,158,571	176,701,695	42,450,000	36,450,000

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

18. OTHER OPERATING INCOME

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Distribution income from money market instruments at FVTPL	150,936	77,567	-	-
Dividend income from other investment	31,293	6,485	-	-
Fair value gain on money market instruments at FVTPL	298,280	164,632	-	-
Gain on disposal of property, plant and equipment	49,500	26,000	-	-
Interest income from deposits with licensed banks	1,421,248	331,174	205,995	166,663
Rental income	327,296	284,119	-	-
Gain on foreign exchange				
- Realised	2,499,081	1,686,605	-	-
- Unrealised	375,713	2,662,164	-	-
Other income	386,914	158,507	-	-
	5,540,261	5,397,253	205,995	166,663

19. PROFIT BEFORE TAXATION

The following items have been included in arriving at profit before taxation:

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before taxation is arrived at after charging:				
Auditors' remuneration				
- Statutory audit services	125,000	120,000	50,000	45,000
- Other services	6,000	5,000	6,000	5,000
- Underprovision in prior year	-	2,000	-	-
Amortisation of intangible assets	8,880	-	-	-
Depreciation of investment property	153,216	148,557	-	-
Impairment loss on investment in an associate company	-	2,895,714	-	4,419,648
Depreciation of property, plant and equipment	4,770,728	4,879,869	-	-
Directors' remuneration (Note 21)	9,577,629	7,145,966	732,417	771,500
Employee benefits expenses (Note 20)	17,330,749	16,254,439	-	-
Lease expenses (Note 4(iv))	13,672	5,516	-	-

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

20. EMPLOYEE BENEFITS EXPENSES

	2023 RM	Group 2022 RM
Salaries, wages, bonus and others	16,213,890	15,266,669
E.P.F.	907,747	815,770
E.I.S.	11,944	10,693
Socso	197,168	161,307
	17,330,749	16,254,439
Employee benefits expenses recognised in line item of profit or loss:		
- Cost of sales	14,210,107	13,348,596
- Administrative expenses	3,120,642	2,905,843
	17,330,749	16,254,439

21. DIRECTORS' REMUNERATION

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Executive Directors:				
Remuneration	3,180,000	2,804,769	-	-
Allowance	112,000	112,000	-	-
Bonus	4,846,225	2,942,608	-	-
E.P.F.	183,684	141,992	-	-
E.I.S.	238	194	-	-
Socso	3,565	2,903	-	-
	8,325,712	6,004,466	-	-
Non-executive Directors:				
Fees	1,173,417	1,052,000	663,417	682,000
Allowance	78,500	24,500	69,000	24,500
Ex-gratia	-	65,000	-	65,000
	1,251,917	1,141,500	732,417	771,500
	9,577,629	7,145,966	732,417	771,500

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

22. TAX EXPENSE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Malaysian income tax				
- Current year	19,221,919	11,811,773	48,313	38,757
- Underprovision in prior year	269,865	58,563	186	2
	19,491,784	11,870,336	48,499	38,759
Deferred taxation (Note 15)	(347,031)	(340,803)	-	-
	19,144,753	11,529,533	48,499	38,759

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	
	2023 RM	2022 RM	2023 RM	2022 RM
Profit before tax	74,418,273	44,820,812	41,252,080	30,890,826
Taxation at Malaysian statutory tax rate of 24%	17,860,386	10,756,995	9,900,499	7,413,798
Income not subject to tax	(237,084)	(749,747)	(10,188,000)	(8,748,000)
Non-deductible expenses	1,251,586	1,463,722	238,816	1,372,959
Underprovision of income tax in prior year	269,865	58,563	186	2
	19,144,753	11,529,533	48,499	38,759

23. EARNINGS PER SHARE

(a) Basic Earnings Per Share

Basic earnings per share is calculated by dividing profit attributable to equity holders by the weighted average amount of ordinary shares issued during the financial year.

	Group	
	2023	2022
Profit for the year attributable to equity holders of the Company (RM)	55,273,520	33,291,279
Weighted average number of shares in issue	497,947,555	497,947,555
Basic earnings per share (sen)	11.10	6.69

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

23. EARNINGS PER SHARE (CONT'D)

(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.

24. DIVIDENDS

During the financial year, the Company declared and paid dividends as follows:

	2023		2022	
	Net dividend per share Sen	Amount RM	Net dividend per share Sen	Amount RM
Fourth/special interim single tier dividend paid	2.60	12,946,636	2.80	13,942,531
First single tier dividend paid	1.40	6,971,266	1.40	6,971,266
Second single tier dividend paid	1.80	8,963,056	1.40	6,971,266
Third single tier dividend paid	2.20	10,954,846	1.60	7,967,161
Total	8.00	39,835,804	7.20	35,852,224

Subsequent to the financial year, a fourth single tier dividend of 1.80 sen per share on 497,947,555 ordinary shares amounted to RM8,963,056 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 2023 was declared on 28 November 2023 and paid on 21 December 2023. This dividend has not been accounted for in the financial statements.

25. CAPITAL COMMITMENTS

	Group	
	2023 RM	2022 RM
Approved and contracted for:		
- Construction of additional warehouse building	969,593	
- Purchase of new plant and machineries	4,029,564	

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

26. FAIR VALUE INFORMATION

a) Financial Instruments not Carried at Fair Value

The fair values of the financial instruments of the Group and of the Company which are maturing within the next twelve months approximately their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

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:				
2023				
Cash and cash equivalents				
- Cash management funds	14,427,887	-	-	14,427,887
2022				
Cash and cash equivalents				
- Cash management funds	13,978,671	-	-	13,978,671

27. 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	
	2023 RM	2022 RM
Rental of factory	274,428	249,480
Sub-contract services for topping of nylon cord on hoses	4,046,123	3,196,122

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 21 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

28. FINANCIAL INSTRUMENTS

a) Classification of financial instruments

The Group and the Company financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The 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			
2023			
Financial assets			
Other investments	10,000	10,000	
Trade and other receivables (excluding prepayment)	23,002,890	23,002,890	
Cash and cash equivalents	74,404,617	59,976,730	14,427,887
Financial liabilities			
Trade and other payables	24,532,789	24,532,789	-
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	-
Company			
2023			
Financial assets			
Trade and other receivables	14,400,000	14,400,000	-
Cash and cash equivalents	8,977,549	8,977,549	-
Financial liabilities			
Trade and other payables	164,516	164,516	-
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	-

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk, credit risk and liquidity risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's and the Company's policy that no derivatives shall be undertaken.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

(i) Credit risk concentration profile

The Group determines concentration of credit risk by monitoring the business segment of its trade receivables on an ongoing basis.

At the reporting date, there was no significant concentration of credit risk for the Group.

(ii) Assessment of impairment losses

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

The gross carrying amounts of financial assets are written off when there is no reasonable expectation of recovery (i.e. the debtor does not have assets or sources of income to generate sufficient cash flows to repay the debt).

Trade receivables

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

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

For certain large customers or customers with a high risk of default, the Group assesses the risk of loss of each customer individually based on their financial information, past trends of payments and external credit rating, where applicable.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit Risk (Cont'd)

(ii) Assessment of impairment losses (Cont'd)

Trade receivables (Cont'd)

Also, the Group considers any trade receivables having financial difficulty or in default with significant balances outstanding for more than 90 days are deemed credit impaired and assess for their risk of loss individually, unless it is fully recovered subsequently.

For collective impairment losses on trade receivables, the Group uses a provision matrix to calculate expected credit losses. The provision rates are depending on the number of days that a trade receivable is past due. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information (if any). At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The information about the exposure to credit risk and trade receivables aging are disclosed in Note 11(a) to the financial statements.

Other receivables and intercompany balances

Other receivables and intercompany balances are also subject to the impairment requirements of MFRS 9, the identified impairment loss is assessed to be immaterial and hence it is not provided for.

Cash and cash equivalents

The Group and the Company consider these banks and financial institutions have low credit risk. Therefore, the Group and the Company are in the view that the loss allowance is immaterial.

(b) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk, foreign currency risk and equity price risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in the market interest rates. The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the financial year would not affect profit or loss.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

29. 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Fixed rate instruments				
<u>Financial asset</u>				
Deposits with licensed banks	17,250,000	12,150,000	8,250,000	8,550,000

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.

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			
2023			
Financial assets			
Trade and other receivables	12,862,329	1,595,019	14,457,348
Cash and bank balances	33,006,882	1,022,985	34,029,867
	45,869,211	2,618,004	48,487,215
Financial liability			
Trade and other payables	(6,573,093)	(307,006)	(6,880,099)
	39,296,118	2,310,998	41,607,116

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Market Risk (Cont'd)

(ii) Foreign currency risk (Cont'd)

	United States Dollar ("USD") RM	Euro ("EUR") RM	Total RM
Group 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

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.

	2023 RM	Group 2022 RM
USD/RM - strengthened 10%	3,929,612	2,837,845
- weakened 10%	(3,929,612)	(2,837,845)
EUR/RM - strengthened 10%	231,100	196,375
- weakened 10%	(231,100)	(196,375)

(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.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Market Risk (Cont'd)

(iii) Equity price risk (Cont'd)

Equity price risk sensitivity analysis

The following table details the sensitivity analysis to a reasonably possible change in the market prices of the money market instruments at the end of the reporting period, with all other variables held constant:

	2023 RM	Group 2022 RM
Effect on profit/(loss) before tax		
Increase of 10%	1,442,789	1,397,867
Decrease of 10%	(1,442,789)	(1,397,867)

(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.

	← 2023 →		Total RM
	On demand or within one year RM	One to five years RM	
Group			
Financial Liability			
Trade and other payables	24,532,789	-	24,532,789
Company			
Financial Liability			
Trade and other payables	164,516	-	164,516

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Liquidity Risk (Cont'd)

Analysis of Financial Instruments by Remaining Contractual Maturities (Cont'd)

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. (Cont'd)

	← 2022 →		Total RM
	On demand or within one year RM	One to five years 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. CONTINGENCIES

30.1 Corporate Guarantees

	Company	
	2023 RM	2022 RM
Secured:		
Corporate guarantees granted by financial institution for credit facilities granted to subsidiary company	2,000,000	2,000,000
<hr/>		

The fair value on initial recognition of corporate guarantee was not material as the possibility of default by the said companies is negligible.

30.2 Bank Guarantees

	Company	
	2023 RM	2022 RM
Bank guarantees issued to utility supplier	1,208,179	814,720
<hr/>		

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.

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

31. SEGMENT INFORMATION

Segment information is presented in respect of the Group's business and geographical segments based on the Group's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest-earning assets and revenue and corporate assets and expenses.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets that are expected to be used for more than one year.

Business Segments

The Group's business segments mainly comprise the manufacture and sale of rubber hose and related products with associated services (if any).

Business segmental information has therefore not been prepared as all the Group's revenue, operating profit, assets employed, liabilities, depreciation, amortisation and non-cash expenses are mainly confined to one business segment.

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
2023			
Geographical location:			
Malaysia	16,931	175,333	4,900
Middle East	15,394	–	–
Europe	23,302	–	–
USA/Canada	67,250	–	–
Australia/New Zealand	29,416	–	–
Asia	40,776	–	–
South America	19,612	–	–
Africa	4,478	–	–
Total	217,159	175,333	4,900

NOTES TO THE FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (CONT'D)

31. SEGMENT INFORMATION (CONT'D)

Geographical Segments (Cont'd)

	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

Major customers

There is no single customer that contributed 10% or more to the Group's revenue.

32. AUTHORISATION FOR ISSUE

The financial statements of the Company for the financial year ended 30 September, 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 19 January 2024.

LIST OF PROPERTIES

AS AT 19 JANUARY 2024

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 2023 (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.	27	217,600	150,000	Leasehold expiring on 6 May, 2056	4,795,252	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.	17	286,973	190,000	Leasehold expiring on 6 May, 2056	6,016,577	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.	9	370,260	186,000	Leasehold expiring on 31 July, 2111	15,237,180	2014

LIST OF PROPERTIES (CONT'D)

Location / Title No.	Existing Usage	Age of Building (Years)	Land Area (sq. ft.)	Built-Up Area (sq. ft.)	Tenure	Carrying Amount As at 30 Sep 2023 (RM)	Year of Acquisition
Plot No. 60, Jalan Johan 2/6, Kawasan Perindustrian Pengkalan II, Fasa II, 31550 Pusing, Perak Darul Ridzuan. Held Under: Geran HS (D) 48725 in Mukim Sungai Terap, District of Kinta, State of Perak Darul Ridzuan.	Vacant land.	–	52,711	–	Leasehold expiring on 6 May, 2056	2,776,624	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.	4	59,557	27,285	Leasehold expiring on 24 November 2055	3,977,851	2020
16, Laluan Kangsar 8, Off Jalan Kuala Kangsar, Taman Perindustrian Saujana, 30010 Ipoh, Perak. Held under: Geran PN No.268575 Lot 9927N, Bandar Ipoh (U), Daerah Kinta, Negeri Perak.	Industrial land erected with mid-one and a half storey semi-detached factory/office for purpose of renting out.	1	5,414	3,500	Leasehold expiring on 5 March 2096	822,567	2023

ANALYSIS OF SHAREHOLDINGS

AS AT 29 DECEMBER 2023

Issued and fully paid-up	:	RM68,836,508.58 divided into 497,947,555 Ordinary Shares
Class of shares	:	Ordinary Share
Voting Rights	:	1 vote per Ordinary Share
Number of Shareholders as at 29 December 2023	:	6,949

DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Holders	%	No. of Shares	%
1 – 99	168	2.42	7,948	0.00***
100 – 1,000	1,007	14.49	655,160	0.13
1,001 – 10,000	3,536	50.89	17,546,960	3.52
10,001 – 100,000	1,906	27.43	60,675,691	12.19
100,001 – 24,897,376(*)	330	4.75	323,504,968	64.97
24,897,377 and above (**)	2	0.02	95,556,828	19.19
Total	6,949	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 29 DECEMBER 2023

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°	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.
 (°) 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 AS AT 29 DECEMBER 2023 (CONT'D)

DIRECTORS' SHAREHOLDINGS AS AT 29 DECEMBER 2023

Directors	Direct interest		Indirect Interest	
	No. of Shares	%	No. of Shares	%
Datuk Ng Peng Hong @ Ng Peng Hay	–	–	9,507,250 ^o	1.91
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	–	–
Datuk Yong Peng Tak	–	–	–	–
Chin Yoke Wah	–	–	–	–
Puan Azian Binti Mohd Yusof	–	–	–	–
Tan Choon Soon	–	–	–	–
Huang Kai Lin	–	–	–	–
(Alternate Director to Huang Sha)	–	–	2,186,850 ^o	0.44
Chua Yi Rong, Edmund (Cai Yirong, Edmund)	–	–	–	–
(Alternate Director to Tan Kang Seng)	–	–	–	–

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..
- (^o) 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 29 DECEMBER 2023

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 29 December 2023.

OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES AS AT 29 DECEMBER 2023

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 2023.

ANALYSIS OF SHAREHOLDINGS AS AT 29 DECEMBER 2023 (CONT'D)

THIRTY LARGEST SHAREHOLDERS AS AT 29 DECEMBER 2023

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)	17,067,600	3.43
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	AMANAHRAYA TRUSTEES BERHAD PUBLIC SMALLCAP FUND	13,283,800	2.67
9	KUMPULAN WANG PERSARAAN (DIPERBADANKAN) KWAPACT6622007	12,025,500	2.42
10	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	11,464,075	2.30
11	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD FOR FORTRESS VALUE TACTICAL FUND	8,396,100	1.69
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	5,902,900	1.19
14	LEONG HON CHONG	4,729,350	0.95
15	RHB NOMINEES (TEMPATAN) SDN BHD PLEGGED SECURITIES ACCOUNT FOR TAN GEOK LAN	4,657,700	0.94
16	CHENG SHU NU	4,035,375	0.81

ANALYSIS OF SHAREHOLDINGS AS AT 29 DECEMBER 2023 (CONT'D)

THIRTY LARGEST SHAREHOLDERS AS AT 29 DECEMBER 2023 (CONT'D)

No	Shareholders	No. of Shares	%
17	AMANAHRAYA TRUSTEES BERHAD PMB SHARIAH GROWTH FUND	4,000,000	0.80
18	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG KHONG SHOONG (E-IMO/JSI)	3,250,000	0.65
19	TAN GEOK LAN	2,951,700	0.59
20	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	2,936,950	0.59
21	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TEO LIA ENG (CCTS)	2,681,000	0.54
22	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	2,557,500	0.51
23	HSBC NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-TEMP)	2,507,400	0.50
24	LIM KUAN GIN	2,500,000	0.50
25	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR GAN TEE JIN	2,250,000	0.45
26	DB (MALAYSIA) NOMINEE (TEMPATAN) SENDIRIAN BERHAD DEUTSCHE TRUSTEES MALAYSIA BERHAD FOR HONG LEONG ASIA- PACIFIC DIVIDEND FUND	2,250,000	0.45
27	TAN JOO CHIN	2,186,850	0.44
28	CHIU MING TE	2,149,375	0.43
29	LEE CHEAN SEONG	2,124,037	0.43
30	MAYBANK NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHONG KHONG SHOONG	2,050,000	0.41

NOTICE OF THE EIGHTEENTH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Eighteenth Annual General Meeting (“**18th AGM**”) of Wellcall Holdings Berhad (“**the Company**”) will be held fully virtual through live streaming from the broadcast venue at Meeting Room, Millennium VIII, Level 3, Hotel Grand Millennium Kuala Lumpur, 160 Bukit Bintang, 55100 Kuala Lumpur, Malaysia (“**Broadcast Venue**”) on Friday, 23 February 2024 at 10.00 a.m., for the following purposes:-

A G E N D A

AS ORDINARY BUSINESS

1. To lay before the meeting the Audited Financial Statements for the financial year ended 30 September 2023 together with the Reports of the Directors and Auditors thereon.
2. 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 24 February 2024 until the next Annual General Meeting of the Company (“AGM”), 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	120,000	330,000	450,000
3	Independent Non-Executive Directors	570,000	–	570,000

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 24 February 2024 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 THE EIGHTEENTH ANNUAL GENERAL MEETING (CONT'D)

3. To re-elect the following Directors who retire pursuant to Clause 84.1 of the Company's Constitution and being eligible, have offered themselves for re-election:-
- (i) Datuk Ng Peng Hong @ Ng Peng Hay; and **[Ordinary Resolution 2]**
(ii) Mr. Huang Sha **[Ordinary Resolution 3]**
4. To re-elect the following Director who retire pursuant to Clause 91 of the Company's Constitution and being eligible, has offered himself for re-election:-
- (i) Mr. Tan Choon Soon **[Ordinary Resolution 4]**
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 5]**

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 6]
- THAT** authority be and is hereby granted to Datuk Yong Peng Tak, who will served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years by 31 March 2024, to continue in the role of Independent Non-Executive Director of the Company.
7. **ORDINARY RESOLUTION - AUTHORITY TO ALLOT AND ISSUE SHARES PURSUANT TO THE COMPANIES ACT 2016** **[Please refer to Explanatory Note 4]**
[Ordinary Resolution 7]

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 THE EIGHTEENTH ANNUAL GENERAL MEETING (CONT'D)

THAT the existing shareholders of the Company do hereby waive their pre-emptive 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 AGM held after the approval was given;
- b) The expiration of the period within which the next AGM 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 the 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.

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 8]*

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 24 January 2024 ("**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 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. 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.

NOTICE OF THE EIGHTEENTH ANNUAL GENERAL MEETING (CONT'D)

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: 24 January 2024

Explanatory Notes on Ordinary and Special Businesses:

1. Item 1 of the Agenda

This Agenda is meant for discussion only as the provision of Section 340(1)(a) of the Companies Act 2016 (“the Act”) does not require a formal approval of the shareholders for the Audited Financial Statements. As such, this Agenda is not put forward for voting.

2. Item 2 of the Agenda

Section 230(1) of the Act 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 Seventeenth Annual General Meeting (“17th AGM”) held on 24 February 2023, obtained approval from the shareholders in respect of:-

Approved limit granted by the shareholders at the 17 th AGM		
	Directors' Fee (RM)	Meeting allowance and claimable benefits (RM)
Chairman	480,000	33,500
Independent Non-Executive Directors	560,000	47,500
Non-Independent Non-Executive Directors	460,000	31,500
Total for Non-Executive Directors (“Approved Limit”)	1,500,000	112,500

The Directors’ remuneration policy of the Company and its subsidiaries for the financial year ended 30 September 2023 are 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	126,000	26,500	252,000	–	378,000	26,500
Independent Non-Executive Directors	312,000	27,000	–	–	312,000	27,000
Non-Independent Non-Executive Directors	78,000	15,500	258,000	3,500	336,000	19,000
Total	516,000	69,000	510,000	3,500	1,026,000	72,500

NOTICE OF THE EIGHTEENTH ANNUAL GENERAL MEETING (CONT'D)

Details of the Directors' Remuneration for the financial year ended 30 September 2023 are enumerated in the Corporate Governance Report 2023 of the Company.

The Non-Executive Directors' Fees and Non-Executive Directors' benefits (excluding Directors' fees) payable to the Directors for the financial year ended 30 September 2023 did not exceed the Approved Limit that were approved by the shareholders at the 17th AGM of the Company in year 2023.

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 24 February 2024 until the next Annual General Meeting of the Company ("**AGM**") under Ordinary Resolution 1.

The estimated Non-Executive Directors' fees proposed for the financial period from 24 February 2024 until the next AGM 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 the payment of Non-Executive Directors' fees and benefits for the financial year 2024/2025.

In the event that the proposed Non-Executive Directors' fees and benefits payable are insufficient due to the enlarged Board size, the Company will seek shareholders' approval at the next AGM for the additional Directors' fees and benefits payable to meet the shortfall.

3. Item 6 of the Agenda

For Ordinary Resolution 6, the Nomination Committee of the Company ("NC") has assessed the independence of Datuk Yong Peng Tak who will, by 31 March 2024, serve the Board for a cumulative term of more than nine (9) years and the NC has recommended to the Board that he continues to act as Independent Non-Executive Directors of the Company. Datuk Yong Peng Tak was appointed on 1 April 2015 as an Independent Non-Executive Director and he has served the Company for eight (8) years and ten (10) months as at the date of the notice of 18th AGM. However, he has met the independence guideline as set out in Chapter 1 of the Main Market Listing Requirements ("**Listing Requirements**") of Bursa Malaysia Securities Berhad ("**Bursa Securities**"). The Board upon the recommendation from the NC, therefore, considers him to be independent. After taking into the consideration the provisions of the Listing Requirements of Bursa Securities and based on the justifications in the Corporate Governance Report 2023 and the Statement Accompanying the notice of the 18th AGM, the Board recommends him to continue act as an Independent Non-Executive Directors 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 Malaysian Code on Corporate Governance 2021.

4. Item 7 of the Agenda

Ordinary Resolution 7 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 Companies Act 2016 ("**the Act**") and Clause 8 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 7, 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.

NOTICE OF THE EIGHTEENTH ANNUAL GENERAL MEETING (CONT'D)

4. Item 7 of the Agenda (Cont'd)

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's 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 7 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 24 February 2023 and which will lapse at the conclusion of this 18th AGM.

5. Item 8 of the Agenda

Ordinary Resolution 8 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 8 mentioned above unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM.

Further information on Ordinary Resolution 8 is set out in Part A of the Circular to Shareholders of the Company dated 24 January 2024 which is despatched together with the Annual Report 2023.

Notes:

- (1) *The 18th 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 Symphony Corporate Service Sdn. Bhd. through its website at www.symphonycorporateservices.com.my. Please refer to the Administrative Guide for the 18th AGM which is available at the Company's website at www.wellcallholdings.com for the procedures to register, participate and vote remotely at the 18th 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 18th AGM using the RPV.*
- (3) *The Broadcast Venue of the 18th 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 18th AGM.*

NOTICE OF THE EIGHTEENTH ANNUAL GENERAL MEETING (CONT'D)

- (4) *A member who is entitled to attend and vote at the 18th AGM shall be entitled to appoint not more than two (2) proxies to attend, participate and vote on his/her behalf at the 18th 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 18th 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.*
- (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 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 Share Registrar, S-4-04, The Gamuda Biz Suites, Jalan Anggerik Vanilla 31/99, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan or fax to (603) 5131 9134 or email to symphonycorporateservices@gmail.com, 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 the Listing Requirements of Bursa Securities, all the resolutions set out in this Notice of the 18th 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 2024 (General Meeting Record of Depositors) shall be entitled to attend, participate and vote at the 18th AGM, or to appoint proxy(ies) to attend, participate and vote on their behalf.*
- (11) *Those proxy forms which are indicated with an “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 initialed.*

Personal data privacy:

By submitting an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the 18th AGM and/or any adjournment thereof, a member of the Company:

- (i) *consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of processing and the administration by the Company (or its agents) of proxies and representatives appointed for the 18th AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the 18th 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 18TH AGM

(PURSUANT TO PARAGRAPH 8.27(2) OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD)

1. Directors standing for re-election

The following Directors are seeking re-election at the 18th AGM the (“Retiring Directors”) under Ordinary Resolutions 2 to 4:-

(A) Directors who retire pursuant to Clause 84.1 of the Company’s Constitution and being eligible, have offered themselves for re-election:-

- (i) Datuk Ng Peng Hong @ Ng Peng Hay
- (ii) Mr. Huang Sha

(B) Director who retires pursuant to Clause 91 of the Company’s Constitution and being eligible, have offered himself for re-election:-

- (i) Mr. Tan Choon Soon

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Securities”), the details of the Retiring Directors are as set out in their respective Director’s Profile of the Company’s Annual Report 2023. The details of their interest in the securities of the Company can be found in the Company’s Annual Report 2023.

The Nomination Committee of the Company (“NC”) has considered the performance and contribution of the abovesaid Retiring Directors from the Board Effectiveness Evaluation conducted and the 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 the Board also reviewed 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 Listing Requirements of Bursa Securities. 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.

Datuk Yong Peng Tak, the Senior Independent Non-Executive Director who will serve the Board for nine (9) years by 31 March 2024 has been recommended by the Board for re-election as the Senior Independent Non-Executive Director through a two-tier voting process at the 18th AGM. The justification by the Board are as follows:-

- (a) He fulfils the independence criteria prescribed by Bursa Securities;
- (b) He has ensured that he always maintains his independent status;
- (c) He did not involve in 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.

STATEMENT ACCOMPANYING THE NOTICE OF THE 18TH AGM (CONT'D)

STATEMENT ACCOMPANYING THE NOTICE OF THE 18TH AGM (CONT'D)

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)
(Cont'd)

- (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 eroding the Board’s objectivity due to the long independent directors’ tenure is significantly weaker.
 - (g) The Board had on 22 August 2022 and 1 June 2023 respectively appointed three (3) new Independent Directors in place of the three (3) 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.
2. Statement relating to a general mandate for the issue of securities in accordance with Paragraph 6.03(3) of the Listing Requirements of Bursa Securities.

Please refer to Explanatory Note 4 of the Notice of the 18th AGM.

(This page has been intentionally left blank)



WELLCALL HOLDINGS BERHAD
(Registration No. 200501025213 (707346-W))
(Incorporated in Malaysia)

FORM OF PROXY

(before completing this Form of Proxy, please refer to the notes below)

Number of Shares Held	
------------------------------	--

CDS Account No.	
Telephone No.	

*I/We NRIC No.
(FULL NAME IN CAPITAL LETTERS)
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 Eighteenth Annual General Meeting ("18th AGM") to be held as a fully virtual meeting through live streaming and online remote voting from the broadcast venue at Meeting Room, Millennium VIII, Level 3, Hotel Grand Millennium Kuala Lumpur, 160 Bukit Bintang, 55100 Kuala Lumpur, Malaysia. on Friday, 23 February 2024 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 24 February 2024 until the next Annual General Meeting of the Company.		
2.	Re-election of Datuk Ng Peng Hong @ Ng Peng Hay, the retiring Director of the Company, who retires pursuant to Clause 84.1 of the Company's Constitution and being eligible, has offered himself for re-election.		
3.	Re-election of Mr. Huang Sha, the retiring Director of the Company, who retires pursuant to Clause 84.1 of the Company's Constitution and being eligible, has offered himself for re-election.		
4.	Re-election of Mr. Tan Choon Soon, the retiring Director of the Company, who retires pursuant to Clause 91 of the Company's Constitution and being eligible, has offered himself for re-election		
No.	Special Business (Ordinary Resolutions)	For	Against
5.	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
6.	Retention of Datuk Yong Peng Tak as Independent Non-Executive Director		
7.	Authority to allot and issue shares pursuant to the Companies Act 2016		
8.	Proposed renewal of shareholders' mandate for Recurrent Related Party Transactions of a revenue or trading nature		

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 18th 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 office of the Share Registrar, S-4-04, The Gamuda Biz Suites, Jalan Anggerik Vanilla 31/99, Kota Kemuning, 40460 Shah Alam, Selangor Darul Ehsan or fax to (603) 5131 9134 or email to symphonycorporateservices@gmail.com, 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 18th AGM for the procedures on Remote Participating 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 of deposited securities, only members whose names appear in the Record of Depositors on 15 February 2024 ("General Meeting Record of Depositors") shall be eligible to attend, speak and vote at this 18th AGM.
- Any alteration in the form of proxy must be initialed.
- Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of 18th 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 18th 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 18th AGM dated 24 January 2024.



Please fold here

Stamp

The Share Registrar of
WELLCALL HOLDINGS BERHAD
[Registration No. 200501025213 (707346-W)]
c/o SYMPHONY CORPORATE SERVICES SDN. BHD.
[201201037454 (1021936-V)]

S-4-04, The Gamuda Biz Suites,
Jalan Anggerik Vanilla 31/99,
Kota Kemuning, 40460 Shah Alam,
Selangor Darul Ehsan.

Please fold here



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

Tel: 605 3668805 / 06 / 07 / 08

Fax: 605 3668768

www.wellcallholdings.com