



WATTA HOLDING BERHAD

(199401038699 (324384-A))

ANNUAL REPORT 2024



CONTENTS

Notice of Thirtieth Annual General Meeting	2
Statement Accompanying Notice of Annual General Meeting	4
Corporate Information	5
Directors' Profile	6
Key Senior Management's Profile	10
Financial Highlights & Financial Indicators	11
Management Discussion and Analysis	12
Sustainability Statement	14
Corporate Governance Overview Statement	47
Additional Compliance Information	55
Statement on Risk Management and Internal Control	59
Audit Committee Report	61
Statement on Directors' Responsibility in preparing the Audited Financial Statements	63
Group Structure	64
Reports and Financial Statements	65
List of Properties	117
Analysis of Shareholdings	118
Form of Proxy	121



NOTICE OF THIRTIETH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Thirtieth Annual General Meeting of the Company will be held at Alhambra Ballroom, Level M1, Hotel Melia Kuala Lumpur, 16, Jalan Imbi, 55100 Kuala Lumpur on Wednesday, 11 June 2025 at 9.00 a.m. or at any adjournment thereof to transact the following business:-

ORDINARY BUSINESS

- | | | |
|----|---|-----------------------------------|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2024 and the Reports of the Directors and Auditors thereon. | Please refer to
Note 1 |
| 2. | To re-elect the following Directors who retire by rotation pursuant to Clause 109 of the Company's Constitution:- | |
| | 2.1 Dato' Lee Foo San; | (Resolution 1) |
| | 2.2 Hj. Ariffin Bin Abdul Aziz; and | (Resolution 2) |
| | 2.3 Hj. Ahmad Bin Khalid. | (Resolution 3) |
| 3. | To approve the payment of Directors' fees and benefits of up to RM300,000.00 in respect of the period from 12 June 2025 until the conclusion of the next annual general meeting of the Company. | (Resolution 4) |
| 4. | To re-appoint UHY Malaysia PLT as the Company's Auditors and to authorise the Directors to fix their remuneration. | (Resolution 5) |

SPECIAL BUSINESS

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

- | | | |
|----|---|-----------------------|
| 5. | ORDINARY RESOLUTION
AUTHORITY FOR DIRECTORS TO ISSUE SHARES | (Resolution 6) |
| | <p>"THAT pursuant to Sections 75 and 76 of the Companies Act 2016, and subject to the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental and/or regulatory authorities (if any), the Directors be and are hereby empowered to issue new shares in the Company at any time, to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company at the time of issue AND THAT the Directors be and are hereby also empowered to obtain approval from Bursa Securities for the listing of and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next annual general meeting ("AGM") of the Company."</p> | |
| 6. | ORDINARY RESOLUTION
PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE") | (Resolution 7) |
| | <p>"THAT subject always to the provisions of the Listing Requirements of Bursa Securities, approval be and is hereby given to the Company and its subsidiaries to enter into Recurrent Related Party Transactions of a revenue or trading nature as stated in the Circular to Shareholders dated 29 April 2025 with the specified classes of related parties mentioned therein which are necessary for the Group's day-to-day operations and are carried out in the ordinary course of business and are on normal commercial terms which are not more favourable to the related parties than those generally available to the public and are not detrimental to the minority shareholders of the Company."</p> | |

NOTICE OF THIRTIETH ANNUAL GENERAL MEETING (CONT'D)

THAT the approval shall continue to be in force until:-

- (i) the conclusion of the next AGM of the Company following the AGM at which such mandate was passed, at which time it will lapse, unless by a resolution passed at the AGM whereby the authority is renewed;
- (ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("the Act") (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (iii) revoked or varied by resolution passed by the shareholders in general meeting,

whichever is the earlier.

AND THAT the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Shareholders' Mandate described in the Circular."

7. To transact any other business of which due notice shall have been given in accordance with the Act and the Company's Constitution.

By Order of the Board
WATTA HOLDING BERHAD

YEOH CHONG KEAT (SSM PC NO. 201908004096) (MIA 2736)
LIM FEI CHIA (SSM PC NO. 202008000515) (MAICSA 7036158)
LIEW CHAK HOOI (SSM PC NO. 201908004042) (MAICSA 7055965)
Company Secretaries

Kuala Lumpur
29 April 2025

Notes:-

- (1) *The Audited Financial Statements are laid in accordance with Section 340(1)(a) of the Companies Act 2016 for discussion only. They do not require shareholders' approval and hence, shall not be put forward for voting.*
- (2) *Only a depositor whose name appears in the Company's Record of Depositors as at 4 June 2025 shall be regarded as a member and entitled to attend, speak and vote at this meeting or appoint proxy(ies) to attend and vote in his stead.*
- (3) *A member may appoint proxies to attend and vote instead of him at the meeting. If the member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy. A proxy may but need not be a member of the Company.*
- (4) *Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one 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.*
- (5) *The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.*
- (6) *The original instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Company at Lot 5, Level 10, Menara Great Eastern 2, No. 50, Jalan Ampang, 50450 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting.*
- (7) *Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this notice will be put to vote by poll.*
- (8) *The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and authorisation of all persons whose personal data you have disclosed and/or processed in connection with the foregoing.*

NOTICE OF THIRTIETH ANNUAL GENERAL MEETING (CONT'D)

Explanatory Notes:-

1. Resolutions 1, 2 and 3 – Re-election of Directors

The profiles of the Directors seeking for re-election are set out in the Directors' Profile section of the Company's Annual Report 2024. In accordance with Clause 109 of the Company's Constitution, an election of Directors shall take place every year. One-third (1/3) of the Directors for the time being, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one-third (1/3) shall retire from office and be eligible for re-election provided always that all the Directors shall retire from office once at least in each three (3) years but shall be eligible for re-election. Dato' Lee Foo San (Group Executive Deputy Chairman and Chief Executive Officer) ("Dato' Lee"), Hj. Ariffin Bin Abdul Aziz (Group Executive Director) ("Hj. Ariffin"), and Hj. Ahmad Bin Khalid (Non-Independent Non-Executive Director) ("Hj. Ahmad Khalid"), being eligible, have offered themselves for re-election.

The Nomination Committee and the Board of Directors ("Board") had considered and were satisfied with the management and contribution of Dato' Lee and Hj. Ariffin. The Nomination Committee and the Board had also considered and were satisfied with the commitment and contribution of Hj. Ahmad Khalid.

The Board recommends the re-election of Dato' Lee, Hj. Ariffin and Hj. Ahmad Khalid.

2. Resolution 4 – Directors' fees and benefits

Pursuant to Section 230(1) of the Act, the fees of the directors and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. This resolution is proposed for the purpose of payment of Directors' fees and benefits from the date immediately after the Thirtieth ("30th") AGM until the conclusion of the next AGM of the Company.

3. Resolution 6 – Authority for Directors to issue shares

This proposed resolution, if passed, will renew the authority given to the Directors of the Company to issue and allot new shares in the Company at any time, to such person or persons, upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit, without first offer to holders of existing issued shares of the Company ("General Mandate"), provided that the number of shares issued pursuant to this General Mandate, when aggregated with any such shares issued during the preceding twelve (12) months, does not exceed 10% of the total number of issued shares of the Company at the time of issue. This renewed General Mandate, unless revoked or varied at a general meeting, will expire at the conclusion of the next AGM of the Company.

The General Mandate approved in the preceding year 2024 which was not exercised by the Company during the year, will expire at the forthcoming 30th AGM of the Company.

With this renewed General Mandate, the Company will be able to raise funds expeditiously for the purpose of funding future investment, working capital and/or acquisition(s) without having to convene a general meeting to seek shareholders' approval when such opportunities or needs arise.

4. Resolution 7 – Proposed Shareholders' Mandate

This proposed resolution, if passed, will authorise the Company and/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature, particulars of which are as set out in the Circular to Shareholders dated 29 April 2025. This authority, unless revoked or varied by the Company in a general meeting, will expire at the next AGM of the Company.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING (Pursuant to Paragraph 8.27(2) of the Listing Requirements of Bursa Securities)

No individual is standing for election as Director at the forthcoming 30th AGM of the Company.

CORPORATE INFORMATION

BOARD OF DIRECTORS

DATO' SIVANANTHAN A/L SHANMUGAM*Independent Non-Executive Chairman***DATO' LEE FOO SAN***Group Executive Deputy Chairman and Chief Executive Officer***HJ. ARIFFIN BIN ABDUL AZIZ***Group Executive Director***DATIN TEOH LIAN TIN***Executive Director***LOO SOOI GUAN***Executive Director***HJ. AHMAD BIN KHALID***Non-Independent Non-Executive Director***DATUK HONG CHOON HAU***Non-Independent Non-Executive Director***GOH THIH LIANG***Independent Non-Executive Director***WONG HONG WAI***Independent Non-Executive Director***AUDIT COMMITTEE**

Wong Hong Wai (*Chairman*)
 Dato' Sivananthan A/L Shanmugam
 Goh Thih Liang

NOMINATION COMMITTEE

Goh Thih Liang (*Chairman*)
 Dato' Sivananthan A/L Shanmugam
 Hj. Ahmad Bin Khalid

REMUNERATION COMMITTEE

Dato' Sivananthan A/L Shanmugam
 (*Chairman*)
 Goh Thih Liang
 Wong Hong Wai

COMPANY SECRETARIES

Yeoh Chong Keat (*MIA 2736*)
 Lim Fei Chia (*MAICSA 7036158*)
 Liew Chak Hooi (*MAICSA 7055965*)

REGISTERED OFFICE

Lot 5, Level 10
 Menara Great Eastern 2
 No. 50, Jalan Ampang
 50450 Kuala Lumpur
 Tel : (603) 2031 1988
 Fax : (603) 2031 9788
 Email : archer@archer.com.my

SHARE REGISTRAR

Bina Management (M) Sdn Bhd
 Lot 10, The Highway Centre
 Jalan 51/205
 46050 Petaling Jaya
 Selangor Darul Ehsan
 Tel : (603) 7784 3922
 Fax : (603) 7784 1988
 Email : binawin@binamg168.com

AUDITORS

UHY Malaysia PLT [202406000040
 (LLP0041391-LCA) & AF1411]
 Suite 11.05 Level 11
 The Gardens South Tower
 Mid Valley City
 Lingkaran Syed Putra
 59200 Kuala Lumpur
 Tel : (603) 2279 3088
 Fax : (603) 2279 3099

PRINCIPAL BANKERS

AmBank (M) Berhad
 United Overseas Bank (Malaysia) Bhd
 Malayan Banking Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
 Securities Berhad
 Sector : Industrial Products &
 Services
 Stock Name : WATTA
 Stock Code : 7226

DIRECTORS' PROFILE

DATO' SIVANANTHAN A/L SHANMUGAM

57 years of age,
Malaysian, Male

***Independent
Non-Executive Chairman***

Dato' Sivananthan A/L Shanmugam was appointed to the Board on 21 August 2023. He is the Chairman of the Remuneration Committee and a member of the Audit Committee, Nomination Committee and Risk Assessment/Management Committee.

Dato' Sivananthan holds a Bachelor's Degree of Arts from the University of Malaya. He was the Managing Director of Malaysia, Sri Lanka and Maldives for Nokia, a role in which he oversees the operations of the three APAC markets. An experienced veteran of over three decades within the IT and Telecommunications field, Dato' Sivananthan throughout his career had developed a deep understanding of technologies i.e. Industry IR 4.0 and 5.0 namely the internet of things (IoT), managed services, cloud technology, artificial intelligence (AI), digital transformation, e-commerce, automation, transport IP and Optics as well as 4G and 5G.

Prior to his role at Nokia, Dato' Sivananthan was the Chairman and Country Vice President of Tech Mahindra and before that he held senior leadership roles at major IT firms such as IBM Malaysia and Sapura as well as at leading telco firms including Swedtel Southeast Asia, Alcatel Network, Nortel Networks and Maxis. From 2017 till 2019, he has been a Committee Member of Outsourcing Malaysia, an outsourcing initiative coordinated by Malaysia's national ICT industry association, PIKOM.

Dato' Sivananthan is also an Independent Non-Executive Director of Media Prima Berhad and C.I. Holdings Berhad, companies listed on the Main Market of Bursa Malaysia Securities Berhad.

Dato' Sivananthan has attended all the five (5) Board of Directors' Meetings of the Company held during the financial year ended 31 December 2024.

He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

He has not been convicted of any offences within the past five (5) years other than traffic offences (if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

DATO' LEE FOO SAN

60 years of age,
Malaysian, Male

***Group Executive Deputy
Chairman and Chief
Executive Officer***

Dato' Lee Foo San was appointed to the Board as an Executive Director on 21 May 1998 and was subsequently appointed as the Group Executive Chairman on 16 October 1998. He was re-designated as Group Executive Deputy Chairman and Chief Executive Officer on 26 June 2018. He is a member of the Risk Assessment/Management Committee.

Dato' Lee is a self-made entrepreneur who has ventured into the business world since 1989. In 1998, he ventured into the automotive battery business. Over the years, he has been involved in the telecommunication and travel business and has gained vast exposure in the said fields.

Dato' Lee also sits on the Board of all the Company's subsidiary companies and several other private limited companies. He does not have any other directorships in other public companies and listed issuers.

Dato' Lee is a substantial shareholder of the Company with direct shareholding of 39,634,762 ordinary shares. He is the spouse of Datin Teoh Lian Tin who is an Executive Director of the Company. He attended all the five (5) Board of Directors' Meetings of the Company held during the financial year ended 31 December 2024.

He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries and had no convictions for any offences, other than traffic offences (if any), within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

DIRECTORS' PROFILE (CONT'D)

HJ. ARIFFIN BIN ABDUL AZIZ

71 years of age,
Malaysian, Male

Group Executive Director

Hj. Ariffin Bin Abdul Aziz was appointed to the Board on 16 October 1998. He holds a Bachelor of Economics Degree with honours from University of Malaya in 1977 and a Diploma in Marketing.

Hj. Ariffin Bin Abdul Aziz was formerly the General Manager of the banking division of AmlInvestment Bank Berhad and the Founder Member and Vice President of the Association of Islamic Banking Malaysia. Apart from the banking industry, his experience covers a wide variety of industries including property development and manufacturing. Prior to joining the Watta Group he was advisor of Islamic Banking for HSBC Malaysia.

Hj. Ariffin Bin Abdul Aziz sits on the Board of all the Company's subsidiary companies. He does not have any other directorships in other public companies and listed issuers.

He attended all the five (5) Board of Directors' Meetings of the Company held during the financial year ended 31 December 2024.

He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted of any offences within the past five (5) years other than traffic offences (if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

DATIN TEOH LIAN TIN

57 years of age,
Malaysian, Female

Executive Director

Datin Teoh Lian Tin was appointed to the Board on 21 May 1998. She currently holds the position of Group Human Resource and Administration Director. Datin Teoh is the spouse of Dato' Lee Foo San, the Group Executive Deputy Chairman and a substantial shareholder of the Company.

Datin Teoh sits on the Board of several subsidiary companies of Watta Group and several other private limited companies. She does not have any other directorships in other public companies and listed issuers.

Datin Teoh has attended all the five (5) Board of Directors' Meetings of the Company held during the financial year ended 31 December 2024.

She has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries and had no convictions for any offences, other than traffic offences (if any), within the past five (5) years nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

HJ. AHMAD BIN KHALID

74 years of age,
Malaysian, Male

Non-Independent Non-Executive Director

Hj. Ahmad Bin Khalid was appointed to the Board on 14 February 2011. He is a member of the Nomination Committee.

Hj. Ahmad Bin Khalid is a graduate in Accountancy from Universiti Teknologi Mara in 1973. He started his career in banking and subsequently moved to telecommunication industry. He has attended numerous professional courses and seminars both abroad and locally. Hj. Ahmad Bin Khalid has held various senior management position in both banking and telecommunication industries for the past thirty (30) years.

He does not have any other directorships in other public companies and listed issuers.

He attended all the five (5) Board of Directors' Meetings of the Company held during the financial year ended 31 December 2024.

He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted of any offences within the past five (5) years other than traffic offences (if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

DIRECTORS' PROFILE (CONT'D)**LOO SOOI GUAN**

Mr. Loo Sooi Guan was appointed to the Board on 21 May 2013.

60 years of age,
Malaysian, Male

Executive Director

Mr. Loo is a Chartered Accountant and a member of Malaysia Institute of Accountants. He holds a Bachelor of Business Degree in Accountancy from RMIT University, Melbourne, Australia. He joined Watta Group in June 1998 as the Group Financial Controller, overseeing the finance department of the Group. He was promoted to Vice President in January 2002 where he held the position till 21 May 2013.

During his tenure in Watta Group he gained vast experience in corporate affairs, finance, manufacturing, marketing, procurement, logistics and the overall operations of the Watta Group. Prior to joining Watta Group, he has worked in several business industries which include property development, manufacturing and oil & gas. He also had working experience for several years at BP Australia Limited, Melbourne, Australia.

He is also a director of several subsidiaries in Watta Group.

Mr. Loo does not have any other directorships in other public companies and listed issuers. He attended all the five (5) Board of Directors' Meetings of the Company held during the financial year ended 31 December 2024.

He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted of any offences within the past five (5) years other than traffic offences (if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

DATUK HONG CHOON HAU

Datuk Hong Choon Hau was appointed to the Board on 30 May 2017.

49 years of age,
Malaysian, Male

**Non-Independent
Non-Executive Director**

Datuk Hong holds a Diploma in Computer Science / Information Technology. Datuk Hong holds many positions with years of experience in corporate companies and has been practising good reputation in corporate finance and ICT industry. He was an Executive Director of Sunzen Biotech Berhad from 2014 to 2020.

Datuk Hong is currently the Group Executive Director of CWG Holdings Berhad, a company listed on the Main Market of Bursa Malaysia Securities Berhad and he also sits on the Board of several other private limited companies.

Datuk Hong has indirect shareholdings of 19,344,022 ordinary shares in the Company through Cambridge Asset Holding Limited, the holding company of Surin Bay Resort Sdn Bhd by virtue of Section 8 of the Companies Act 2016.

He attended all the five (5) Board of Directors' Meetings of the Company held during the financial year ended 31 December 2024.

He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

He has not been convicted of any offences within the past five (5) years other than traffic offences (if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

DIRECTORS' PROFILE (CONT'D)**GOH THIH LIANG**

64 years of age,
Malaysian, Male

**Independent
Non-Executive Director**

Mr. Goh Thih Liang was appointed to the Board on 21 August 2023. He is the Chairman of the Nomination Committee and Risk Assessment/Management Committee as well as a member of the Audit Committee and Remuneration Committee.

Mr. Goh holds a Bachelor of Business Administration degree in Marketing from the University of Iowa, Iowa City, USA. He was the Country Director for Malaysia, Thailand and Philippines of Qualcomm Inc; Country Manager, Malaysia of TY Toys Inc; Country Manager, Malaysia of Motorola Inc; and Divisional Manager of O'Connor's Bhd. He has vast experience in sales and marketing of handsets, PCs, Wifi products, managing people and relationship building, IoT for enterprises and manufacturing, technologies on 3G, 4G and 5G, and vehicle infotainment.

He does not have any other directorships in other public companies and listed issuers.

Mr. Goh attended all the five (5) Board of Directors' Meetings of the Company held during the financial year ended 31 December 2024.

Mr. Goh has direct shareholding of 200 ordinary shares in the Company. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

He has not been convicted of any offences within the past five (5) years other than traffic offences (if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

WONG HONG WAI

64 years of age,
Malaysian, Male

**Independent
Non-Executive Director**

Mr. Wong Hong Wai was appointed to the Board on 20 November 2023. He is the Chairman of Audit Committee and a member of Remuneration Committee.

Mr. Wong holds a Master degree in Business Administration from the University of Wales College of Cardiff, Wales, a degree in Electrical and Electronic Engineering from the University of Aberdeen, Scotland, and a Diploma in Electrical & Electronic Engineering from the Institute Teknologi Jaya, Kuala Lumpur.

He was the General Manager (Head of Market Unit, Malaysia) of Sony Ericsson Mobile Communications International AB, Malaysia Branch (2008-2010); Sales & Marketing Director (Mobile Phones) of Samsung Malaysia Electronics (SME) Sdn Bhd (2007-2008); Head of National Brand Sales (Motorola Mobiles) of Mobile Distribution (M) Sdn Bhd (2005-2006); Director of Business Development & Marketing of Quantum Peaks Sdn Bhd (2003-2005); Country Manager / Vice-President Siemens Mobile Phone of Siemens Malaysia Sdn Bhd (1999-2003); Senior Manager-Channel Marketing of Telekom Cellular Sdn Bhd (1997-1999); Senior Manager-Marketing Development of Mobikom Sdn Bhd (1995-1997); Marketing Manager of Federal Telecommunications Sdn Bhd (1992-1995).

Mr. Wong does not have any other directorships in other public companies and listed issuers.

He attended all the five (5) Board of Directors' Meetings of the Company held during the financial year ended 31 December 2024.

Mr. Wong has direct shareholding of 3,200 ordinary shares in the Company. He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

He has not been convicted of any offences within the past five (5) years other than traffic offences (if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT'S PROFILE



LOO KWONG YONG

66 years of age,
Malaysian, Male

Mr. Loo Kwong Yong was appointed as Director of Mobile Technic Sdn Bhd (“MTSB”) and SEMS Services Sdn Bhd (“SEMS”) on 16 January 2002 and 27 June 2002 respectively. Both MTSB and SEMS are wholly-owned subsidiaries of the Company. Mr. Loo is currently the Managing Director of both MTSB and SEMS. He holds a Master’s Degree in Marketing from the University of Strathclyde, Glasgow and is an associate member of the Chartered Institute of Marketing, United Kingdom. He has been in the handphone distribution and servicing business for more than 30 years. He was formerly the Managing Director of Cellstar Amtel Sdn Bhd, a joint venture company between Cellstar USA and Amtel Cellular Malaysia. Cellstar Amtel Sdn Bhd is a subsidiary of Amtel Holdings Bhd, a public company listed on the Main Market of Bursa Malaysia. Prior to joining the Amtel Holding Group, he was also involved in the distribution of mobile handphones mainly the distribution of “OKI” mobile phones.

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

He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted of any offences within the past five (5) years other than traffic offences (if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

CHAN SOH HWA

63 years of age,
Malaysian, Male

Mr. Chan Soh Hwa was appointed as Director of MTSB and SEMS on 16 January 2002 and 28 April 2010 respectively. He is also the General Manager of MTSB and SEMS, both wholly-owned subsidiaries of the Company. Both Chan Soh Hwa and Loo Kwong Yong started MTSB and SEMS. He has more than 30 years of experience in the telecommunications industry in Federal Telecommunications and Amtel Communications Sdn Bhd. He specialised in handphone project management, system design and implementation.

He was also involved in wireless telecommunication equipment project design, integration, implementation and management such as Trunked Radio System, Conventional/Auxiliary Radio System, and Paging (in H house/public) System, Analog/ Digital Microwave Radio System, Cellular infrastructure and Digital Pair-Gain. Major projects undertaken include those for the oil and gas industry in Malaysia such as Petronas, Esso and Shell, airports and seaports, Malaysia telecommunication companies and nationwide trunked radio system for the Ministry of Police in Vietnam.

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

He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries. He has not been convicted of any offences within the past five (5) years other than traffic offences (if any) nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

FINANCIAL HIGHLIGHTS & FINANCIAL INDICATORS

	Financial Year Ended 31 December				
	2020	2021	2022	2023	2024
Financial Highlights of Income Statement Items (RM)					
Revenue	12,195,575	11,980,163	11,162,204	8,609,482	6,476,900
Earnings Before Interest, Tax, Depreciation And Amortisation	(508,409)	(200,695)	123,951	(1,025,896)	(451,824)
Profit/(Loss) Before Tax	(1,105,123)	(781,702)	(397,334)	(1,496,275)	(909,406)
Profit/(Loss) After Tax	(1,437,184)	(1,162,839)	(861,882)	(1,969,473)	(1,430,073)
Net Profit/(Loss) Attributable to Equity Holders	(1,437,184)	(1,162,839)	(861,882)	(1,969,473)	(1,430,073)
Financial Highlights of Financial Position Items (RM)					
Total Assets	68,224,885	66,699,241	66,647,027	64,118,115	62,925,078
Total Borrowings	775,217	437,367	574,639	196,135	386,455
Shareholders' Equity	56,414,293	55,251,454	54,389,572	52,420,099	50,990,026
Financial Indicators					
Return of Equity	(0.03)	(0.02)	(0.02)	(0.04)	(0.03)
Return on Total Assets	(0.02)	(0.02)	(0.01)	(0.03)	(0.02)
Gearing Ratio	0.01	0.01	0.01	0.00	0.01
Interest Cover	(38.43)	(36.52)	(18.37)	(112.92)	(69.75)
Earnings Per Share (sen)	(1.70)	(1.38)	(1.02)	(2.33)	(1.69)
Net Asset Per Share (RM)	0.67	0.65	0.64	0.62	0.60
Gross Dividend Per Share	NIL	NIL	NIL	NIL	NIL
Price Earnings Ratio	(32.62)	(37.41)	(52.44)	(25.31)	(25.40)
Gross Dividend Yield Per Share	NA	NA	NA	NA	NA
Share Price as at Financial Year End	0.555	0.515	0.535	0.590	0.430

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE MALAYSIAN ECONOMY AND GROUP BUSINESS OPERATIONS

In 2024, Malaysia's economy performed better than expected. The country recorded a growth rate of 5.1%, improving from 3.6% in 2023. This recovery was mainly driven by strong domestic demand, increased investments from both the private sector and government, and supportive economic policies. These factors helped create a stable environment for businesses and consumers. Inflation was well-controlled, averaging just 1.5% for the year, which supported healthy consumer spending and business confidence.

Another key development was the performance of the Malaysian Ringgit (RM). By the end of 2024, the Ringgit strengthened against the US Dollar, closing at RM4.49/USD, marking a 2.7% increase in value over the year. This reflected growing investor confidence, improved fiscal discipline, and continued capital inflows into the Malaysian market.

Looking ahead, Malaysia's economy is projected to grow by 4.7% in 2025. This outlook is supported by ongoing infrastructure development, stronger consumer sentiment, and continued structural reforms. Inflation is expected to stay low, which will help maintain economic stability and encourage investment.

GLOBAL SMARTPHONE INDUSTRY TRENDS

Globally, the smartphone industry also showed signs of recovery. In 2024, total smartphone shipments grew by 6.4%, despite inflation pressures and uncertainty in several emerging markets. This growth indicates the industry's resilience, even as challenges remain.

One concern for the global smartphone market is the potential disruption from rising trade tensions, especially due to possible new tariffs being considered by the newly elected U.S. administration. These changes may affect supply chains, production costs, and consumer demand, creating a cautious environment for both manufacturers and buyers.

In terms of global market share, Apple and Samsung remained the leading smartphone brands in 2024, with 18.7% and 18.0% market shares respectively. However, both companies experienced slight declines as newer and more aggressive Chinese brands gained ground. For instance, Xiaomi moved up to third place with a 13.6% share of the global market.

Interestingly, even though smartphone sales increased, the demand for mobile phone repair services decreased in 2024. This was mainly due to improvements in smartphone quality and durability, meaning fewer devices required repairs. In addition, competition increased from independent retailers and third-party service providers offering quick and affordable repair options. As a result, the Group's mobile servicing subsidiaries, Mobile Technic Sdn Bhd and SEMS Services Sdn Bhd saw fewer repair orders and reported increased operating losses.

PERFORMANCE OF THE GROUP'S INVESTMENT PROPERTIES

While the mobile servicing segment faced challenges, the Group's investment and rental property division remained strong and stable throughout 2024. The Group owns several industrial and office properties, all of which were fully occupied during the year. Rental rates also increased slightly, reflecting the improved commercial property market in line with the country's broader economic recovery.

REVIEW OF OPERATING ACTIVITIES

The Group continued to focus on its two core business segments during 2024:

1. Mobile Phone Servicing and Telecommunication Products
2. Rental of Investment Properties

Mobile Phone Servicing and Telecommunication Products

Although global smartphone shipments rose in 2024, the Group's mobile servicing operations faced challenges. This was largely due to loss of market share by some of our partner brands in the local market, as newer Chinese smartphone companies entered Malaysia and quickly attracted customer attention with their affordable and feature-rich models.

The out-of-warranty repair business also declined. Many customers opted for services from independent repair shops and third-party providers who offered competitive pricing. This affected the Group's service order volumes, especially for older phone models.

In response, the Group began taking steps to improve efficiency and enhance competitiveness. Plans for 2025 include investing in automation tools and advanced diagnostic systems to reduce repair times and increase productivity. As part of cost-saving efforts, the Group also reduced its servicing workforce from 55 employees in December 2023 to 36 employees in December 2024.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

REVIEW OF OPERATING ACTIVITIES (CONT'D)

Rental of Investment Properties

The Group's investment properties continued to provide a reliable income stream in 2024. All industrial and office units were fully tenanted, and rental income increased slightly compared to 2023. The rise in rental revenue was supported by improved market conditions and higher lease rates negotiated during contract renewals. This segment remains an important and stable pillar of the Group's overall business.

FINANCIAL PERFORMANCE IN 2024

During the year, the Group reported a 24.8% drop in revenue, from RM8,609,482 in 2023 to RM6,476,900 in 2024. The decline was mainly due to the reduced number of mobile repair orders as outlined above.

As a result, the Group recorded a net loss of RM1,430,073 for the financial year ended 31 December 2024, which equates to a loss per share of 1.69 sen.

On a more positive note, a revaluation of the Group's investment properties was carried out in 2024, leading to a revaluation surplus of RM870,000. This gain was recorded in the profit and loss statement and helped to partially reduce the impact of operational losses.

As of 31 December 2024, the Group's total equity stood at RM50,990,026, and the net asset per share was RM0.60.

DIVIDEND

The Board of Directors has decided not to recommend any dividend for the financial year ended 31 December 2024. This decision supports the Group's strategy to preserve capital for future investments in technology, operational improvements, and staff development. By retaining earnings, the Group aims to strengthen its long-term capabilities and better position itself for sustainable growth in a changing market environment.

OUTLOOK AND PROSPECTS

Despite uncertainties in the global economy, such as shifting trade policies and rising competition in the mobile phone sector, the Group remains cautiously optimistic about the year ahead.

The smartphone industry continues to evolve. Consumer demand is expected to remain strong as new technologies like AI-powered features, improved camera systems, and wider 5G coverage are introduced. Smartphones remain essential in daily life, and the Group believes there are opportunities to tap into this continuing demand.

To adapt to the changing market, the Group plans to strengthen its relationships with existing smartphone brands while also exploring new partnerships with emerging players. This will help expand its reach in Malaysia's growing repair market.

Additionally, further investments in technology, automation, and workforce training are planned for 2025. These improvements are aimed at increasing productivity, enhancing service quality, and reducing operational costs.

The investment property segment is expected to continue performing well in 2025. With strong tenant demand and the possibility of further rental rate increases, this division is likely to remain a steady revenue contributor.

Going forward, the Group will remain focused on:

- Improving cost efficiency
- Expanding business partnerships
- Diversifying revenue streams
- Enhancing operational resilience

By executing these strategies and remaining agile in response to market changes, the Group aims to rebuild profitability and deliver long-term value to shareholders.

SUSTAINABILITY STATEMENT

BUSINESS SUSTAINABILITY

Watta Holding Berhad ("Watta" or "the Company"), we recognize that sustainability is not just a corporate responsibility but a key driver of long-term business growth and stakeholder value creation. Our theme, "**HIGH PRODUCT QUALITY AND SERVICE EXCELLENCE**," underscores our commitment to integrating sustainability across all aspects of our operations. With the rapid advancement of technology and evolving compliance requirements, we continuously adapt to ensure resilience, innovation, and responsible business practices.

As a leading service provider, we maintain a vigilant focus on quality, environmental stewardship, and regulatory compliance. Our sustainability strategy is built upon strong Environmental, Social, and Governance (ESG) principles, ensuring that our business operations create meaningful and lasting benefits for all stakeholders, including customers, employees, investors, and the wider community.

Watta is dedicated to adopting globally recognized sustainability frameworks, including the Global Reporting Initiative (GRI) Standards and the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. Our sustainability efforts align with Bursa Malaysia's Main Market Listing Requirements (MMLR) and the Sustainability Reporting Guide, ensuring transparency and accountability in our ESG disclosures.

This statement covers the financial year from 1 January 2024 to 31 December 2024 (FY2024) and includes the sustainability performance of our key subsidiaries, SEMS Services Sdn. Bhd. (SEMS) and Mobile Technic Sdn. Bhd. (MTSB), which collectively contributed approximately 80% of the Group's revenue in FY2024.

By embedding sustainability into our corporate strategy, governance, and operational practices, we aim to enhance long-term business resilience, improve ESG performance, and work towards achieving a sustainable business. Our journey toward a more sustainable future is underpinned by innovation, stakeholder engagement, and a firm commitment to responsible business conduct.

SUSTAINABILITY GOVERNANCE

At WATTA, we acknowledge that business operations are exposed to sustainability related risks to the ESG. We, therefore take responsibility for responding to these risks and embedding sustainable considerations in our business management. Our sustainability approaches and efforts are overseen by the Board of Directors who are charged with our sustainability agenda.

Our Group's Risk Assessment/ Management Committee (RMC) oversees the structure and reporting systems to address the material risks of the Group. Headed by Executive Directors, Heads of business units and management teams, the risk profiles are reported and assessed by the RMC and the Board quarterly.

REPORTING STANDARDS

Our reporting approach is based on the framework and guidance provided by GRI. This report has been prepared by the "core" options of the GRI Standards.

The Sustainability Statement ("Statement") sets out what the Board of Directors ("Board") considers as material sustainability risks and opportunities, collectively known as Material Sustainability Matters, that impact the way the operations of the Company and its subsidiaries ("Group") are carried out as well as how Material Sustainability Matters are managed. This Statement is prepared in accordance with Paragraph 29, Part A of Appendix 9C of the MMLR Securities as well as Practice Note 9 of the MMLR on the content of the sustainability statement. In preparing this Statement, the Board has also considered the Sustainability Reporting Guide – 3rd Edition and its accompanying Toolkits, issued by Bursa Securities. The contents of this Statement encompass the Group's key business operations, which comprise the service and repair of telecommunication products and the trading of products. This Statement emphasizes the Group's commitment towards ensuring that its business operations are carried out sustainably and responsibly, taking cognizance of the ESG implications it is exposed.

SUSTAINABILITY STATEMENT (CONT'D)

REPORTING STANDARDS (CONT'D)

This includes adhering to the GRI Principles for defining report content:

STAKEHOLDER INCLUSIVENESS	<ul style="list-style-type: none"> Being responsive to stakeholders' expectations and interest.
SUSTAINABILITY CONTEXT	<ul style="list-style-type: none"> Presenting performance in the wider sustainability context.
MATERIALITY	<ul style="list-style-type: none"> Focusing on issues where we can have the greatest impact and that are most important to our business stakeholders.
COMPLETENESS	<ul style="list-style-type: none"> Including all information that is of significant environmental, social, governance impact to enable stakeholders to assess the Company's performance.

We value stakeholders' feedback on this report which can be channeled to <http://www.watta.com.my/>.

We are advised by an external consultant for this Statement; that we will continue to improve our data collection and management system.

REPORTING SCOPE AND BOUNDARIES

WATTA's Statement has been prepared in accordance with the GRI Standards. This Statement covers the reporting period for FY2024 from 1 January 2024 to 31 December 2024. Our focus has always been reviewing our material sustainability agenda that covers ESG. The content of this report is based on the material agenda that we have identified. Our scope and boundaries cover all our entities and operations in Malaysia.

The scope of our coverage has been enhanced compared to our previous reporting to comply with Bursa Securities' requirements.

The financial information contained in this Statement has been extracted from the consolidated Audited Financial Statements for the financial year ended 31 December 2024 and was audited by UHY. We have also completed third-party verification for the sustainability data disclosure i.e., materiality, stakeholder, Environment etc. This is to strengthen the Statement enhancement and to support comprehensive sustainability efforts across the Group's progress.

ABOUT WATTA

Vision	<ul style="list-style-type: none"> To be a leading corporation in our core businesses by providing products and services of superior values and by sustaining long term growth and profitability.
Mission	<ul style="list-style-type: none"> To place the interest of our shareholders as the highest priority by maximising shareholders' value. To achieve commercial success by satisfying our customers' needs To cultivate mutually beneficial relationship with our business associates To enhance organisational infrastructure and human capital development whilst upholding our corporate social responsibilities.

WATTA has been listed in the main market of Bursa Securities since 23 April 1996. The subsidiaries are principally involved in the servicing and repair of mobile telecommunication equipment products and property investment.

SUSTAINABILITY STATEMENT (CONT'D)

OUR VALUE CHAIN

There are two (2) divisions of WATTA which are comprised of the following:

- **MOBILE PHONES SERVICING**

Mobile Technic Sdn Bhd (“MTSB”) and SEMS Services Sdn Bhd (“SEMS”) offer service and maintenance of mobile telecommunication devices. MTSB and SEMS were incorporated in Malaysia in 2001 and 2002 respectively and its Head Offices are based in Petaling Jaya. As of February 2013, MTSB and SEMS operate as a subsidiary of Watta Holding Berhad.

Both MTSB and SEMS are authorized partners of world renown brands such as Samsung, Xiaomi, Nokia, HTC, Blackshark and Amazfit.

MTSB and SEMS have accumulated more than a decade of service and maintenance knowledge and experience of mobile telecommunication devices in Malaysia and combined are currently the largest handphone service companies in Malaysia.

- **PROPERTY INVESTMENT**

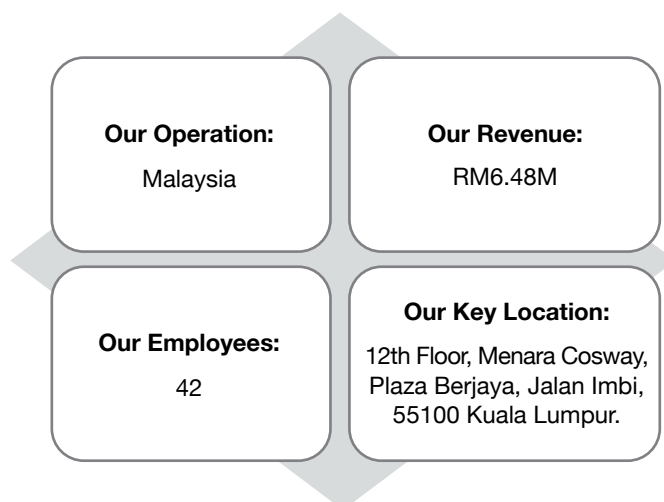
Even since the listing of Watta Holding Berhad in 1996, its wholly owned subsidiary - Watta Battery Industries Sdn Bhd (which owns four industrial properties in Balakong, Selangor), has been involved in the manufacturing, distribution and trading of automotive batteries.

Having ceased operations in automotive batteries in 2018, the industrial properties have been converted into investment properties.

The industrial properties are currently tenanted to various tenants and generate rental income for the Group.

KEY HIGHLIGHTS FOR 2024

MARKET	DESCRIPTIONS	RM
Business	Revenue	6.477 million
	Loss Before Tax	0.909 million
	Loss after tax (LAT)	1.430 million
	Basic loss Per Share	0.017
	Net Assets per share	0.60



REVIEW OF OPERATIONS

The Group’s review of operations is elaborated in the “Management Discussion and Analysis” section set out in this Annual Report.

OUR APPROACH TO DRIVING SUSTAINABILITY

Our approach to sustainability is based on our core values of excellence, united we achieve, integrity, humility and building relationships, supported by policies and procedures at the Group level. We consistently embed sustainability into the core of our business. The following value-added sustainability framework forms the basis of WATTA’s steps to strengthen our approach to sustainability.

SUSTAINABILITY STATEMENT (CONT'D)



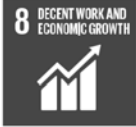


OUR CONTRIBUTION TOWARDS SUSTAINABLE DEVELOPMENT

Seventeen (17) Sustainable Development Goals (SDGs) were set by the United Nations General Assembly in 2015 to counter major global issues such as urbanisation, climate change, resource scarcity, demographic and social change and global economic condition by the year 2030 entails contributions from governments, civil society and business. All the countries and stakeholders, acting in collaboration, will strive to implement this plan. The 2030 Agenda for Sustainable Development shapes the journey and sustainable enhancement in Malaysia. Aligning the aspiration of our government, we will enhance our strategies and efforts to adopt these goals progressively as part of our sustainability journey.



We identified five (5) SDGs that the Group commits to support directly and/or indirectly as follows:

SDG ADOPTION/ CONTRIBUTING TOWARDS COLLECTIVE GOALS

SDG Goals	Rationale as defined by the United Nations	KPI	Management Action/ What we do
	Ensure healthy lives and promote well-being for all at all ages.	To reduce medical claims by 10%.	We are committed to create a safe workplace and promoting healthy living amongst our employees.
	Achieve gender equality and empower all women, girls and companywide.	To attain a representation of at least 30% women in our workforce.	Currently the women representation is above 60%. We will continue to achieve the gender equality and empower women workforce above 30%
	Promote sustained, inclusive, sustainable economic growth, full and productive employment, and decent work for all.	Increase the number of job opportunities created each year, while ensuring all employees have access to training and development programs that enhance their productivity and growth.	We aim to create a workplace that is conducive to productivity and growth by providing job opportunities and equipping our employees with various training and development programmes.
	Ensure sustainable service patterns.	To maintain continuous compliance with relevant laws and regulations by conducting responsible and ethical operations to provide value to customers and the Group while advancing the industry.	We aim to create an environment-friendly service.
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institution at all levels.	To provide equal opportunity to all to perform and to contribute to company's sustainable growth.	We place ethics and integrity at the centre of our business operations and have policies in place towards embedding such values throughout our organization.

SUSTAINABILITY STATEMENT (CONT'D)

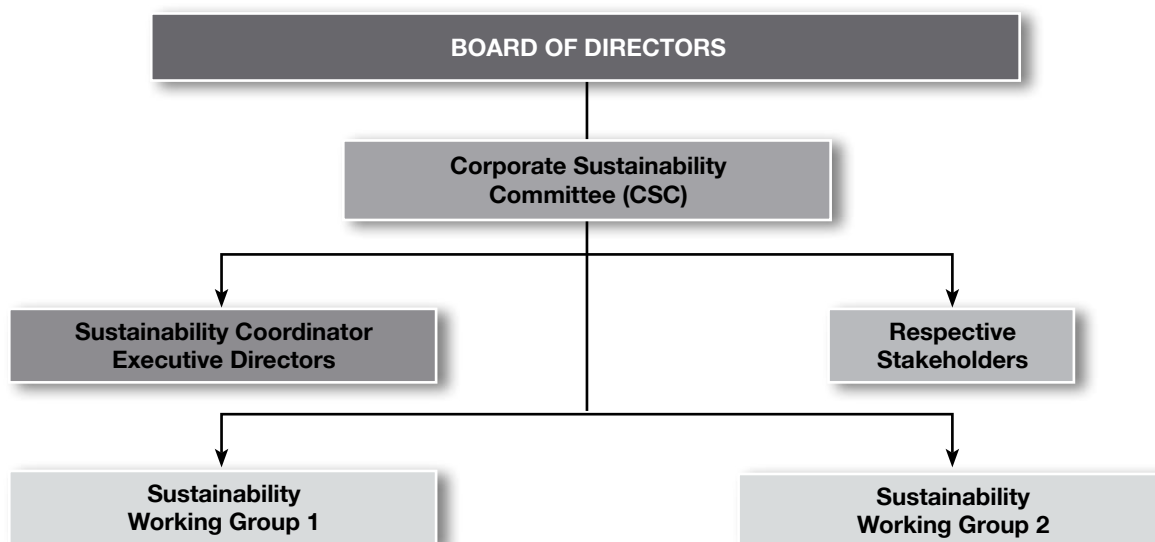
SUSTAINABILITY GOVERNANCE

Being a Public Listed Company, WATTA complies with the high standards of corporate governance (CG) practices and is closely monitored under the leadership of our Board, as guided by the Malaysian Code on Corporate Governance ("MCCG").

In line with sustainability, the Board has the ultimate responsibility to ensure that the sustainability efforts are embedded in the strategic direction of the company. We have established a Corporate Sustainability Committee (CSC), to oversee the formulation, implementation and effective management of our sustainability matters in line with the strategies. The CSC is also supported by various working groups responsible for implementing the initiatives within the organization. The Executive Directors will provide the Board with regular updates relating to all key ESG risks and opportunities (sustainability matters). Further, the Board being the highest authority in sustainability governance, takes full responsibility for the establishment of the Company's sustainability agenda and road map, and the Executive Directors are the sustainability coordinator of the company.

The governance of our sustainability agenda is a process that is important to the Company as it enables the business to effectively embed sustainability. Good governance structures also ensure that we are consistently aligned with our principles and standards. Demonstrating its commitment from the top, the Company's sustainability agenda is governed by CSC.

ORGANISATION STRUCTURE FOR SUSTAINABILITY [2-9, 2-10, 2-11, 2-14]



Responsibilities of the Corporate Sustainability Committee [GRI 2-14]

CSC	RESPONSIBILITIES
Board of Directors	<ul style="list-style-type: none"> Leads sustainability efforts for the Group, including developing strategy and targets, assessing materiality, and managing climate risks and opportunities. Promotes sustainability integration across the Group and its businesses, fostering a strong sustainability culture.
Group Chief Executive Officer	<ul style="list-style-type: none"> Approves key sustainability plans, including strategies, targets, policies, and the materiality assessment. Oversees the integration of sustainability and climate considerations into the Group's Enterprise Risk Management ("ERM") framework. Manages and monitors critical sustainability issues, encompassing climate-related risks and opportunities. Tracks progress towards sustainability goals and identifies areas for improvement. Advises the Board on sustainable strategies and monitors their implementation.

SUSTAINABILITY STATEMENT (CONT'D)**Responsibilities of the Corporate Sustainability Committee [GRI 2-14] (CONT'D)**

CSC	RESPONSIBILITIES
Corporate Sustainability Committee	<ul style="list-style-type: none"> • Crafts sustainability strategies and policies, seeking Board committee approval. • Drives consistent implementation across all business segments and locations. • Assesses overall sustainability risks and opportunities, prioritizing climate-related aspects. • Evaluates and refines the materiality assessment process and outcomes. • Reviews and provides feedback on the sustainability statement before Board approval. • Develops and recommends sustainability-linked KPIs for performance evaluation of the Board and senior management. • Oversees engagement with stakeholders, ensuring their concerns are incorporated into sustainability initiatives. • Recommends material sustainability matters, policies, goals, and targets for Board approval. • Monitors the implementation of sustainability policies and initiatives.
Sustainability Coordinator	<ul style="list-style-type: none"> • Coordinates and supports the Sustainability Working Group in managing material matters. • Consolidates sustainability reports and data from the Working Group for the CSC. • Guides the materiality assessment process. • Oversees the management of material sustainability matters. • Leads the preparation of the Sustainability Statement and recommends it for Board approval.
Sustainability Working Group	<ul style="list-style-type: none"> • Links the gap between strategy and execution, ensuring local practices align with the overall sustainability agenda and targets. Assists the CSC in implementing and monitoring sustainability initiatives and performance.

SUSTAINABILITY STRATEGY [GRI 2-22]**❖ As a Public Listed Company**

- As a public listed company, we are pre-emptive of the sustainability matters mainly on the Economic value creation for the shareholder and stakeholder;
- We plan to elevate sustainability in company governance, through engaging in direct board oversight and accountability over environmental and social issues, more diversity and special expertise on the board and linking executive and other employee compensation to sustainability goals;
- We have regular dialogues with key company stakeholders on sustainability challenges, including employees, investors, suppliers and consumers;
- We are in the progress to have balanced reporting on sustainability strategies, goals and accomplishments;
- We are in the progress to develop systematic performance improvements to achieve environmental neutrality and other sustainability goals across the entire value chain, including operations, supply chains and products.

❖ As a product provider

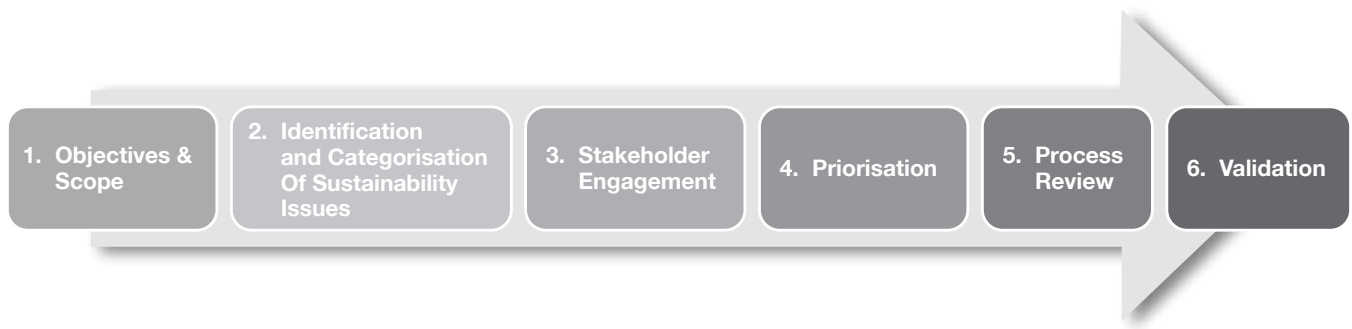
- We provide quality products and services to all of our clients as they are part of our valued stakeholders.

STRATEGIES AND DIRECTIONS

Despite the challenging operating environment, WATTA continues to practice prudence and stay focused on delivering quality growth, while being watchful of emerging risks. The Group is fully committed to upholding responsible financing which is reflected through its prudent infrastructure transformation as well as sustainability in its supply chain.

SUSTAINABILITY STATEMENT (CONT'D)

OUR MATERIALITY ASSESSMENT PROCESS



1. OBJECTIVES & SCOPE

WATTA undertook a materiality study within the top management and middle management to determine the objectives and scope of the sustainability reporting. Our scope and boundaries cover all our entities and operations in Malaysia. The reports cover the period from 1 January 2024 to 31 December 2024 ("FYE 2024").

2. IDENTIFICATION OF RELEVANT SUSTAINABILITY MATTERS

The process was initiated with sustainability issues relevant to WATTA and its stakeholders. In generating the list, the Group assesses the operating environment and emerging trends affecting our sector and conducts a study across a broad range of references to identify the relevant sustainability issues.

Looking ahead to 2024, we have a comprehensive plan to review our material factors and sustainability matters. Our goal is to ensure that we have a deep understanding of the current and future risks and opportunities that exist in our markets and that we are responding to stakeholder needs.

As we update our material factors, we will take an integrated and holistic approach to our management approach. This may include developing new policies and procedures, implementing initiatives and action plans, establishing relevant indicators, and creating a proper mechanism to capture, analyze, and report sustainability data and information.

Through this process, we are committed to evolving our sustainability management approach to better address the challenges and opportunities that we face. We are dedicated to ensuring that our stakeholders are involved in this process and that their perspectives are taken into account as we move forward.

OUR MATERIAL FACTORS

As we monitor, manage and report on a wide variety of issues, the key to our approach is focusing our resources on material sustainability risks and opportunities that are associated with each material factor. Understanding our key priorities allows us to set our time, resources and investment to the best use.

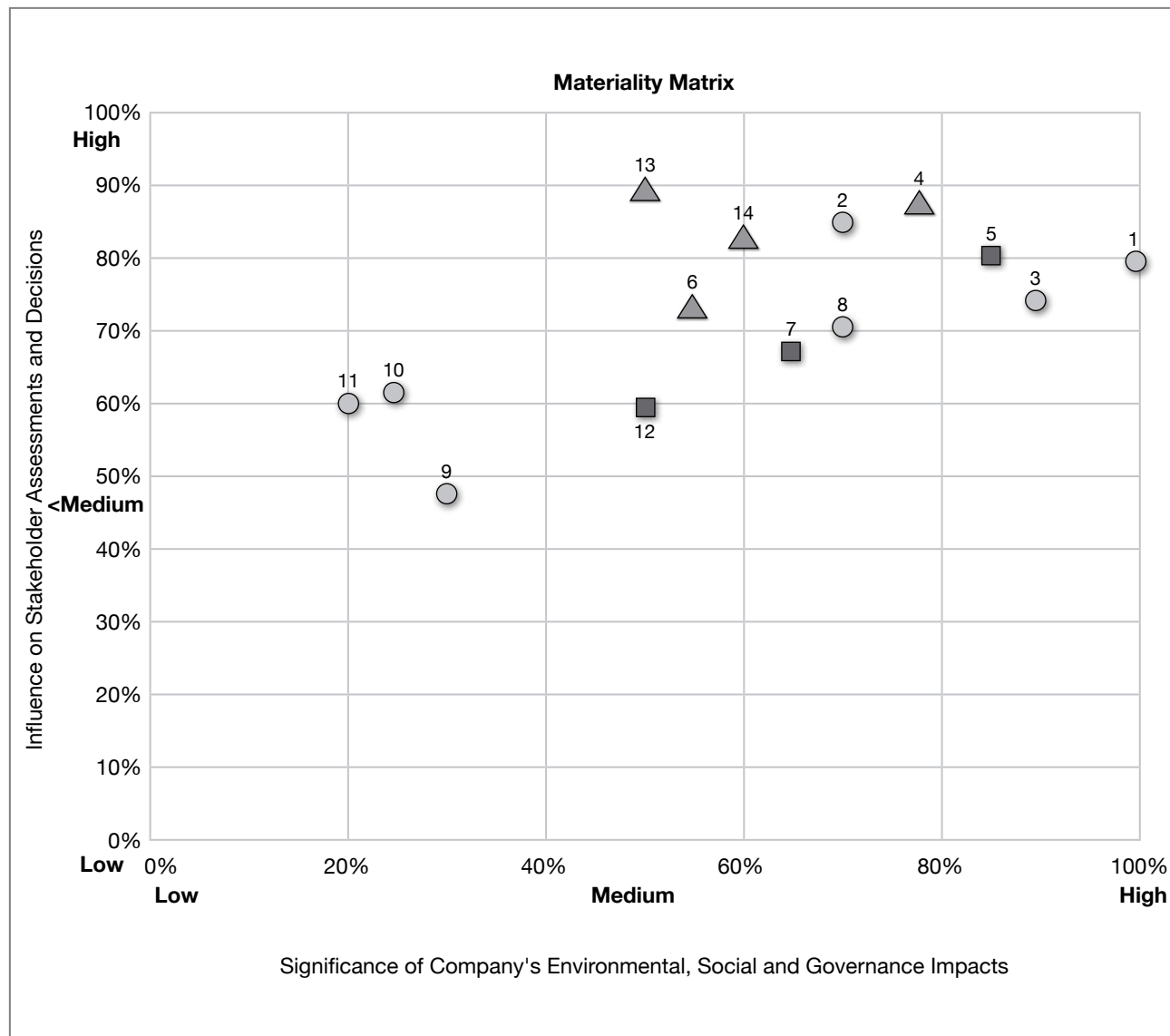
Combining the views from stakeholders and the WATTA's Management from the preliminary materiality process, the materiality matrix has been derived to show the different levels of importance of sustainability matters.

To navigate the Group towards sustainable business growth and success, we have assessed the material sustainability matters which are most significant to the Group as well as to our various stakeholders. This material matters assessment enables us to identify, assess and prioritise the risks and opportunities arising from the ESG context, to take advantage of any potential opportunities in this ever-change business environment.

SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY MATRIX

Materiality assessment is a valuable tool for identifying the most important ESG priorities that align with our business strategy. The CSC is responsible to identify, assess, and prioritize material sustainability initiatives. The following Material Matters Matrix shows the key areas that matter most to the Group and our stakeholders, ranked from low to high. The assessment output was plotted on a matrix that shows how each material factor impacts the Company's business and stakeholders.



ENVIRONMENT	SOCIAL	GOVERNANCE
<ul style="list-style-type: none"> ■ M5 Quality ■ M7 Procurement ■ M12 Local Environment Impact 	<ul style="list-style-type: none"> ▲ M4 Safety ▲ M6 Reputation ▲ M13 Customers Satisfaction ▲ M14 Customers Privacy 	<ul style="list-style-type: none"> ○ M1 Corporate Governance ○ M2 Market Condition ○ M3 Compliance ○ M8 Business Ethic/Code ○ M9 Business Model ○ M10 Business Mix ○ M11 Product Mix

SUSTAINABILITY STATEMENT (CONT'D)

BUSINESS - KEY MATERIALITY

The materiality factors are based on the priority of the organisation.

WHY IT MATTERS

The process of materiality assessment shapes a company's sustainability strategy and defines its reporting. It helps a company analyse risk factors and upgrade its business process for prospects. Materiality assessment is also an important tool to meet the expectations of stakeholders.

The frequency of materiality assessment is done once a year however it is also discussed on a monthly/ad hoc basis during the monthly management meeting.

BUSINESS - KEY MATERIALITY

Material Factors	What Are The Risks Opportunities	Initiative
<p>Competition</p> <p>WATTA is exposed to competition within the industry</p> <p>Reference to SDG 8</p>	<p>Risk</p> <p>Lesser chance to secure franchise contracts will impact the Company's business and performance.</p> <p>Opportunities</p> <ul style="list-style-type: none"> Innovative services could be offered to the clients to improve on the core value Partnerships and collaborations To continuously enhance the product quality 	<ul style="list-style-type: none"> Based on market demand. Control the product quality by purchase planning and production quality checking.
<p>Market Stability</p> <p>A well-facilitated business, supported together with an effective and balanced regulatory framework that provides adequate levels of client protection while facilitating business efficiency and innovation, is imperative for the continued growth and development of our business.</p> <p>Reference to SDG 16</p>	<p>Risk</p> <p>Any event – such as breaches in regulation, or lack of effective corporate governance (CG) practices – that undermines integrity or stability will influence stakeholder confidence and possibly participation, in the market.</p> <p>Opportunities</p> <ul style="list-style-type: none"> Having a robust approach to ensure the integrity and stability of the market serves to engender trust and confidence, which in turn encourages participation and growth Fostering a strong CG and sustainability culture will also drive long-term value, both in the market and within Bursa Malaysia 	<p>Always ensure the compliance of CG by obtaining updated information and practice at work.</p>

SUSTAINABILITY STATEMENT (CONT'D)

SIGNIFICANCE - MATERIAL FACTORS

*MATERIAL FACTORS - ESG - SIGNIFICANCE (E - ENVIRONMENT, S - SOCIAL, G-GOVERNANCE)

	Factors	Why Material & How We Manage	Frequency	Initiative
MATERIALITY Very Important	Market Condition (G) Reference to SDG 8	Why Material The market condition affects all businesses in every industry. Managing Materiality Our business segment very much depends on the market condition where we conduct market study prior to engaging in any projects. We also review the market reactions to mitigate different products and services.	Weekly Quarterly	Initiative The marketing team will keep in touch with the customers and obtain the information to understand the market demand. Management will review the market condition about the changes. Key Senior Management meets regularly to discuss and come out with an action plan. Achievement The team monitors the market trend regularly via relevant analytical reports, information from distributors, key dealers and to a certain extend customers and incorporates it into the forward plan. Periodic meeting with the Key Senior Management to decide on the action plan.
	Compliance (G) Reference to SDG 16	Why Material Compliance with laws and regulations is one of our main requirements. Managing Materiality We provide adequate training and resources to ensure we meet compliance obligations.	Yearly	Initiative The staff attends the workshop and training to get the updated laws and regulations. Achievement Yearly reminder to all staff on the compliance of laws and regulations.
	Health and Safety (S) Reference to SDG 3	Why Material Impact on the safety of the workforce to avoid workplace injuries and manage product safety. Managing Materiality We support the ongoing training of operational teams to ensure understanding in recognising and improving as well as maintaining safe working conditions.	Regularly	Initiative Keep the working environment safe with the inspected fire extinguisher, sprinkler system, and fire rescue water pump by the fire protection service provider. Achievement The facilities are provided by the building management.
	Quality (S) Reference to SDG 12	Why Material It is part of our core business value to satisfy all of our customers. Managing Materiality By obtaining prompt stakeholder feedback to gauge our quality. There is also a customer audit done by our partners.	Continuously Yearly	Initiative Product quality control will be improved based on the customers' requirements. Achievement The customer surveys on the quality performance are carried out by the manufacturers directly on monthly basis and provide feedback for action and improvement.
	Customer Satisfaction (S) Reference to SDG 12	Why Material It is important for us to benchmark ourselves and to collaborate closely with customers to achieve mutual success. Managing Materiality We conduct customer satisfaction surveys to obtain customer feedback to stay relevant in the industry.	Continuously	Initiative The marketing team will receive feedback from customers. Achievement The customer surveys are carried out by the manufacturers daily and provide feedback for action and improvement if needed.

SUSTAINABILITY STATEMENT (CONT'D)

SIGNIFICANCE - MATERIAL FACTORS

*MATERIAL FACTORS - ESG - SIGNIFICANCE (E - ENVIRONMENT, S - SOCIAL, G-GOVERNANCE) (CONT'D)

Factors		Why Material & How We Manage	Frequency	Initiative
MATERIALITY	Very Important	<p>Reputation (S)</p> <p>Reference to SDG 16</p> <p>Why Material To get a more realistic picture of how the business is being perceived by others.</p> <p>Managing Materiality We take the initiative to enhance our reputation by providing balanced reporting.</p>	Continuously	<p>Initiative We participate in CSR programs to help vulnerable groups and care about society.</p>
		<p>Procurement (G)</p> <p>Reference to SDG 16</p> <p>Why Material It ensures stable, Sustainable procurement and supply of resources.</p> <p>Managing Materiality We are always on the lookout for the best quality and economical pricing.</p>	Continuously	<p>Initiative The procurement team are responsible to ensure the purchase of the best quality at an affordable price.</p> <p>Achievement A minimum of 3 quotations are required for comparison to ensure competitive pricing and acceptable quality.</p>
		<p>Corporate Governance (G)</p> <p>Reference to SDG 16</p> <p>Why Material To ensure that the company protects the members, officers and management.</p> <p>Managing Materiality Governance is conducted according to various regulations and sub-committees.</p> <p>The board and management oversee the governance daily and it is reflected in quarterly reports to regulators and stakeholders.</p>	Regularly	<p>Initiative Compliance with the updated rules and regulations such as MCCG 2021, MFRS, Finance Bill, etc.</p>
		<p>Customer Privacy (G)</p> <p>Reference to SDG 16</p> <p>Why Material It is important to build customer trust and loyalty.</p> <p>Managing Materiality We take necessary measures to protect the customer's privacy by having our staff trained on this matter.</p>	Continuously	<p>Initiative Compliance with the Personal Data Protection Act (PDPDA) with the policy to keep customers' information private and confidential.</p> <p>Achievement Mandatory for all staff to sign PDPDA documents upon completion of training.</p>
		<p>Business Model (G)</p> <p>Reference to SDG 8</p> <p>Why Material The business model plays a vital role in the challenging market conditions of the market and business.</p> <p>Managing Materiality We engaged in a high-level review of the business model with the management.</p>	Continuously	<p>Initiative Expanding the new marketing channel to improve product exposure in social media.</p> <p>Achievement Continuously looking for new business opportunities and submitting proposals for discussion with the key management team.</p>
		<p>Product Mix (G)</p> <p>Reference to SDG 8</p> <p>Why Material To have a variety of products that will fit each customer's needs.</p> <p>Managing Materiality To be highly competitive we take the initiative to create varieties of segments.</p>	Continuously	<p>Initiative Satisfy customers' needs.</p> <p>Achievement Selling and providing service of smartphone screen protectors and retailing of smartphone related accessories.</p>

SUSTAINABILITY STATEMENT (CONT'D)

SIGNIFICANCE - MATERIAL FACTORS

*MATERIAL FACTORS - ESG - SIGNIFICANCE (E - ENVIRONMENT, S - SOCIAL, G-GOVERNANCE) (CONT'D)

Factors		Why Material & How We Manage	Frequency	Initiative
MATERIALITY	Very Important	Business Ethics/Code (G) Reference to SDG 16	Continuously	Initiative Having own Code of Ethics Policy.
		Why Material Maintaining business ethics is our core value.		Achievement Weekly meeting with key staff reminding importance and implementation of a good Code of Ethics and Policy.
		Managing Materiality We proactively promote and positively reinforce good behaviours in the employees.	Continuously	Initiative Prevent environmental pollution by controlling the disposal of waste.
Local Environment Impact (E) Reference to SDG 16	Why Material It safeguards the environmental impact.	Requirement to return major defective parts directly to Manufactures/ Principals.		
		Managing Materiality We monitor and review the environmental compliance strategy and performance.		Ensure other parts are disposed to authorized collectors.
		Achievement It is mandatory to return all defective spare parts to manufacturers.		
		Business Mix (G) Reference to SDG 8	Ad-Hoc	
		Why Material Diversification is part of our business model to stay sustainable.		
		Managing Materiality We are always on the lookout for potential business synergy which creates better value for our core business.		

To identify potential material topics, we reviewed GRI aspects, benchmarked against key corporate peers, and analysed past reports, which incorporated feedback from customers, community representatives, and employees. We also inventoried the aspects and topics most important to external stakeholders, customers, and their supply chain vendors, based on requests, surveys, and ongoing engagement during the reporting period.

3. OUR STAKEHOLDER'S ENGAGEMENT

Our interaction involves a large number of different stakeholder groups and this kind of engagement is important to ensure we can identify, prioritize and address material matters and be adopted in our business strategies. The business and functional units are empowered to interact with their respective stakeholders on their chosen platforms. All issues raised by stakeholders are brought to the attention of the Management Committee or Management Meetings by the respective business and functional units. Ongoing engagements where applicable, are carried out regularly as they are integral to our business development, relationships with stakeholders and commitment to sustainability.

Our key stakeholders are outlined in the table below, along with the forms of engagement and key topics of interest we seek to address.

SUSTAINABILITY STATEMENT (CONT'D)

3. OUR STAKEHOLDERS ENGAGEMENT (CONT'D)

Stakeholder Group	Engagement Approach	Frequency/ Review	Initiative
Customers	<p>Engagement Approach</p> <ol style="list-style-type: none"> 1) Customer-centric 2) Personalized 3) Multi-channel 4) Community-driven <p>Engagement Focus & Objectives</p> <ol style="list-style-type: none"> 1) Increase brand awareness and consideration 2) Improve customer satisfaction 3) Boost sales and conversions 4) Reduce customer churn 	Immediately Yearly Ad hoc basis	<ul style="list-style-type: none"> • Create a social media campaign that educates customers about the importance of regular battery maintenance and replacement. • Offer personalized discounts and promotions to customers based on their purchase history. • Partner with influencers to promote Watta products and services. • Host a battery recycling program to give customers a convenient way to dispose of old batteries. • Develop a loyalty program to reward repeat customers.
Employees	<p>Engagement Approach</p> <ol style="list-style-type: none"> 1) Value Driven 2) Multi-channel 3) Personalized 4) Growth oriented <p>Engagement Focus & Objectives</p> <ol style="list-style-type: none"> 1) Boost Employee Satisfaction 2) Enhance Employee Engagement 3) Improve Skill Development & Retention 4) Drive Innovation & Performance 	Yearly Half-yearly Ad hoc basis	<ul style="list-style-type: none"> • Provide training to enhance staff competency • Ensure safety at the workplace by providing fire safety training and fire drill session • Provide face masks to employees • Provide a clean and healthy accommodation environment to factory workers • Care of employees' health by sanitised office area frequently, providing RTK antigen and a swab test for staff
Suppliers	<p>Engagement Approach</p> <ol style="list-style-type: none"> 1) Collaborative 2) Data-Driven 3) Sustainability-Focused 4) Technology-Enabled <p>Engagement Focus & Objectives</p> <ol style="list-style-type: none"> 1) Strengthen Supplier Relationships 2) Enhance Supply Chain Efficiency 3) Drive Quality & Cost Optimization 4) Foster Innovation & Collaboration 	Monthly Regularly	<ul style="list-style-type: none"> • Discussing with suppliers monthly to meet the delivery time and the requirements • Assess quality service provided by the suppliers, comprising continuity supply of materials and the quality of the material.
Regulators and Government Authorities	<p>Engagement Approach</p> <ol style="list-style-type: none"> 1) Proactive & Compliant 2) Transparent & Collaborative 3) Industry Expertise & Thought Leadership 4) Relationship-Building <p>Engagement Focus & Objectives</p> <ol style="list-style-type: none"> 1) Maintain Regulatory Compliance 2) Foster Open Communication & Collaboration 3) Advocate for Industry Best Practices 4) Build Strong Relationships & Trust 	Regularly Yearly	<ul style="list-style-type: none"> • Provide staff training to obtain the updated rules and regulations.

SUSTAINABILITY STATEMENT (CONT'D)

3. OUR STAKEHOLDERS ENGAGEMENT (CONT'D)

Stakeholder Group	Engagement Approach	Frequency/ Review	Initiative
Community	<p>Engagement Approach</p> <ol style="list-style-type: none"> 1) Community-Centric 2) Multi-Stakeholder 3) Sustainable & Impactful 4) Transparent & Inclusive <p>Engagement Focus & Objectives</p> <ol style="list-style-type: none"> 1) Enhance Community Relations 2) Support Community Development 3) Promote Environmental Sustainability 4) Cultivate Trust & Transparency 	Regularly	<ul style="list-style-type: none"> • For the sponsorship and donation programs, the Group participates in charitable events, including the distribution of food and daily essentials to needy persons.
Media	<p>Engagement Approach</p> <ol style="list-style-type: none"> 1) Proactive & Transparent 2) Relationship-Building 3) Storytelling & Thought Leadership 4) Multi-Channel & Data-Driven <p>Engagement Focus & Objectives</p> <ol style="list-style-type: none"> 1) Enhance Brand Awareness & Reputation 2) Promote Key Messages & Initiatives 3) Build Trust & Credibility 4) Leverage Data & Insights 	Ad hoc basis	News and Publication on social media
Shareholders	<p>Engagement Approach</p> <ol style="list-style-type: none"> 1) Transparent & Informative 2) Value-Focused 3) Relationship-Building 4) Multi-Channel & Accessible <p>Engagement Focus & Objectives</p> <ol style="list-style-type: none"> 1) Enhance Shareholder Confidence 2) Promote Long-Term Value Creation 3) Encourage Shareholder Participation 4) Optimize Investor Relations 	Regularly	<ul style="list-style-type: none"> • Announce quarterly financial results to Bursa Securities • Publication of Notice of AGM in the local newspaper • Hold AGM of shareholders • Maintain timely and transparent reporting to meet the due date
General public	<p>Engagement Approach</p> <p>Responsible Corporate Governance</p> <p>Engagement Focus & Objectives</p> <p>Company Website</p>	Regularly	Maintain the company website at www.watta.com.my

SUSTAINABILITY STATEMENT (CONT'D)

4. PRIORITISATION OF THE SUSTAINABILITY PROCESS

WATTA has undertaken a stakeholder prioritisation and engagement process to engage with its stakeholders. These include ongoing efforts to engage with stakeholders in the usual course of business through the day-to-day operations, as well as specific engagements carried out to seek stakeholders' feedback. The outcome of these engagements was considered in the course of the Group's materiality assessment.

As part of the process of conducting the materiality assessment of sustainability matters, the Group has conducted the specific engagement process as follows:

- To determine the key stakeholders with whom the Group should engage, the Group carried out assessments to identify key stakeholders based on each stakeholder's influence and dependence on the Group.
- To gain an insight into these key stakeholders' concerns, interests and expectations, the Group conducted discussions including ongoing sessions throughout the year to gauge stakeholders' concerns about the list of sustainability matters identified.
- Where applicable, WATTA also took into account feedback from other stakeholder groups, gathered through various channels and ongoing engagements while conducting its business operation.

5. PROCESS REVIEW

The materiality process is undertaken as a key component of the WATTA journey towards identifying material sustainability matters. The senior management committee has reviewed and approved the processes and outcome of the materiality process including the Group's materiality which guides the Group in addressing and managing its material sustainability matters in its business operations.

MANAGEMENT APPROACH FOR MATERIAL MATTERS

This section aims to provide insights into the Group's sustainability commitments and practices across the three key areas of environmental, social and governance undertaken by our key business divisions.

A ENVIRONMENTAL COMMITMENT

Why It Matters

Our effort to reduce Greenhouse gas (GHG) emissions that contribute to climate change today will strengthen our future shared richness, societal well-being and business growth. Given the complex nature of climate change, concerted efforts by governments, businesses and individuals are necessary to foster a transition to a sustainable future. The focus on environmental factors, particularly climate change resilience and adaptation, energy and carbon intensities, was the spearhead for ESG.

In line with our Sustainability Statement, we strive to maintain full compliance with all relevant environmental, legal and other legislative requirements in fulfilling the customer's expectations and satisfaction. We are aware of the environmental impacts of our activities on the planet and thus we take responsibility for managing our environmental impacts seriously. WATTA will continue to develop effective environmental initiatives to protect the environment. Being a responsible corporation, we acknowledge our responsibility to protect Mother Nature and the environment. We believe in "small actions, big differences" and hence, our environmental protection starts from our workplace.

(a) Energy & Resource Management

As a company specializing in mobile device servicing and repairs, Watta acknowledges the impact of energy consumption and resource utilization in our operations. We strive to minimize our environmental footprint through the following initiatives:

i) Energy Management

- A lighting schedule across key areas in our head office to switch off lights during certain hours of less use;
- Maintenance and replacement of electrical equipment and light fittings to maximise energy efficiency;
- To switch off other electrical appliances in the office and pantry when they are not required.
- Raising awareness among employees through energy-saving campaigns and training.

ii) Water Management

We promote water-saving practices among employees and adopt water-efficient technologies and equipment wherever possible. We have taken small steps to control the water usage at our head office; be in line with the sustainability efforts, namely:

- Conducting routine inspections to detect and address leaks promptly.
- Encouraging employees to adopt water-saving habits through awareness programs.

The electricity usage for the operational centres will be compiled and presented in future. In the meantime, the water and electricity consumption statistics will be consolidated and presented in the future.

SUSTAINABILITY STATEMENT (CONT'D)

(b) Waste & E-Waste Management

Given our industry's reliance on electronic components, we recognize the need for responsible waste disposal and e-waste management. Our key initiatives include:

- Partnering with authorized recycling companies for the proper disposal of defective mobile components and spare parts.
- Providing designated recycling bins for electronic waste in all service centres.

Encouraging digital documentation to reduce paper waste, supported by a company-wide "Go Digital" initiative.

Storage and Collection of Recyclables

WATTA also has come out with an initiative for the storage and collection of waste and recyclables to promote the development of a recycling-based society. This initiative's objective includes:

- To provide a dedicated area and storage for a collection of non-hazardous material for recycling;
- To facilitate the reduction of scheduled waste generated that is hauled and disposed of two licensed disposal companies; and
- To designate a dedicated area where on-site sorted waste materials can be stored in separate skids for collection facilities.

(c) Environmental Compliance & Innovation

Watta is committed to adhering to all environmental regulations governing our operations. We continuously explore sustainable innovations, such as refurbishing and repurposing electronic components, to extend their lifecycle and minimize waste.

Environmental Protection

The Group recognizes that several of its activities may have an impact on the environment. As such, we continue to ensure strict compliance with the environmental laws governing operations of the services rendered; as well as the environment of our operations to address any concerns.

The following are the areas that have been identified and attended to:

- Major defective parts are collected back by manufacturers/principals for proper recycling treatment.
- To ensure the disposal of balanced spare parts to licensed disposal companies that comply with the disposal requirement standards set by the Authorities.
- Provide recycle bins for proper disposal of unused electronic parts and items by customers.
- To minimize the usage of paper with digital copies and backup policy. Notices are displayed in copier areas and notice boards.
- To provide a safe and conducive working environment for staff to contribute their best.
- To maintain a clean, tidy and organized workplace at all times for safety and health purposes and promote productivity.

SUSTAINABILITY STATEMENT (CONT'D)

B SOCIAL

Why It Matters

The health, safety and overall well-being of our employees and customers is a key priority. We are constantly looking for ways to improve our processes to create a safe working environment because this ensures our employees achieve their full potential, and our assets remain prolific.

The Company is committed to promoting social responsibilities as an integral part of the Group whilst pursuing business growth to enhance shareholders and stakeholder value. Management recognises that for long-term sustainability, its strategic orientation will need to cater beyond the financial parameters.

A strong commitment to social responsibility programs can protect and enhance a company's brand. As the word gets out about a company's good works, it can help create a positive working environment and attract desirable employees with a strong commitment to corporate social responsibility programs.

The Group manages to organise several activities to sustain its corporate responsibilities to the environment, employees and community. Among the main programmes initiated were Quality, Health, Safety and Recreational activities and welfare events.

Our Social Approach

I. COMMUNITY INVESTMENT

Constantly WATTA is dedicated to supporting the community by reaching out to the community around us. During the financial year, the Group made monetary donations to a few organisations. These contributions were in line with the Group's commitment to support and keep abreast with society's evolving needs.

As an organisation with its business deeply rooted in the community that it serves, WATTA has been consistently aware of its social obligations to the community and remains fully committed to this cause. WATTA feels privileged to have been able to support communities in need and make a difference in their lives. During the year under the review, the Group has participated in charitable events organised by HOPE Worldwide Malaysia, include contributions of daily essential items to the welfare and needy Homes.

Community Investment Performance Data

	FYE 2022	FYE 2023	FYE 2024
Total amount invested where the target beneficiaries are external to Watta	1,000	1,000	1,000
Total number of beneficiaries of the investment in communities	35	50	50
Number of employees participated in community impact programmes	5	5	5
Total hours spent on community impact programmes per employee	4	5	5

SUSTAINABILITY STATEMENT (CONT'D)

B SOCIAL (CONT'D)

Our Social Approach (cont'd)

I. COMMUNITY INVESTMENT (CONT'D)

WATTA has contributed and participated on Good Earth Run organised by HOPE Malaysia



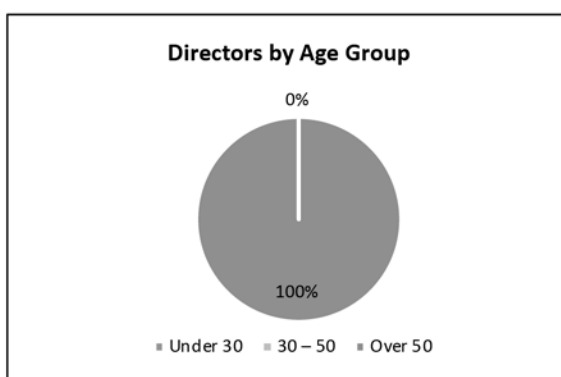
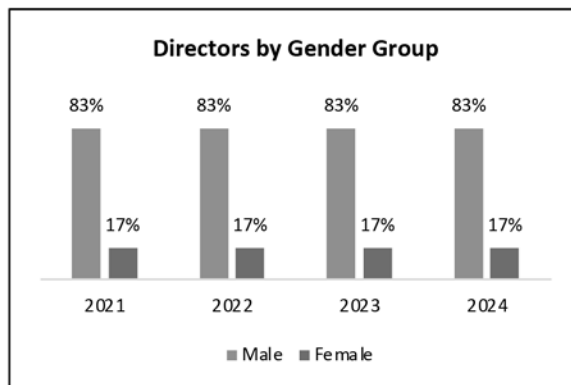
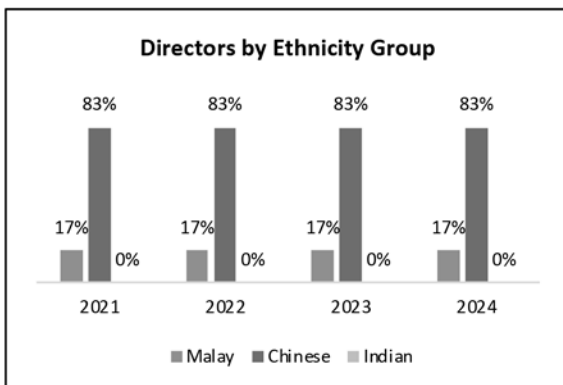
II. DIVERSITY, EQUITY & INCLUSION

The Group actively promote equal opportunities and non-discrimination through concrete initiatives, ensuring a diverse and inclusive employee at all levels. From actively encouraging applications from diverse candidates to fostering an inclusive work environment, we are committed to building a team that reflects the richness of the communities we serve.

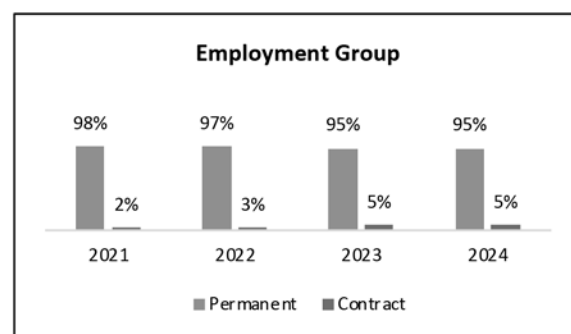
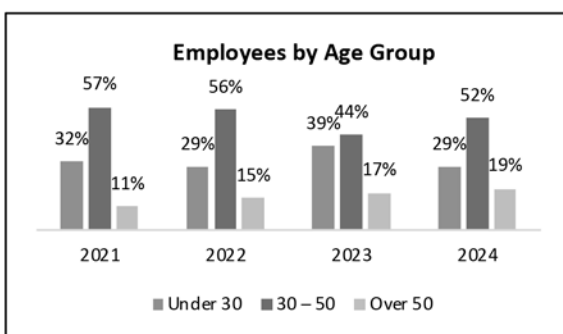
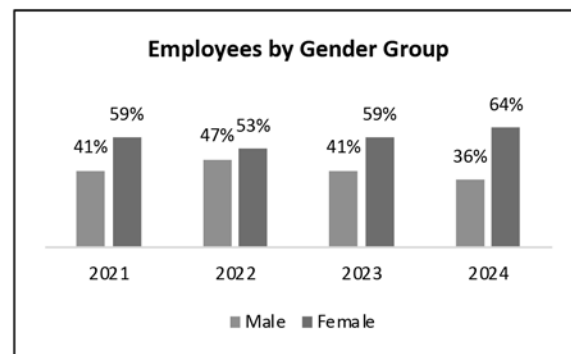
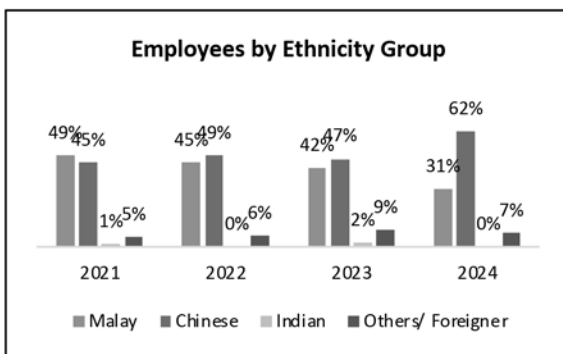
SUSTAINABILITY STATEMENT (CONT'D)

SUSTAINABILITY STATEMENT (CONT'D)

Directors Profile



Employee Profile



SUSTAINABILITY STATEMENT (CONT'D)

III. EMPLOYEE MANAGEMENT

We actively promote equal opportunities and non-discrimination in our workforce. Our initiatives include:

- Encouraging gender diversity at all levels of employment.
- Hiring policies that prioritize inclusivity, ensuring equal career development opportunities.
- Diversity training programs to foster an inclusive corporate culture.

The Group values its human capital and will continuously invest in our employees for our success and growth. We are committed to attracting, developing, and retaining top talent by fostering a stimulating and empowering work environment. We also provide the knowledge, skills, and opportunities they need to thrive. This includes fostering a healthy work-life balance and ensuring everyone feels valued and respected. We heavily invest in development programs, ensuring our team stays competitive, adaptable, and future-proof. It's all about recognising that our employees are our most valuable asset, and investing in them drives both their growth and ours.

• Upskilling and Reskilling

WATTA is committed to providing a safe work environment and ensuring team members are properly trained in all aspects of their work. The Group also ensures there are growth, development, and progression opportunities for the employees through in-house training, seminars, workshops, and talks. This will equip them with the latest job-related updates and learning. The Group strives to bring out the best in its employees by providing growth and progression opportunities for employees through comprehensive training, and health and safety programmes.

Top management ensures that the requirements, including the policies and objectives, are consistent with the strategic context and the direction of our organisation, and that the policies and objectives are established whilst ensuring that the human and financial resources needed.

Samsung training

No.	Type of Training/ Topic	Category	Training Hours
1	12.07.2024 (Online) New Galaxy Product	Technician	2 Hours
2	13.07.2024 (Online) Galaxy Buds3 Series	Technician	1 Hour
3	14.07.2024 (Online) Galaxy Fold6 Flip6	Technician	1 Hour
4	14.07.2024 (Online) Galaxy Ring Series	Technician	1 Hour
5	14.07.2024 (Online) Watch FE, Ultra & S7 Series Training	Technician	1 Hour
6	19.07.2024 (Online) Z6 Series, Watch Series & Buds Series	Technician	1 Hour 30 Mins
7	22.07.2024 (Online) SC+ Foldable UB Service Handling Jobs	Technician	1 Hour 30 Mins
8	19/08/2024 2024 CS MX Incentive Scheme Briefing	BIC	2 Hours
9	02/09/2024 [SME][MX] Galaxy A06 Training	Technician	1 Hour
10	03/09/2024 SC+ Briefing	BIC	2 Hours
11	30/09/2024 KPI REVIEW	BIC	2 Hours
12	07/10/2024 [SME][MX] Galaxy S24 FE Training	Technician	1 Hour
13	22/10/2024 Samsung Service Carnival	BIC	1 Hour 30 Mins
14	23/10/2024 Global Warranty & SC+	BIC	1 Hour
15	23/10/2024 [SME][MX] Galaxy A16 Training	Technician	1 Hour
16	05/12/2024 OFS & Warranty guide refreshment training	BIC	1 Hour
	Total		21 Hours 30 mins

SUSTAINABILITY STATEMENT (CONT'D)

B SOCIAL (CONT'D)

III. EMPLOYEE MANAGEMENT (CONT'D)

• Performance Management and Compensation

i) Leave

- Annual leave, sick or hospitalisation leave, marriage leave, maternity and paternity leave, compassionate leave, sabbatical leave, unpaid leave, hajj leave and examination leave.

ii) Medical

Medical benefits provided by SEMS & MTSB for employees

- Panel clinic medication and consultation
- Group term life and hospitalisation insurance

iii) Flexi-work arrangement

- Staggered working hours, flexi-time, and work from home that is subjected to approval depending on the situation

iv) Others

- Parking and phone allowance are provided to eligible staff.

• Employee Engagements

- Team building
- Sports tournament

• Employee Retention and Attrition

Watta have highly engaged employees, which is reflected in the longevity of our employees' tenure.

	FYE 2022	FYE 2023	FYE 2024
New hire	62	33	22
Turnover	70%	51%	52%

Attrition by Age Group	FYE 2022	FYE 2023	FYE 2024
Under 30	26	25	12
30 - 50	49	28	22
Over 50	13	11	8
Total	88	64	42

Employee Category	Total number of new hires		
	FYE 2022	FYE 2023	FYE 2024
Senior Management	0	0	0
Middle Management	0	0	0
Executive	9	5	5
Non-executive/ Technical Staff	53	28	17
Total	62	33	22

Employee Age Group	Total number of new hires		
	FYE 2021	FYE 2022	FYE 2024
Under 30	23	52	16
30 - 50	9	10	6
Over 50	0	0	0
Total	32	62	22

Employee Category	Total number of employee turnover		
	FYE 2022	FYE 2023	FYE 2024
Senior Management	0	0	0
Middle Management	0	0	0
Executive	9	5	5
Non-executive/ Technical Staff	53	28	17
Total	62	33	22

SUSTAINABILITY STATEMENT (CONT'D)

B SOCIAL (CONT'D)

III. EMPLOYEE MANAGEMENT (CONT'D)

- Employee Retention and Attrition

In 2024, we spent 227.5 hours on training, investing RM1,450 in internal and external learning and development programmes.

	FYE 2024
Total Training Hours	227.5
Total Investment	RM1450
Average Training hours per employee	6 HR

Employee Category	Total Training Hours FYE SEP 2024
Senior Management	0
Middle Management	15
Executive	31.5
Non-executive/ Technical Staff	181
Total	227.5

Employee Category	Average Training hours per employee FYE SEP 2024
Senior Management	0
Middle Management	7.5
Executive	10.5
Non-executive/ Technical Staff	15
Total	33

	FYE 2024
Overall average training hours per employee (hours)	6

IV. EMPLOYEE WELL-BEING & WORKPLACE SAFETY

Watta prioritizes the health, safety, and overall well-being of its employees and customers. Given the technical nature of our business, we focus on workplace safety, skill development, and ensuring a conducive work environment. Our commitments include:

- Strict adherence to Occupational Safety and Health Act (OSHA) 1994.
- Regular safety training to prevent workplace hazards, particularly in service centres handling electronic devices.
- Work-life balance programs, including flexible work arrangements and mental health support initiatives.

As a responsible corporation, we respect the interests of our stakeholders, our shareholders, employees, customers, suppliers, teaming partners and the wider community and we actively seek out opportunities both to improve the environment and to contribute to the well-being of the communities in which we do business. We are committed to delivering quality products, as we look to the future, we will continue to work with our customers to make sustainability a vital part of the solutions we deliver for our customers. The Group will continue to identify and undertake more related events to fulfil its Social Responsibility in any way and would contribute to preserving the values of the Society.

It is one of our key priorities to maintain a safe and healthy work environment for our workforce. Our Safety and Health Policy goes beyond the requirements of the Occupational Safety and Health Act 1994 to ensure that our talent works under safe conditions. Our operations are governed by an internally established occupational safety, health and environmental management system, we also believe in providing a comfortable and conducive working environment for our employees.

SUSTAINABILITY STATEMENT (CONT'D)**B SOCIAL (CONT'D)****IV. EMPLOYEE WELL-BEING & WORKPLACE SAFETY (CONT'D)**

i. Training

In line with our commitment to a safe work environment, 42 participants engaged in comprehensive health and safety training programs.

	FYE 2022	FYE 2023	FYE 2024
Number of employees trained on health and safety standards	88	64	42
Total training Hours	4	4	4
Number of representatives in the OSH Committee	0	0	0

ii. Work Related Injuries

	FYE 2022	FYE 2023	FYE 2024
Number of Fatalities	0	0	0
Number of Lost Time Injuries	0	0	0
Lost Time Incident Rate ("LTIR") %	0	0	0

V. HUMAN RIGHTS

We are committed to protecting and respecting human rights across all our business operations. We believe that strong human rights practices coupled with fair and ethical treatment improve productivity and promote a healthy working culture.

We are continuously working towards the goal of achieving zero substantiated complaints regarding human rights violations, and we will intensify our efforts to achieve this objective.

	FYE 2022	FYE 2023	FYE 2024
Number of substantiated complaints concerning human rights violation	0	0	0

VI. CUSTOMER SATISFACTION

Customer satisfaction and engagement were identified as some of the most important material issues in the marketplace dimension across all our divisions. Knowing exactly what customers expect from us improves our bottom line and strengthens our brands and reputation in the long term. We conduct yearly customer satisfaction surveys. The feedback generated provides insights into customer expectations that enable us to develop and deliver better products and services.

	FYE 2022	FYE 2023	FYE 2024
Incidents of non-compliance concerning the health and safety impacts of products and services	0	0	0
Customer satisfaction scores (%)	> 80%	> 80%	> 80%
Customer complaints received (retail)	3	3	0
Customer complaints resolved (retail)	3	3	0
Substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0
Total number of identified leaks, thefts, or losses of customer data	0	0	0
Number of complaints from regulatory bodies	0	0	0

WATTA has the policies, procedures and best practices in place to deliver products and services of outstanding quality. Furthermore, regular reviews, process improvements and quality control assessments are ensuring that our processes remain in compliance and are continually enhanced.

SUSTAINABILITY STATEMENT (CONT'D)

B SOCIAL (CONT'D)

VII. SUPPLY CHAIN MANAGEMENT

Sustainability in the supply chain has been increasingly recognised as an important aspect of corporate responsibility. In making responsible sourcing decisions, WATTA has started to explore putting in place an appropriate approach to consider suppliers' ESG credentials in the life cycle of the supply chain. Suppliers are selected through selection and bidding processes. WATTA has formalised procurement operating procedures to support the procurement process in the Group, emphasising satisfactory quality of products and services with competitive pricing.

In the emplacement of new suppliers, the Group has begun to incorporate sustainability-related criteria in assessing the suppliers' business practices such as workplace relations and occupational health and safety. For existing vendors and suppliers, the Group is in the process of sending out surveys to selected suppliers for them to share and affirm their commitment towards ESG.

WATTA is cognisant that there is still much to improve on managing sustainability in the supply chain and will continue to collaborate with its suppliers and vendors to work towards enhanced sustainability practices concerning ESG matters. Moving forward, the Group will ensure that all of our existing and new suppliers are assessed against our requirements. Our business spends 99% on local suppliers.

	FYE 2023 (%)	FYE 2024 (%)
Proportion of spending on local suppliers (Average)	98.61	99.79

VIII. MARKETPLACE

The Group is continuously committed to promoting and maintaining transparency, accountability and ethics in the conduct of its business and operations with the stakeholders, including our Government and Authorities, Shareholders and Investors, Customers, Suppliers, Employees and Communities. This includes the implementation of internal control systems such as a financial authority framework and a risk management framework. The Company's Audit Committee and Risk Management Committee periodically review these internal control systems together with recommendations from Internal and External Auditors. The Group aims to establish and evolve good relationships, trust, mutual respect, and understanding with our stakeholders who effect on or are affected by our businesses.

The Group has introduced various channels to engage with our stakeholders to understand and respond to their expectations and interests with regard to our services and operations. The Group's main suppliers consist of electronic consumable suppliers. The Group works closely with the suppliers to create a high-quality, reliable supply chain that meets our high ethical standards. The Group has had regular engagement sessions with suppliers to identify areas and methods for improvement and to resolve issues.

Through these social initiatives, Watta aims to cultivate a sustainable, inclusive, and responsible corporate ecosystem while ensuring long-term business resilience.

C GOVERNANCE

Why It Matters

The Group success relies on our stakeholders, including customers, shareholders, employees, and communities. These stakeholders play a vital role in driving economic growth and are impacted by the Group's sustainability efforts. These efforts, in turn, affect society and the environment as a whole. We also integrate ESG into our strategy and decision-making for long-term value creation.

Our Board takes an active role in overseeing our sustainability efforts, setting strategies, targets, and ensuring clear communication. The board stays informed and understands relevant sustainability issues, including climate risks and opportunities and hold management accountable for progress. The board has appointed a dedicated person within the Group to strategically integrates ESG practices into operations. Stakeholder engagement helps us understand and manage related risks and opportunities.

We actively engage with our internal and external stakeholders, understanding their views and expectations on issues like health and safety, data privacy, and climate action. This input helps us shape our strategies and actions, ensuring they are relevant and impactful. We communicate our performance transparently to stakeholders, both internally and externally. The board continuously builds its knowledge in this area, ensuring it has the capacity and competencies to effectively oversee our sustainability efforts. They benchmark their abilities and address development needs to ensure effective leadership and oversight. Board and management effectiveness is measured by progress on sustainability targets. Evaluations promote accountability, identify areas for improvement, and inform shareholders. While economic factors are core, we identify and manage critical risks with the board and senior management. Strong governance ensures responsible decision-making in challenging environments.

SUSTAINABILITY STATEMENT (CONT'D)

C GOVERNANCE (CONT'D)

Why It Matters (cont'd)

The Board of Directors has ultimate oversight of Watta's sustainability strategy, ensuring that ESG risks and opportunities are integrated into decision-making. The Corporate Sustainability Committee (CSC) is tasked with monitoring and executing sustainability initiatives, working closely with key stakeholders to ensure compliance with global ESG standards.

A strong governance framework is critical to Watta's long-term success, particularly in the technology and service industry. We have implemented a risk-based approach to governance, ensuring compliance with industry-specific regulations and best practices in service quality, data security, and corporate ethics. Our governance policies include:

- Robust Data Security & Privacy Measures**
 Given our role in servicing mobile devices, we have strengthened cybersecurity protocols and compliance with Personal Data Protection Act (PDPA) 2010 to safeguard customer information.
- Compliance with Industry Regulations**
 Watta adheres to Bursa Malaysia's Listing Requirements, Malaysia's environmental and occupational health & safety regulations, and international best practices in corporate governance.
- Technology & Service Compliance**
 As a provider of technical services, our operations comply with OEM (Original Equipment Manufacturer) requirements, ensuring that our repair and maintenance services meet global quality standards.

(a) DATA PRIVACY AND SECURITY – Related UNSDGs 16

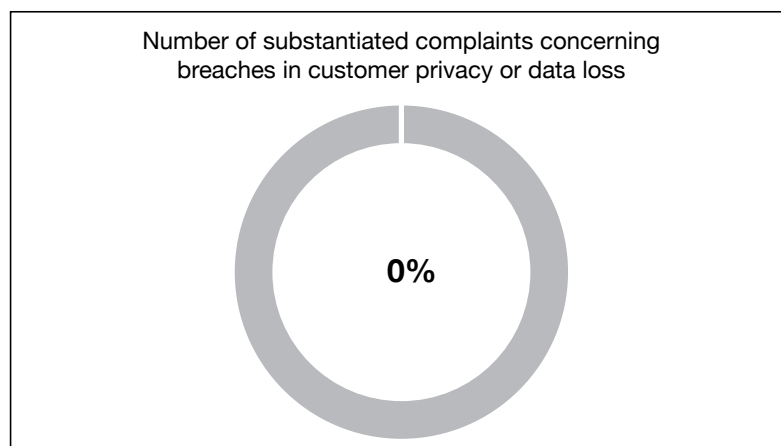
The surge of remote work, e-commerce, and automation has ignited a digital revolution, accelerating our reliance on technology and infrastructure. While this unlocks new possibilities, it also exposes data to heightened cybersecurity risks. We recognise our responsibility to safeguard our customers and their sensitive information. We actively manage the evolving threat landscape, implementing robust measures to prevent leaks, threats, and data loss.

The Group continues to strengthen its cybersecurity measures through strict adherence to our Personal Data Protection Policy. Our policy is developed in accordance with the Personal Data Protection Act ("PDPA") 2010. We maintain a robust cybersecurity framework that is embedded within our operations and processes, adhering to all regulatory requirements.

We conduct regular reviews to ensure that our data privacy and security controls and processes are operating effectively. We take reasonable measures to ensure we collect data by lawful means, and that we are transparent about how data is gathered, used, and secured. We have also obtained the necessary consent when handling our customers' data, which is stored on our system and only authorised personnel are granted access. User access and activities are regularly reviewed to prevent unauthorised access or misuse of authority. Additionally, our data retention and destruction policy guide us in keeping data for as long as necessary and securely disposing of it when it is no longer needed.

Furthermore, we continue to educate our employees on data protection and privacy. They are required to complete a comprehensive training program that covers their responsibility to safeguard data.

Watta has successfully protected customer privacy and data throughout our operations, with zero substantiated complaints concerning breaches in customer privacy or data loss reported as of 31 December 2024.



SUSTAINABILITY STATEMENT (CONT'D)

C GOVERNANCE (CONT'D)

Why It Matters (cont'd)

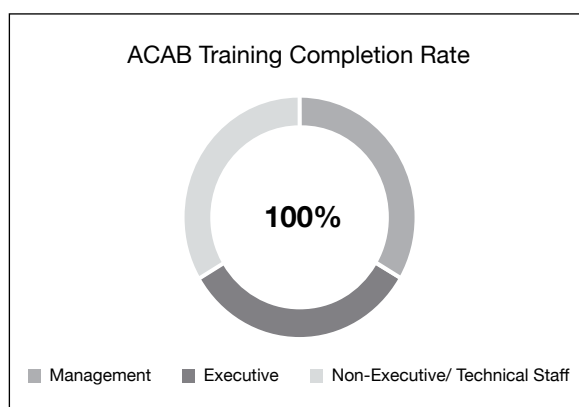
(b) ETHICS AND ANTI CORRUPTION - Related UNSDGs 16

Watta enforces a zero-tolerance approach to corruption, bribery, and unethical business practices. We have implemented the Anti-Corruption & Anti-Bribery Policy (ACAB) across our operations, covering employees, suppliers, and partners. To strengthen ethical business conduct, all employees undergo annual anti-corruption training, achieving a 100% completion rate in FY2024. We maintain a Whistleblowing Policy, ensuring stakeholders have a secure and anonymous platform to report unethical behaviour, malpractices, illegal acts and/or failure to comply with applicable laws, internal policies, rules and regulations through email, telephone, etc. Watta has made our ACAB Policy and Whistleblowing Policy available on our corporate website and company intranet to ensure they are accessible to all stakeholders. The regular risk assessments are conducted to identify and mitigate potential fraud and corruption risks.

Our Performance

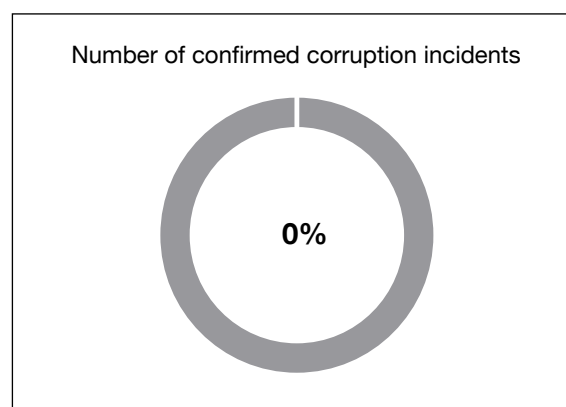
Corruption Related Training

All employees have completed the necessary annual training in 2024. Additionally, employees are required to complete an integrity pledge to indicate compliance.



Corruption Related Incidents

As of 31 December 2024, we recorded zero incidents of corruption across our business operations.



(c) ECONOMIC PERFORMANCE - Related UNSDGs 8

A strong financial performance fuels our commitment to creating long-term value, not just for shareholders, but for all our stakeholders. This includes creating decent employment opportunities that empower local communities and drive economic development. The primary focus for 2024 is to integrate and rationalise the operations of the enlarged Group to realise the potential synergies foreseen.

Watta thrives on various approaches to secure and sustain economic success, which include market savvy, financial strength, technological leap, risk management, and global expansion. This comprehensive approach leads to long-term economic success, benefiting not only our Group but also our stakeholders and the communities we serve.

This year the Group's revenue was RM6,476,900. As the table below demonstrates, Watta remains a consistent source of value for our stakeholders.

	FYE 2022	FYE 2023	FYE 2024
Economic value generated (i.e., revenue and other income)	11,162,204	8,609,482	6,476,900
Economic value distributed:			
Operating costs	2,000,608	1,738,883	1,802,972
Employee wages and benefits	4,580,299	4,231,279	3,443,634
Payment to providers of capital (i.e., dividend and financing costs)	20,515	13,134	12,854
Payment to government (i.e., tax)	230,419	235,228	271,595
Community investment	1,000	1,000	1,000

SUSTAINABILITY STATEMENT (CONT'D)

C GOVERNANCE (CONT'D)

Why It Matters (cont'd)

(d) SUSTAINABILITY PRACTICE (SP)

The Board believes that introducing SP considerations in its business decisions is an essential foundation to achieve long-term business success besides creating value for all its stakeholders, as well as a strategic approach to support and empower communities, encourage social inclusivity and improve the environment. The balancing of SP with the interest of stakeholders is essential to enhancing investor perception and public trust that works towards value enhancement for stakeholders in the long run. WATTA also believes that as a responsible corporate citizen, one would have an obligation in making the earth a better place to live in through responsible investing, besides weighing on an appropriate risk-return profile for its investments.

With this, WATTA incorporated its principles of sustainability in its SP. WATTA's commitment towards environmental, social and corporate governance issues is strong and hands-on and is also an important step towards a more sustainable society in the long run. The SP takes serious account of the impact of its operations on the local community and seeks to ensure that potentially harmful occupational health and safety, environmental and social effects are properly assessed, addressed and monitored. The SP focuses on compliance, the standing and integrity of WATTA's investee companies, their shareholders, the Board and also their employees. In this dynamic business world, these SP will be reviewed from time to time to ensure their relevance. WATTA's objective is to ensure all business conducts adhere to SP which serves as an ethical foundation to achieve long-term business success for WATTA.

(e) RISK MANAGEMENT

An integral part of good corporate governance, a comprehensive Risk Management framework enables WATTA to proactively identify, communicate and manage risks and exposures in an integrated, systematic and consistent manner. In driving risk awareness, decision-making and business processes are put through prudent risk assessment. Fraud and corruption risk has been identified as material to ensure sustainability.

(f) CORPORATE GOVERNANCE

To achieve SDG 16 of promoting peaceful and inclusive societies for sustainable development, providing access to justice for all and building effective, accountable and inclusive institutions at all levels, WATTA has established the Code and Policies, to serve as guidance to the Group's employees and stakeholders.

The Company has also established a Whistle-Blowing Policy to provide an avenue for all stakeholders to report any unethical behaviour, malpractices, illegal acts and/or failure to comply with applicable laws, internal policies, rules and regulations. All the Code and Policies are published on our Company's website.

We are pleased to highlight that no employees have been disciplined or dismissed, nor have any public cases been brought against WATTA and its employees due to non-compliance with the laws and regulations. Hence, there were no relevant fines, penalties, or settlements imposed or made during FY2024.

LOOKING AHEAD

The Group will keep working to manage the ESG risks and opportunities that are pertinent to its operations after taking sustainability issues into account, with a particular emphasis on Material Sustainability Matters. Along with the Group's established risk management process, which focuses on strategic, operational, and financial risks, in order to improve the Group's long-term value creation, ongoing assessment and consideration will also be made to identify and evaluate any emerging ESG risks or opportunities.

The Group is dedicated to expanding its sustainability initiatives as part of its corporate duty to stakeholders, and it will keep adjusting to shifts in business models, organizational structures, and tactics in order to stay resilient.

ASSURANCE

This Sustainability Statement has not been subjected to any internal review by the Group's outsourced internal auditors or independent assurance performed in accordance with recognised assurance standards.

This Statement has been approved by the Board and is current as of 11th April 2025.

SUSTAINABILITY STATEMENT (CONT'D)

THIS WATTA'S ESG PERFORMANCE DATA TABLE WAS GENERATED FROM BURSA MALAYSIA'S ESG REPORTING PLATFORM. IT IS INCLUDED IN THIS SUSTAINABILITY STATEMENT AS MANDATED BY BURSA MALAYSIA'S ENHANCED SUSTAINABILITY REPORTING REQUIREMENTS.

Indicator	Measurement Unit	2023	2024
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	100.00	100.00
Executive	Percentage	100.00	100.00
Non-executive/Technical Staff	Percentage	100.00	100.00
General Workers	Percentage	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0
Bursa (Community/Society)			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,000.00	1,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	50	50
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Management Under 30	Percentage	0.00	0.00
Management Between 30-50	Percentage	0.00	0.00
Management Above 50	Percentage	9.38	14.28
Executive Under 30	Percentage	0.00	0.00
Executive Between 30-50	Percentage	17.19	21.43
Executive Above 50	Percentage	6.25	4.76
Non-executive/Technical Staff Under 30	Percentage	28.13	30.95
Non-executive/Technical Staff Between 30-50	Percentage	15.63	28.58
Non-executive/Technical Staff Above 50	Percentage	1.56	0.00
General Workers Under 30	Percentage	12.50	0.00
General Workers Between 30-50	Percentage	9.37	0.00
General Workers Above 50	Percentage	0.00	0.00
Gender Group by Employee Category			
Management Male	Percentage	7.81	11.90
Management Female	Percentage	1.56	2.38
Executive Male	Percentage	6.25	9.52
Executive Female	Percentage	17.19	16.67
Non-executive/Technical Staff Male	Percentage	14.06	19.05
Non-executive/Technical Staff Female	Percentage	31.25	40.48
General Workers Male	Percentage	12.50	0.00
General Workers Female	Percentage	9.38	0.00
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	100.00	83.00
Female	Percentage	0.00	17.00
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	0.00	0.00
Above 50	Percentage	100.00	100.00

SUSTAINABILITY STATEMENT (CONT'D)

THIS WATTA'S ESG PERFORMANCE DATA TABLE WAS GENERATED FROM BURSA MALAYSIA'S ESG REPORTING PLATFORM. IT IS INCLUDED IN THIS SUSTAINABILITY STATEMENT AS MANDATED BY BURSA MALAYSIA'S ENHANCED SUSTAINABILITY REPORTING REQUIREMENTS. (CONT'D)

Indicator	Measurement Unit	2023	2024
Bursa (Health and safety)			
Bursa C5(a) Number of workrelated fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	64	42
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	4	15
Executive	Hours	4	32
Non-executive/Technical Staff	Hours	4	181
General Workers	Hours	4	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	4.68	0.00
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	0	0
Executive	Number	5	5
Non-executive/Technical Staff	Number	20	17
General Workers	Number	8	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	98.00	99.79
Bursa (Data privacy and security)			
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	0.00	0.00
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	0.000000	0.000000
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	-	0.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	0.00
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	-	0.00
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	-	0.00
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	0.00
Internal assurance	External assurance	No assurance	(*)Restated

SUSTAINABILITY STATEMENT (CONT'D)

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

GRI content index		
Statement of use	Watta Holding Berhad has reported the information cited in this GRI content index for the period [reporting period start and end dates] with reference to the GRI Standards.	
GRI 1 used	GRI 1: Foundation 2021	
Legend:		
I. Sustainability reporting ("SR")		
II. Corporate Governance ("CG")		
III. Financial Reporting ("FR")		
GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organisational details	SR
	2-2 Entities included in the organisation's sustainability reporting	SR
	2-3 Reporting period, frequency and contact point	SR
	2-4 Restatements of information	-
	2-5 External assurance	-
	2-6 Activities, value chain and other business relationships	SR
	2-7 Employees	SR
	2-8 Workers who are not employees	-
	2-9 Governance structure and composition	SR
	2-10 Nomination and selection of the highest governance body	CG
	2-11 Chair of the highest governance body	CG
	2-12 Role of the highest governance body in overseeing the management of impacts	CG
	2-13 Delegation of responsibility for managing impacts	CG
	2-14 Role of the highest governance body in sustainability reporting	SR
	2-15 Conflicts of interest	CG
	2-16 Communication of critical concerns	CG
	2-17 Collective knowledge of the highest governance body	CG
	2-18 Evaluation of the performance of the highest governance body	CG
	2-19 Remuneration policies	CG
	2-20 Process to determine remuneration	CG
	2-21 Annual total compensation ratio	CG
	2-22 Statement on sustainable development strategy	SR
	2-23 Policy commitments	CG
	2-24 Embedding policy commitments	CG
	2-25 Processes to remediate negative impacts	CG
	2-26 Mechanisms for seeking advice and raising concerns	FR
	2-27 Compliance with laws and regulations	CG
	2-28 Membership associations	SR
	2-29 Approach to stakeholder engagement	SR
	2-30 Collective bargaining agreements	-
GRI 3: Material Topics 2021	3-1 Process to determine material topics	SR
	3-2 List of material topics	SR
	3-3 Management of material topics	SR

SUSTAINABILITY STATEMENT (CONT'D)

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX (CONT'D)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 101: Biodiversity 2024	101-1 Policies to halt and reverse biodiversity loss	(In progress not for current reporting)
	101-2 Management of biodiversity impacts	
	101-3 Access and benefit-sharing	
	101-4 Identification of biodiversity impacts	
	101-5 Locations with biodiversity impacts	
	101-6 Direct drivers of biodiversity loss	
	101-7 Changes to the state of biodiversitys	
	101-8 Ecosystem services	
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	(In progress not for current reporting)
	304-2 Significant impacts of activities, products and services on biodiversity	
	304-3 Habitats protected or restored	
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	SR
	201-2 Financial implications and other risks and opportunities due to climate change	CG
	201-3 Defined benefit plan obligations and other retirement plans	-
	201-4 Financial assistance received from government	-
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	-
	202-2 Proportion of senior management hired from the local community	CG
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	CG
	203-2 Significant indirect economic impacts	-
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	SR
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	SR
	205-2 Communication and training about anti-corruption policies and procedures	SR
	205-3 Confirmed incidents of corruption and actions taken	SR
GRI 206: Anti-competitive Behaviour 2016	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	SR
GRI 207: Tax 2019	207-1 Approach to tax	FR
	207-2 Tax governance, control, and risk management	FR, SR, CG
	207-3 Stakeholder engagement and management of concerns related to tax	FR, SR
	207-4 Country-by-country reporting	-
GRI 301: Materials 2016	301-1 Materials used by weight or volume	SR
	301-2 Recycled input materials used	SR
	301-3 Reclaimed products and their packaging materials	SR
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	SR
	302-2 Energy consumption outside of the organisation	SR
	302-3 Energy intensity	SR
	302-4 Reduction of energy consumption	SR
	302-5 Reductions in energy requirements of products and services	SR

SUSTAINABILITY STATEMENT (CONT'D)

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX (CONT'D)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	SR
	303-2 Management of water discharge-related impacts	SR
	303-3 Water withdrawal	SR
	303-4 Water discharge	SR
	303-5 Water consumption	SR
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	SR
	305-2 Energy indirect (Scope 2) GHG emissions	SR
	305-3 Other indirect (Scope 3) GHG emissions	SR
	305-4 GHG emissions intensity	SR
	305-5 Reduction of GHG emissions	SR
	305-6 Emissions of ozone-depleting substances (ODS)	-
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	-
GRI 306: Effluents and Waste 2016	306-3 Significant spills	-
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	-
	306-2 Management of significant waste-related impacts	-
	306-3 Waste generated	SR
	306-4 Waste diverted from disposal	SR
	306-5 Waste directed to disposal	SR
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	SR
	308-2 Negative environmental impacts in the supply chain and actions taken	SR
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	SR
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR
	401-3 Parental leave	-
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	SR
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	SR
	403-2 Hazard identification, risk assessment, and incident investigation	SR
	403-3 Occupational health services	SR
	403-4 Worker participation, consultation, and communication on occupational health and safety	SR
	403-5 Worker training on occupational health and safety	SR
	403-6 Promotion of worker health	SR
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR
	403-8 Workers covered by an occupational health and safety management system	SR
	403-9 Work-related injuries	SR
	403-10 Work-related ill health	SR

SUSTAINABILITY STATEMENT (CONT'D)

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX (CONT'D)

GRI STANDARD	DISCLOSURE	LOCATION
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	SR
	404-2 Programs for upgrading employee skills and transition assistance programs	SR
	404-3 Percentage of employees receiving regular performance and career development reviews	SR
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	SR
	404-2 Programs for upgrading employee skills and transition assistance programs	SR
	404-3 Percentage of employees receiving regular performance and career development reviews	SR
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	SR
	405-2 Ratio of basic salary and remuneration of women to men	CG
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	CG
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	-
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	-
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	-
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	-
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	SR
	413-2 Operations with significant actual and potential negative impacts on local communities	SR
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	SR, CG
	414-2 Negative social impacts in the supply chain and actions taken	SR, CG
GRI 415: Public Policy 2016	415-1 Political contributions	-
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	-
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	-
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	-
	417-2 Incidents of non-compliance concerning product and service information and labeling	-
	417-3 Incidents of non-compliance concerning marketing communications	-
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“Board”) of Watta Holding Berhad (“the Company” or “Watta”) recognises the importance of practicing good corporate governance and is committed to ensuring that the principles and practices of the Malaysian Code on Corporate Governance (“MCCG”) are observed and practised as a fundamental part of discharging its responsibilities to protect and enhance shareholders’ value and financial performance of the Group.

The Board is pleased to report this Statement which sets out the extent of the Group’s application with the prescribed practices of MCCG with exceptions reported herein.

The Company’s Corporate Governance Report can be downloaded from the Company’s website at www.watta.com.my.

A. BOARD LEADERSHIP AND EFFECTIVENESS

Board Composition and Board Balance

The Board is primarily entrusted with the overall responsibility over the strategic direction of Watta and its subsidiaries (“Watta Group” or “the Group”) and overseeing the business development, financial performance as well as corporate governance practices of the Group.

The Board has within its individuals drawn from varied professions and specialisations. The Board is headed by the Independent Non-Executive Chairman and the existing composition of the Board is as follows:-

- Four (4) Executive Directors (including the Group Executive Deputy Chairman and Chief Executive Officer (“CEO”));
- Three (3) Independent Non-Executive Directors; and
- Two (2) Non-Independent Non-Executive Directors.

The composition of the Board complies with Paragraph 15.02(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) (“MMLR”). The Board is of the opinion that the interests of shareholders of the Company are fairly represented through the current composition of the Board and its size constitutes an effective Board to the Company. The wide spectrum of knowledge, skills and experience of the Board members give added strength to the leadership which is necessary for the effective stewardship of the Group.

The three (3) Independent Non-Executive Directors of the Company provide the Board with a good mix of industry-specific knowledge plus broad business and commercial experience. They provide guidance, unbiased, fully balanced and independent views, advice and judgement to many aspects of the Group’s strategy so as to safeguard the interests of minority shareholders and to ensure that the highest standards of conduct and integrity were maintained by the Group.

The Board continues with the view that although with the representatives of major shareholders on the Board, its existing three (3) Independent Non-Executive Directors, with their extensive knowledge and experience would be able to represent the investment of the public and the minority shareholders.

The positions of Chairman and CEO are separated. Dato’ Sivananthan A/L Shanmugam, the Chairman, is supported by the Group Executive Deputy Chairman, and is primarily responsible for the orderly conduct and effectiveness of the Board.

The combined function of the Group Executive Deputy Chairman and CEO is perceived as appropriate and of benefit to the Group for the CEO’s extensive knowledge, skills, experience and familiarity with the Group’s business, industry, products, policies and administration matters. Dato’ Lee Foo San is supported by the Executive Directors who are responsible for the day-to-day running of the business operations of the Group, implementation of the Group’s business strategies, plans and policies as endorsed by the Board.

Though the Board does not have half of its members being independent directors as recommended by the MCCG, the Board is of the view that the presence of three (3) Independent Non-Executive Directors is sufficient to provide the necessary checks and balances on the decision making process of the Board. The Independent Non-Executive Directors provide independent and objective judgement as well as impartial opinion on Board deliberations and decision making and significant contributions of the Independent Non-Executive Directors are evidenced on their participation as members of the committees of the Board.

Apart from the above, the Company practices a clear demarcation of responsibilities and a balance of power and authority. The Board as a whole has always imposed on itself compliance of all appropriate principles and best practices in respect of impartiality, shareholders’ and stakeholders’ interest and protection and good corporate governance.

Board Responsibilities

The Board retains full and effective control of the Group and has established amongst others, corporate objectives and position descriptions including the limits to management’s responsibilities, which the Executive Directors are aware and are responsible for meeting. The Board has an understanding of matters reserved to itself for decision, which include the overall Group strategy and direction, acquisition and divestment policy, approval for major capital expenditures, consideration of significant financial matters and review of the financial and operating performance of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Responsibilities (cont'd)

The Board has formalised a Board Charter which sets out the role, composition and responsibilities of the Board and those delegated to the Board Committees and Management of the Company and key elements of governance principles guiding the business culture and strategic initiatives of the Group. The Board reviews its charter periodically to keep abreast with latest changes in regulations and ensure it remains consistent with the Board objectives.

Whistle-Blowing Policy has been formalised for employees and public to raise genuine concerns about possible improprieties in matters of financial reporting, compliance and other malpractices. Code of Ethics and Conduct was established which stipulating the sound principles that will guide the Watta Group staff in discharging their duties. Anti-Corruption & Anti-Bribery Policy has also been established, setting out the practice of upholding high levels of personal and professional values in Watta Group's business transactions, interactions and decisions.

The Board Charter, Whistle-Blowing Policy, Code of Ethics and Conduct, and Anti-Corruption & Anti-Bribery Policy are accessible through the Company's website at www.watta.com.my.

The size and composition of the Board is balanced to reflect the interests of the shareholders in the Company. The Board acknowledges that gender diversity is one of the key attributes to an effective and balanced board. In this regard, it is committed to having female representation on the Board and the Board currently has one (1) female member.

The Board believes in equality and equal opportunity to be given to an individual whether for appointment as a director or employment within the Group, based on merit and not on gender, age or racial bias.

The Directors' Fit and Proper Policy adopted by the Company is made available at the Company's website at www.watta.com.my. The objective of this policy is to guide the Nomination Committee and the Board in their review and assessment of potential candidates for appointment as Directors as well as Directors who are seeking for re-election in the Company and/or its subsidiaries.

Board Committees

The Board Committees namely, Audit Committee, Nomination Committee, Remuneration Committee and Risk Assessment/Management Committee are entrusted with specific powers and responsibilities to assist the Board in discharging its functions within their respective Terms of Reference. The Chairman of the respective Committees report to the Board the outcomes and recommendations from the Committees' meetings and minutes of such Committee meetings will be tabled for the Board's notation. The ultimate responsibility for the final decision on all matters of Board Committees lies with the entire Board.

- **Audit Committee**
Details of the Audit Committee are set out in the Audit Committee Report of this Annual Report.
- **Nomination Committee**
Details of the Nomination Committee are set out in the Nomination Committee section of this Statement.
- **Remuneration Committee**
Details of the Remuneration Committee are set out in the Remuneration Committee section of this Statement.
- **Risk Assessment/Management Committee**
Details of the Risk Assessment/Management Committee are set out in the Statement on Risk Management and Internal Control of this Annual Report.

Reinforce Independence

The existence of the Independent Non-Executive Directors on the Board itself does not ensure absolute unbiased judgement as it can be compromised by familiarity with the other Board members. In this connection, the Board has undertaken an annual assessment of independence of the Independent Non-Executive Directors via disclosed interests and the criteria for assessing their independence was set by the Nomination Committee as approved and adopted by the Board. The current Independent Non-Executive Directors of the Company have fulfilled the criteria of "independence" as prescribed under Chapter 1 of the MMLR.

The Board is of the view that the Independent Non-Executive Directors themselves, having provided all the relevant confirmations on their independence, will be able to determine if they can continue to bring independent and objective judgement on Board deliberations and decision making.

The Board, through the Nomination Committee, will review the composition of the Board and the tenure of Directors annually or as and when required, to ensure that the Board is functioning effectively and in compliance with the regulatory requirements.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Time Commitment by Directors

Although the Board expects its members to be committed to the Company's affairs and operations, and devote sufficient time to carry out their roles and responsibilities for the Group, it does not restrict its members from being Directors of other companies. All Directors would immediately notify the Company Secretary and the Company should they accept a new directorship in another company.

Supply of information

The Board meets on a quarterly basis with additional meetings held whenever necessary. There were five (5) Board meetings held during the financial year ended 31 December 2024 and the details of attendance are set out as follows:-

Name of Directors	Attendance
Dato' Sivananthan A/L Shanmugam	5/5
Dato' Lee Foo San	5/5
Hj. Ariffin Bin Abdul Aziz	5/5
Datin Teoh Lian Tin	5/5
Loo Sooi Guan	5/5
Hj. Ahmad Bin Khalid	5/5
Datuk Hong Choon Hau	5/5
Goh Thih Liang	5/5
Wong Hong Wai	5/5

The Company Secretary was present at all Board meetings held during the financial year ended 31 December 2024.

Prior to Board meetings, the agenda together with relevant documents and information are prepared and distributed to all Directors on a timely manner to ensure that Directors have sufficient time to review and be prepared for discussion. The Group Executive Director and/or other relevant Board members will provide information and clarification on relevant issues and management's recommendations for deliberation and discussion by the Board prior to decision making. The minutes or record of proceedings of Board meetings are circulated to all Directors and are reviewed prior to confirmation at the following Board meeting.

Annual corporate timetable is prepared and circulated to the Board to provide the proposed/scheduled dates of meeting of the Board and Board Committees to enable the Board to plan ahead. The Board is reminded quarterly of the closed periods for dealings in the securities of the Company based on the targeted date of announcement of the Group's interim financial results. Apart from the above, the Board members are updated on the Company's activities and its operations on a regular basis. Management's review and analysis reports on the Group's performance will be tabled to the Board every quarter for review. All Directors whether as a full board or in their individual capacity have full and unrestricted access to all information of the Company on a timely basis in an appropriate form and quality necessary to enable them to discharge their duties and responsibilities.

The Board is supported by the Company Secretaries pertaining to corporate secretarial matters which include, among others, convening of Board, Board Committees' and general meetings, attending the Board, Board Committees' and general meetings, preparation of circular resolutions and minutes of meetings, maintenance of statutory registers and records, review of announcements, and advising the Board on compliance with the relevant laws and regulations.

All Directors have full and unrestricted access to the advice and services of the external Company Secretaries, the external auditors and the outsourced internal auditors. The Directors are also entitled to seek independent professional advice, whenever necessary, at the expense of the Group. The appointment and removal of Company Secretary are matters for the Board as a whole.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)**A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****Directors' Training**

The Directors of the Company had attended the following training sessions during the financial year ended 31 December 2024:-

Name of Directors	Date of Training	Subject
Dato' Sivananthan A/L Shanmugam	3 and 4 July 2024	Mandatory Accreditation Programme Part II: Leading for Impact
Dato' Lee Foo San	30 and 31 July 2024	Mandatory Accreditation Programme Part II: Leading for Impact
Hj. Ariffin Bin Abdul Aziz	21 and 22 August 2024	Mandatory Accreditation Programme Part II: Leading for Impact
Datin Teoh Lian Tin	30 and 31 July 2024	Mandatory Accreditation Programme Part II: Leading for Impact
Loo Sooi Guan	4 and 5 September 2024	Mandatory Accreditation Programme Part II: Leading for Impact
	24 September 2024	Building Sustainable Credibility: Assurance, Greenwashing And The Rise of Green-Hushing
Hj. Ahmad Bin Khalid	30 and 31 July 2024	Mandatory Accreditation Programme Part II: Leading for Impact
Datuk Hong Choon Hau	28 June 2024	Preparing Your Business For E-Invoicing In Malaysia: A Comprehensive Guide
Goh Thih Liang	21 and 22 August 2024	Mandatory Accreditation Programme Part II: Leading for Impact
Wong Hong Wai	30 and 31 January 2024	Mandatory Accreditation Programme
	21 and 22 August 2024	Mandatory Accreditation Programme Part II: Leading for Impact

The Company also provided internal briefings to the Directors on key corporate governance developments and changes to the listing requirements, other laws and regulations. The External Auditors also briefed the Directors on any changes to the accounting standards that may affect the Group's financial statements from time to time during the Audit Committee meetings.

The Board acknowledges the fact that continuous education is vital for the Board members to gain insight into the state of economy, manufacturing, technological advances in the core business, latest regulatory developments and management strategies.

The Board will evaluate their own training needs on a continuous basis and to determine the relevant programmes, seminars and briefings that will enhance their knowledge and enable them to discharge their duties effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Appointment to the Board

Appointment to the Board is based on the recommendations of the Nomination Committee established by the Board, the activities of which are described below.

Nomination Committee

The members of the Nomination Committee comprises:-

- | | | |
|-----|---------------------------------|--|
| (a) | Goh Thih Liang | Chairman, Independent Non-Executive Director |
| (b) | Dato' Sivananthan A/L Shanmugam | Member, Independent Non-Executive Director |
| (c) | Hj. Ahmad Bin Khalid | Member, Non-Independent Non-Executive Director |

The Nomination Committee's responsibilities include assessing the effectiveness/performance of the Board and Board Committees and the contribution/performance of each individual Director, the size and composition of the Board and reviewing the mix of skills and experience and other qualities required for the Directors. The Committee assesses and recommends new nominees for appointment to the Board taking into consideration the criteria as set out in the Directors' Fit and Proper Policy and review the nomination of Senior Management when the need arises.

The Company's Constitution provides that at every annual general meeting, at least one-third (1/3) of the directors are subject to retirement by rotation at least once in every three (3) years, and shall be eligible for re-election. Any directors appointed during the year shall hold office until the next following annual general meeting and shall be eligible for re-election. The Committee will assess and recommend to the Board the re-election of Directors retiring in accordance with the Company's Constitution, taking into consideration the criteria as set out in the Directors' Fit and Proper Policy.

The Nomination Committee met once during the financial year with full attendance by its members. During the financial year ended 31 December 2024, the Nomination Committee carried out amongst others, the following activities in discharging its duties and responsibilities as set out in its terms of reference, a copy of which is available at www.watta.com.my:-

- Reviewed and assessed the Board structure, size and composition and diversity;
- Reviewed and assessed the effectiveness and performance of the Board and Board Committees, the performance and contributions of individual Directors, and the term of office and performance of the Audit Committee;
- Reviewed and assessed the Board's and individual Director's required mix of skills, experience and other qualities;
- Determined and reviewed the Directors standing for re-election at the annual general meeting ("AGM") of the Company and recommended them to the Board for consideration;
- Reviewed the tenure of each Director and conducted annual assessment on the independence of the Independent Non-Executive Directors; and
- Reviewed and noted the training programme(s) attended by the Directors.

The evaluation involves individual Directors and Committee members completing separate performance evaluation sheet regarding the process of the Board and its Committees, their effectiveness and contribution of each individual Director. These assessments and comments by Directors were tabled and discussed at the Nomination Committee meeting which was then reported to the Board at the Board meeting held thereafter.

The Nomination Committee was satisfied with the experience, performance, contributions and skill mix of the Directors to enable the Board and the Board Committees to discharge their respective duties and responsibilities effectively.

The Nomination Committee may use independent sources in identifying suitable candidates, as and when the need arises.

The Board also acknowledges the importance of boardroom diversity in terms of gender, age, nationality as well as ethnicity and recognises the benefits of this diversity. The Board is of the view that while promoting boardroom diversity is essential, the normal selection criteria based on effective blend of competencies, skills, extensive experience, integrity and knowledge to strengthen the Board, taking into account the criteria as set out in the Directors' Fit and Proper Policy should remain a priority.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Directors' Remuneration

The objective of the Group is to ensure that the Group attracts and retains Directors of the calibre needed to run the Group successfully. The Executive Directors are to be appropriately rewarded giving due regard to the corporate and individual performance. In the case of Non-Executive Directors, the level of remuneration reflects the experience and level of responsibilities undertaken by the Non-Executive Directors concerned.

The remuneration of the Executive Directors is performance related which are if not higher are compatible to the market rate in order to attract, motivate and retain them to run the Company. The Company also reimburses reasonable expenses incurred by Directors where required, in the course of carrying out their duties as Directors. The determination of remuneration packages of Non-Executive Directors should be a matter of the Board as a whole.

Remuneration Committee

The Remuneration Committee comprises the following members namely:-

- | | |
|-------------------------------------|--|
| (a) Dato' Sivananthan A/L Shanmugam | Chairman, Independent Non-Executive Director |
| (b) Goh Thih Liang | Member, Independent Non-Executive Director |
| (c) Wong Hong Wai | Member, Independent Non-Executive Director |

The Remuneration Committee is authorised by the Board to establish a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors, as well as Senior Management where necessary. The Chairman of the Committee may request for a meeting as and when deemed necessary. The remuneration of Directors shall be the ultimate responsibility of the full Board after considering the recommendations of the Remuneration Committee.

The terms of reference of the Remuneration Committee and Remuneration Policy are available at the Company's website at www.watta.com.my.

The Remuneration Committee's responsibility include review and recommend to the Board the framework of executive remuneration and its cost and the remuneration package for each Executive Director, taking into account the performance of the individual, the inflation price index and information from independent sources on the rates of salary for similar jobs in a selected group of comparable companies and benefits-in-kind for the Executive Directors, review and recommend the bonus scheme for the Executive Directors depending on various performance measurements of the Group.

The Remuneration Committee met once during the financial year ended 31 December 2024 to inter-alia review and consider the remuneration packages of the Executive Directors and proposed Directors' fees and benefits.

Directors will abstain from discussion and voting on decisions in respect of their own remuneration. The Directors' fees and benefits are to be approved by shareholders at the AGM based on recommendations of the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Remuneration Committee (cont'd)

Details of Directors' remuneration for the financial year ended 31 December 2024 are as set out below:-

Company

Name	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments
Executive Directors						
1 Dato' Lee Foo San	18,000	-	-	-	-	-
2 Datin Teoh Lian Tin	18,000	-	-	-	-	-
3 Hj. Ariffin Bin Abdul Aziz	18,000	-	-	-	-	-
4 Loo Sooi Guan	18,000	-	-	-	-	-
Non-Executive Directors						
5 Hj. Ahmad Bin Khalid	18,000	-	-	-	-	-
6 Datuk Hong Choon Hau	18,000	-	-	-	-	-
7 Dato' Sivananthan A/L Shanmugam	18,000	20,000	-	-	-	-
8 Goh Thih Liang	18,000	2,000	-	-	-	-
9 Wong Hong Wai	18,000	2,000	-	-	-	-

Group

Name	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments
Executive Directors						
1 Dato' Lee Foo San	42,000	-	252,000	-	30,613	30,240
2 Datin Teoh Lian Tin	42,000	-	189,000	-	-	22,752
3 Hj. Ariffin Bin Abdul Aziz	42,000	-	226,800	-	5,300	9,072
4 Loo Sooi Guan	42,000	-	276,000	-	5,300	33,120
Non-Executive Directors						
5 Hj. Ahmad Bin Khalid	18,000	-	-	-	-	-
6 Datuk Hong Choon Hau	18,000	-	-	-	-	-
7 Dato' Sivananthan A/L Shanmugam	18,000	20,000	-	-	-	-
8 Goh Thih Liang	18,000	2,000	-	-	-	-
9 Wong Hong Wai	18,000	2,000	-	-	-	-

Details of the remuneration of the Senior Management (including salary, allowance, bonus, benefits-in-kind and other emoluments) in each successive band of RM50,000 during the financial year ended 31 December 2024, are as follows:-

Name	Salary	Allowance	Bonus	Benefits-in-kind	Other emoluments
1 Loo Kwong Yong	150,001 - 200,000	0 - 50,000	-	-	0 - 50,000
2 Chan Soh Hwa	150,001 - 200,000	0 - 50,000	-	-	0 - 50,000

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

B. EFFECTIVE AUDIT AND RISK MANAGEMENT

Financial reporting

The Directors are responsible to present a true and fair assessment of the Group's position and prospects in the annual audited financial statements and quarterly reports. The quarterly financial results were reviewed by the Audit Committee and approved by the Board prior to the submission to Bursa Securities.

In addition, the Board is responsible to ensure that the financial statements are properly drawn up in accordance with the provisions of the Companies Act 2016 and approved accounting standards in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of the financial year ended 31 December 2024 and of their financial performance and cash flows for the financial year then ended.

Risk Management and Internal Control

The Board affirms its overall responsibility for maintaining the Company's system of internal controls and risk management and for reviewing the adequacy and integrity of the Group's internal control systems. The Board has established a framework to formulate and review risk management policies and risk strategies.

The Group's Risk Management and Internal Control Statement is set out in the Statement on Risk Management and Internal Control of this Annual Report.

Relationship with Auditors

The Board has established a formal and transparent arrangement for maintaining appropriate relationships with the auditors, both external and internal in seeking professional advice and ensuring compliance with appropriate accounting standards, where applicable. The Audit Committee met with the internal and external auditors to discuss and review the audit plan, audit findings and other relevant reports.

The Audit Committee reviews and monitors the suitability, objectivity and independence of the external auditors on an annual basis. In addition, the Audit Committee has received confirmation from the external auditors that they are and have been independent throughout the conduct of the audit engagement.

C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Engagement between Company and Stakeholders

In recognising the importance of timely dissemination of information to shareholders and other stakeholders, the Board is committed to ensuring that the shareholders and other stakeholders are well informed of major developments of the Company and the information is communicated to them through the following channels:-

- (a) the Annual Report;
- (b) the various disclosures and announcements made to Bursa Securities including the quarterly results and annual results.

Information relating to the Group can be viewed at the Company's website at www.watta.com.my.

The AGM is the principal platform for engagement with shareholders and stakeholders. The Chairman, Group Executive Deputy Chairman, Board Committees' Chairman and other Board members as well as the external auditors of the Company are present to respond to all questions raised at the meeting. The outcome of all resolutions proposed at general meetings will be announced to Bursa Securities at the end of the meeting day.

Apart from general meetings, currently there is no other formal programme or schedule of meetings with investors, shareholders, stakeholders and the public generally. However, the management has the option of calling for meetings with investors/analysts if it deems necessary. Thus far, the management is of the opinion that the existing arrangement has been satisfactory.

The Board had previously identified the Senior Independent Non-Executive Director to whom concerns may be conveyed by shareholders and the general public. In the absence of and/or until the Board has identified a new Senior Independent Non-Executive Director, shareholders and the general public may convey any of their concerns via email to ac@watta.com.my or to the Company through its website at www.watta.com.my, which the concerns will be escalated to the Independent Non-Executive Directors accordingly.

In line with the requirements of the MMLR, the Company shall be conducting poll voting for all resolutions set out in the notice of general meetings. In addition, the Company will appoint an independent scrutineer to validate the votes at the general meetings.

COMPLIANCE STATEMENT

The Board believes that it has substantially complied with the principles and practices of the MCCG and will continue to enhance compliance.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS

There were no proceeds raised from any corporate proposals during the financial year ended 31 December 2024.

2. MATERIAL CONTRACTS

There were no material contracts subsisting at the end of the financial year or entered into since the end of the previous financial year by the Company or its subsidiaries, which involved the interest of the Directors, and major shareholders other than contracts entered into in the normal course of business.

3. AUDIT AND NON-AUDIT FEES

During the financial year ended 31 December 2024, the amount of audit fees and non-audit fees incurred by the Company and on a Group basis for services rendered by the External Auditors, UHY Malaysia PLT or a firm or corporation affiliated to UHY Malaysia PLT are as follows:-

	Company (RM)	Group (RM)
Audit services	28,000	85,500
Non-audit services	5,000	5,000

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("RRPT")

The breakdown of the aggregate value of the RRPT conducted pursuant to the shareholders' mandate obtained at the Twenty Ninth Annual General Meeting held on 12 June 2024 is as follows:-

Nature of Transaction	Companies in the Watta Group involved in the RRPT	Related Parties	Relationship of the Related Parties with Watta Group	Actual value transacted from 12 June 2024 up to 2 April 2025 (RM)
Purchases of airline tickets, tour arrangements and accommodation bookings	<ul style="list-style-type: none"> • Watta Battery Industries Sdn Bhd ("Watta Battery") • Watta Energy (M) Sdn Bhd ("Watta Energy") • Syarikat Perniagaan Leko Sdn Bhd ("Leko") 	Z'tronic Holidays Sdn Bhd ("Z'tronic")	<ul style="list-style-type: none"> • Dato' Lee Foo San, the Group Executive Deputy Chairman and a Major Shareholder of Watta, is a Director and substantial shareholder of Z'tronic. • Datin Teoh Lian Tin, the Executive Director of Watta, is the spouse of Dato' Lee Foo San. • Lee Fook Sin, the brother of Dato' Lee Foo San, is a shareholder of Watta and a Non-Executive Director of both Leko and Watta Battery. • Lee Foo Hock, the brother of Dato' Lee Foo San, is a Director of Leko, Watta Battery, Watta Energy and is a Director and shareholder of Z'tronic. • Hj. Ahmad Bin Khalid, a Director of Watta, is the Director of Zitron and Watta Energy and also a Director and substantial shareholder of Z'tronic. • Lee Li Yen is an Alternate Director to Dato' Lee Foo San in Z'tronic. She is the sister of Dato' Lee Foo San. 	NIL

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

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

Nature of Transaction	Companies in the Watta Group involved in the RRPT	Related Parties	Relationship of the Related Parties with Watta Group	Actual value transacted from 12 June 2024 up to 2 April 2025 (RM)
Lease of office premises	Watta Holding Berhad ("Watta")	Zitron Enterprise (M) Sdn Bhd ("Zitron")	<ul style="list-style-type: none"> • Dato' Lee Foo San, the Group Executive Deputy Chairman and a Major Shareholder of Watta, is a Director and substantial shareholder of Zitron. • Datin Teoh Lian Tin, the Executive Director of Watta, is a Director and substantial shareholder of Zitron. She is the spouse of Dato' Lee Foo San. • Lee Fook Sin, the brother of Dato' Lee Foo San, is a shareholder of Watta and a Non-Executive Director of both Leko and Watta Battery. • Lee Foo Hock, the brother of Dato' Lee Foo San, is a Director of Leko, Watta Battery and Watta Energy. • Hj. Ahmad Bin Khalid, a Director of Watta, is a Director of Zitron and Watta Energy. 	352,819
Service maintenance fee and repair of phone	Mobile Technic Sdn Bhd ("Mobile Technic")	Zitron	<ul style="list-style-type: none"> • Dato' Lee Foo San, the Group Executive Deputy Chairman and a Major Shareholder of Watta, is a Director and substantial shareholder of Zitron. • Datin Teoh Lian Tin, the Executive Director of Watta, is a Director and substantial shareholder of Zitron. She is the spouse of Dato' Lee Foo San. • Lee Fook Sin, the brother of Dato' Lee Foo San, is a shareholder of Watta and a Non-Executive Director of both Leko and Watta Battery. • Lee Foo Hock, the brother of Dato' Lee Foo San, is a Director of Leko, Watta Battery and Watta Energy. • Hj. Ahmad Bin Khalid, a Director of Watta, is a Director of Zitron and Watta Energy. 	NIL
Purchase of phone parts	Mobile Technic	Hello Service Centre (M) Sdn Bhd ("Hello Service Centre")	<ul style="list-style-type: none"> • Dato' Lee Foo San, the Group Executive Deputy Chairman and a Major Shareholder of Watta, is a substantial shareholder of Hello Service Centre. • Datin Teoh Lian Tin, the Executive Director of Watta, is a Director and substantial shareholder of Hello Service Centre. She is the spouse of Dato' Lee Foo San. • Lee Foo Hock, the brother of Dato' Lee Foo San, is a Director of Hello Service Centre. 	NIL

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

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

Nature of Transaction	Companies in the Watta Group involved in the RRPT	Related Parties	Relationship of the Related Parties with Watta Group	Actual value transacted from 12 June 2024 up to 2 April 2025 (RM)
Service maintenance fee and repair of phone	SEMS Services Sdn Bhd ("SEMS")	Midland Network Sdn Bhd ("Midland Network")	<ul style="list-style-type: none"> Dato' Lee Foo San, the Group Executive Deputy Chairman and a Major Shareholder of Watta, is a Director and substantial shareholder of Midland Network. Datin Teoh Lian Tin, the Executive Director of Watta, is the spouse of Dato' Lee Foo San. She is also a Director and substantial shareholder of Midland Network. Lee Foo Hock, the brother of Dato' Lee Foo San, is a Director and shareholder of Midland Network. Hj. Ahmad Bin Khalid, a Director of Watta, is a Director and shareholder of Midland Network. 	NIL
Sale and purchase of cellular telephones and related cellular telephone accessories	Watta Energy	Zitron	<ul style="list-style-type: none"> Dato' Lee Foo San, the Group Executive Deputy Chairman and a Major Shareholder of Watta, is a Director and substantial shareholder of Zitron. Datin Teoh Lian Tin, the Executive Director of Watta, is a Director and substantial shareholder of Zitron. She is the spouse of Dato' Lee Foo San. Lee Fook Sin, the brother of Dato' Lee Foo San, is a shareholder of Watta and a Non-Executive Director of both Leko and Watta Battery. Lee Foo Hock, the brother of Dato' Lee Foo San, is a Director of Leko, Watta Battery and Watta Energy. Hj. Ahmad Bin Khalid, a Director of Watta, is a Director of Zitron and Watta Energy. 	NIL
Sale and purchase of cellular telephones and related cellular telephone accessories	Watta Energy	The Hello Station (M) Sdn Bhd ("Hello Station")	<ul style="list-style-type: none"> Dato' Lee Foo San, the Group Executive Deputy Chairman and a Major Shareholder of Watta, is deemed a substantial shareholder of Hello Station by virtue of his substantial interest in Zitron. Datin Teoh Lian Tin, the Executive Director of Watta, is a Director of Hello Station and is deemed a substantial shareholder of Hello Station by virtue of her substantial interest in Zitron. She is also the spouse of Dato' Lee Foo San. Lee Foo Hock, the brother of Dato' Lee Foo San, is a Director of Hello Station. 	NIL

ADDITIONAL COMPLIANCE INFORMATION (CONT'D)

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

Nature of Transaction	Companies in the Watta Group involved in the RRPT	Related Parties	Relationship of the Related Parties with Watta Group	Actual value transacted from 12 June 2024 up to 2 April 2025 (RM)
Sale and purchase of cellular telephones, telecommunication and audio visual equipment and all kind of gadgets and internet of things ("IOT") peripherals	SEMS	Midland Network	<ul style="list-style-type: none"> • Dato' Lee Foo San, the Group Executive Deputy Chairman and a Major Shareholder of Watta, is a Director and substantial shareholder of Midland Network. • Datin Teoh Lian Tin, the Executive Director of Watta, is the spouse of Dato' Lee Foo San. She is also a Director and substantial shareholder of Midland Network. • Lee Foo Hock, the brother of Dato' Lee Foo San, is a Director and shareholder of Midland Network. • Hj. Ahmad Bin Khalid, a Director of Watta, is a Director and shareholder of Midland Network. 	NIL
Sale and purchase of cellular telephones, telecommunication and audio visual equipment and all kind of gadgets and IOT peripherals	SEMS	Zitron	<ul style="list-style-type: none"> • Dato' Lee Foo San, the Group Executive Deputy Chairman and a Major Shareholder of Watta, is a Director and substantial shareholder of Zitron. • Datin Teoh Lian Tin, the Executive Director of Watta, is a Director and substantial shareholder of Zitron. She is the spouse of Dato' Lee Foo San. • Lee Fook Sin, the brother of Dato' Lee Foo San, is a shareholder of Watta and a Non-Executive Director of both Leko and Watta Battery. • Lee Foo Hock, the brother of Dato' Lee Foo San, is a Director of Leko, Watta Battery and Watta Energy. • Hj. Ahmad Bin Khalid, a Director of Watta, is a Director of Zitron and Watta Energy. 	NIL

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to Paragraph 15.26 (b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Board of Directors of Watta Holding Berhad (“Board”) is pleased to present the Statement on Risk Management and Internal Control of the Group for the financial year ended 31 December 2024 which has been prepared in accordance with the “*Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers*”.

RESPONSIBILITY FOR RISK AND INTERNAL CONTROL

The Board recognises the importance of a sound internal control system and effective risk management practices to safeguard shareholders’ investments and the Group’s assets. The Board also affirms its overall responsibility for the Group’s system of internal control and risk management, and for reviewing the adequacy and integrity of the Group’s internal control system.

In view of the limitations inherent in any internal control system, it is recognised that such system is designed to manage rather than eliminate risk. Evaluation and implementation of the system can only provide reasonable assurance of the Group achieving its objectives. The system will not provide absolute assurance against any material misstatement or loss.

The Board has received assurance from the Chief Executive Officer and Group Executive Director that the Group’s risk management and internal control system is operating adequately and effectively, in all material aspects, based on the existing risk management and internal control system of the Group.

RISK MANAGEMENT FRAMEWORK

The Board regards risk management as an integral part of business operations and in fulfilling its oversight responsibilities for the Group’s system of internal control and risk management, the Board has established a framework to formulate and review risk management policies and procedures and corresponding controls to mitigate the risks.

In ensuring the on-going review process for identifying, evaluating and managing significant risks affecting the Group, internal control procedures with clear lines of accountability and delegated authority have been established through a series of standard operating practice manuals for the business units within the Group covering the Handphone Servicing Segment.

The Audit Committee and the Board had strengthened their efforts to improve and monitor the effectiveness and adequacy of internal control and risk management implementation with regular review and updates through the Risk Assessment/ Management Committee (“RAMC”).

The RAMC currently consists of three (3) members, namely:-

- | | | |
|-----|---------------------------------|---|
| (a) | Goh Thih Liang | Chairman, Independent Non-Executive Director |
| (b) | Dato’ Sivananthan A/L Shanmugam | Member, Independent Non-Executive Director |
| (c) | Dato’ Lee Foo San | Member, Group Executive Deputy Chairman and Chief Executive Officer |

The primary responsibilities and purpose of the RAMC is to assist the Board in fulfilling its responsibilities with respect to review and monitor the Group’s risk management framework and activities.

The functions of RAMC shall also include the following:-

- (i) Ensuring the process of identifying and documenting principal risks is in place and on an ongoing basis.
- (ii) Ascertaining internal competency levels to manage the identified risks.
- (iii) Ensuring the implementation of appropriate systems and procedures to manage risks and assigning of accountability.
- (iv) Reviewing the adequacy and the integrity of the Group’s internal control systems.
- (v) Taking actions to rectify control failures or weaknesses and determine disciplinary actions for non-compliance, where appropriate.

The Chairman of the RAMC may request for a meeting as and when deemed necessary to review the risk exposures and control actions and to deal with any other matters within the authority of the committee. The Chairman of the RAMC will report to the Audit Committee and Board every quarter its review of the identified key risks and/or new risks for each business units and relevant mitigating plans.

The RAMC has during the financial year reviewed the Group’s quarterly risk management reports with recommendations to improve current risk control system to further strengthen the integrity and effectiveness of the internal control mechanism within the Group.

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

OTHER KEY ELEMENTS OF INTERNAL CONTROL

Apart from risk management and internal audit, the other key elements of the Group's internal control systems are described below:-

- (i) The handphone servicing segment has set up internal control and operation procedures with clear lines of accountability through a series of standard operating practice manuals.
- (ii) The Group maintains a formal organisation structure with clearly defined delegation of responsibilities to the management executive and business segments, including limits of authority, authorisation level for all aspects of the business.
- (iii) An annual budget is submitted for Board's review and approval. The actual performance of the business segments is monitored against budget on a quarterly basis to identify and to address significant variances.
- (iv) Management accounts and reports are prepared monthly and quarterly, covering financial performance as well as key business indicators such as customers' satisfaction level, sales analysis and operating cost analysis. These performance reports are benchmarked against the pre-determined objectives.
- (v) Regular visits to business operation units by members of the Board and the Management team.
- (vi) Quarterly review of the Group's related party transactions by the Audit Committee and the Board.

INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an independent professional consultancy firm, RSM Corporate Consulting (Malaysia) Sdn Bhd who provides the Audit Committee and the Board with the assurance on the adequacy and integrity of the internal control system of the Group.

The Internal Auditors, performed reviews on key processes within the Group and assessed the effectiveness and adequacy of the internal control system. The Audit Committee is kept informed of the audit process, from the approved annual audit plan to the audit findings and reporting at the scheduled meetings, and would thereafter report and make recommendations to the Board. Senior Management is responsible for ensuring that approved corrective actions are taken within the stipulated time frame.

The internal audit review carried out by the Internal Auditors during the financial year ended 31 December 2024 in accordance with the internal audit plan is outlined in the Audit Committee Report of this Annual Report.

The Company has incurred approximately RM19,500.00 for maintaining the outsourced internal audit function for the financial year ended 31 December 2024.

WEAKNESSES IN INTERNAL CONTROLS THAT RESULT IN MATERIAL LOSSES

During the financial year under review, nothing has come to the attention of the Board which would result in any material losses, contingencies or uncertainties arising from weakness in its internal control system that would require separate disclosure in this Annual Report. Nevertheless, the Board and Management will continue to take proactive measures to strengthen the internal control environment within the Group.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in this Annual Report and their review was performed in accordance with Recommended Practice Guide 5 (RPG5) (Revised), *Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report* issued by the Malaysian Institute of Accountants.

Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the statement is inconsistent with their understanding of the process adopted by the Board in reviewing and assessing the adequacy and integrity of the system of internal controls of the Group.

AUDIT COMMITTEE REPORT

The Audit Committee of Watta Holding Berhad is pleased to present the Audit Committee Report for the financial year ended 31 December 2024.

COMPOSITION

The Audit Committee is composed of the following Directors:-

- | | |
|------------------------------------|---|
| 1. Wong Hong Wai | <i>Chairman, Independent Non-Executive Director</i> |
| 2. Dato' Sivananthan A/L Shanmugam | <i>Member, Independent Non-Executive Director</i> |
| 3. Goh Thih Liang | <i>Member, Independent Non-Executive Director</i> |

SUMMARY OF WORK DURING THE FINANCIAL YEAR

A total of five (5) Audit Committee meetings were held during the financial year ended 31 December 2024. Details of attendance are as follows:-

Name	Attendance
Wong Hong Wai	5/5
Dato' Sivananthan A/L Shanmugam	5/5
Goh Thih Liang	5/5

During the financial year ended 31 December 2024, the Audit Committee in discharge of its duties and functions carried out the following activities:-

1. Reviewed the unaudited quarterly financial results of the Group and made recommendation to the Board of Directors ("Board") for approval prior to submission to Bursa Malaysia Securities Berhad ("Bursa Securities"). The review is to ensure that the quarterly results present a true and fair view of the Group's financial positions and were prepared in accordance with the requirements of the Malaysian Financial Reporting Standard 134 – Interim Financial Reporting and Paragraph 9.22 as well as Appendix 9B of the Main Market Listing Requirements of Bursa Securities ("MMLR").
2. Reviewed and made recommendations to the Board in respect of the annual audited financial statements of the Group and the Company with the External Auditors for approval prior to submission to Bursa Securities. The review is to ensure that the financial statements were prepared in compliance with the regulatory requirements.
3. Reviewed and discussed with the External Auditors amongst others, their audit approach, reporting and deliverables, as well as new developments on accounting standards and regulatory requirements.
4. Reviewed the External Auditors' audit findings, results and reports. Private discussion with the External Auditors without the presence of Executive Directors and Management to address any issues, concerns, or reservations arising from the audit, as well as the assistance provided by Management to them during the course of audit.
5. Reviewed and assessed the suitability, objectivity and independence of the External Auditors in relation to the re-appointment of the External Auditors, taking into consideration amongst others, the adequacy of experience and resources of the firm and the professional staff assigned to the audit and the relevant criteria prescribed under the MMLR before recommending to the Board.
6. Reviewed and discussed the proposed audit and non-audit fees of the External Auditors.
7. Reviewed the recurrent related party transactions to ensure the transactions are conducted on arm's length basis and are not detrimental to the interest of minority shareholders.
8. Reviewed the internal audit plan to ensure the adequacy of the scope, competency and resources of the internal audit function.

AUDIT COMMITTEE REPORT (CONT'D)

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

9. Reviewed the report from the Internal Auditors, the recommendations made and management responses to those recommendations.
10. Reviewed the renewal of engagement of outsourced internal audit services and recommended to the Board for approval.
11. Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control for inclusion in the Annual Report.
12. Reviewed and discussed the Risk Assessment & Management Report.
13. Reviewed and recommended to the Board for approval the recurrent related party transactions guidelines and review procedures.

During the financial year under review, none of the Directors and Key Senior Management (“KSM”) have any conflict of interest (“COI”) or potential COI with the Company and its subsidiaries (“the Group”), nor do they have any interest in any competing business with the Group. The Directors and KSM undertake to inform the Company immediately if and when they become aware of any COI or potential COI situations and abstain from engaging in all deliberations and decisions where such conflict may arise.

INTERNAL AUDIT FUNCTION

The internal audit function of the Group has been outsourced to an independent professional consultancy firm, RSM Corporate Consulting (Malaysia) Sdn Bhd which was appointed during the financial year with the aim of providing independent and systematic reviews on the systems of internal control. The Internal Audit function provides an independent and objective feedback to the Audit Committee and the Board on the adequacy, effectiveness and efficiency of the internal control system within the Group. The audit assignment was carried out in accordance with the internal audit plan.

The Internal Auditors adopts a risk-based approach and have carried out their work in accordance with The International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

None of the Internal Auditors has family relationship with any Director and/or major shareholder of the Company. The Internal Auditors are independent of the activities they audit and perform their audit with impartiality and due professional care.

The Internal Auditors have adequate resources and appropriate standing to undertake their activities independently and objectively to provide reasonable assurance to the Audit Committee regarding the adequacy and effectiveness of the Group’s internal control systems. The outsourced internal audit function was headed by Mr Charlie Christopher, Associate Director of RSM Corporate Consulting (Malaysia) Sdn Bhd. Mr Charlie Christopher is an associate member of the Institute of Internal Auditors Malaysia and a Chartered Certified Accountant, Association of Chartered Certified Accountants.

The Internal Auditors report to the Audit Committee on their audit findings, their recommendations of the corrective actions to be taken by the Management together with the management’s responses and action plans in relation thereto were deliberated.

During the financial year under review, there was no material internal control failure reported that would result in any significant loss to the Group.

In accordance with the internal audit plan, the Internal Auditors had carried out reviews and reported to the Audit Committee on the following areas during the financial year under review:-

Name of Company	Areas
Watta Holding Berhad	<ul style="list-style-type: none"> • Sustainability Reporting. • Anti-Bribery & Anti-Corruption Framework.

The Internal Auditors will conduct follow up reviews upon request on status of agreed action plans by Management on previous processes of companies.

STATEMENT ON DIRECTORS' RESPONSIBILITY IN PREPARING THE AUDITED FINANCIAL STATEMENTS

The Directors are required by the Companies Act 2016 ("the Act") to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company at the end of the financial year under review and their financial performance and cash flows for the financial year then ended. As required by the Act and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the financial statements have been prepared in accordance with the applicable approved accounting standards in Malaysia.

Therefore, in preparing the financial statements of the Group and the Company for the financial year ended 31 December 2024, the Directors have:-

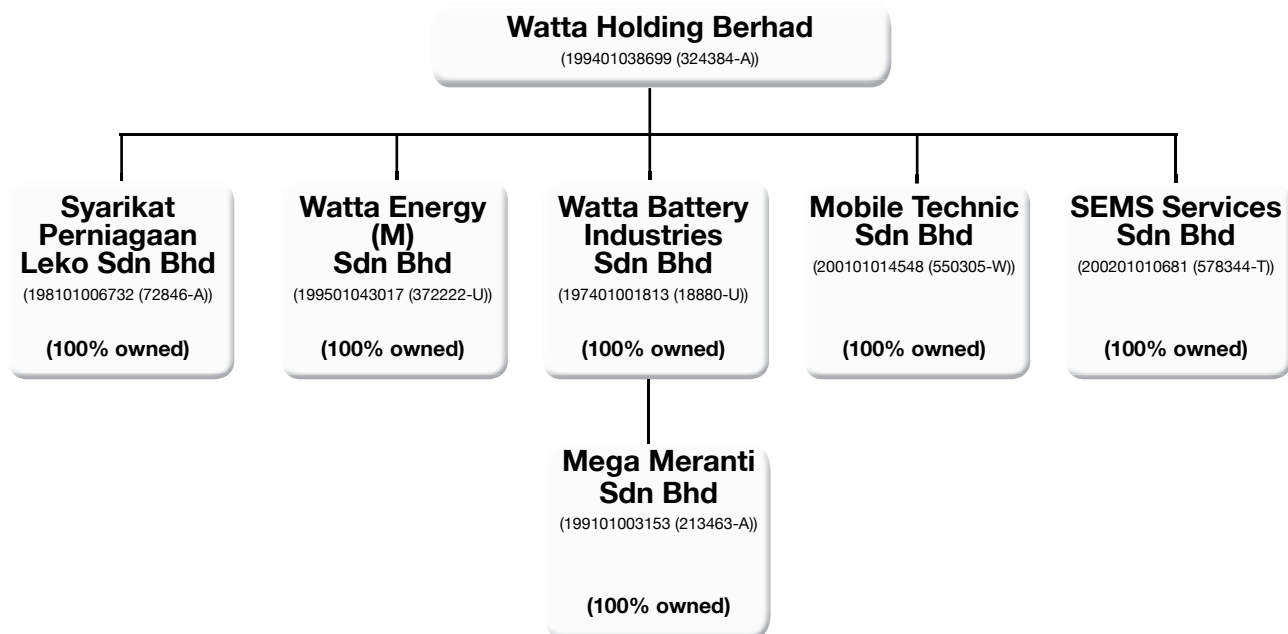
- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable approved accounting standards have been complied with, subject to any material departures being disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis.

The Directors are responsible for ensuring that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and of the Company and which enable them to ensure that the financial statements comply with the Act. The Directors are responsible for taking such reasonable steps to safeguard the assets of the Group and of the Company and to prevent and detect fraud and other such irregularities.

The above statement was reviewed and approved by the Board of Directors on 11 April 2025.



GROUP STRUCTURE



CORPORATE OFFICE

Watta Holding Berhad (199401038699 (324384-A))

12th Floor, Menara Cosway,

Plaza Berjaya, Jalan Imbi,

55100 Kuala Lumpur.

Tel: 03-2144 2929 Fax: 03-2144 9929

Website: <http://www.watta.com.my>

E-mail: marketing@watta.com.my

Service of Mobile Phones Division:

Suite W-10-21, 10th Floor,

Melawangi Business Suites,

Ancorp Trade Centre,

No. 18 Jalan Persiaran Barat,

46050 Petaling Jaya,

Selangor Darul Ehsan.

Tel: 03-7957 2211 Fax: 03-7958 6878

Reports And Financial Statements For The Financial Year Ended 31 December 2024

CONTENTS

66	Directors' Report
70	Statement by Directors
70	Statutory Declaration
71	Independent Auditors' Report to the Members
74	Statements of Financial Position
75	Statements of Profit Or Loss and Other Comprehensive Income
76	Statements of Changes in Equity
77	Statements of Cash Flows
79	Notes to the Financial Statements



WATTA HOLDING BERHAD
(199401038699 (324384-A))

ANNUAL REPORT 2024



DIRECTORS' REPORT

The Directors hereby present their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

Principal Activities

The principal activities of the Company consist of investment holding and the provision of management services.

The details of the Company's subsidiaries are as disclosed in Note 7 to the financial statements.

Financial Results

	Group RM	Company RM
Loss for the financial year attributable to the owners of the parent	1,430,073	503,158

Dividends

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividend in respect of the current financial year.

Reserves and Provisions

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

Issue of Shares and Debentures

There were no issuance of shares or debentures during the financial year.

Options Granted Over Unissued Shares

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

Directors

The Directors in office during the financial year up to the date of this report are:

Dato' Lee Foo San*
 Haji Ariffin Bin Abdul Aziz*
 Datin Teoh Lian Tin*
 Haji Ahmad Bin Khalid*
 Loo Sooi Guan*
 Datuk Hong Choon Hau
 Dato' Sivananthan A/L Shanmugam
 Goh Thih Liang
 Wong Hong Wai

* *Director of the Company and its subsidiary companies*

The Directors who held office in the subsidiary companies (excluding Directors who are also the Directors of the Company) during the financial year and up to the date of this report are:

Lee Foo Hock
 Lee Fook Sin
 Loo Kwong Yong
 Chan Soh Hwa

The information required to be disclosed pursuant to Section 253 of the Companies Act 2016 in Malaysia is deemed incorporated herein by such reference to the financial statements of the respective subsidiary companies and made a part hereof.

DIRECTORS' REPORT (CONT'D)

Directors' Interests

The interests and deemed interests in shares of the Company and of its related corporations (other than wholly-owned subsidiary companies) of those who were Directors of the Company at financial year end (including their spouses or children) according to the Register of Directors' Shareholdings kept by the Company pursuant to Section 59 of the Companies Act 2016 are as follows:

	Number of ordinary shares			At 31.12.2024
	At 1.1.2024	Bought	Sold	
Interests in the Company				
Direct interests				
Dato' Lee Foo San	39,634,762	-	-	39,634,762
Loo Sooi Guan	1,025,800	-	-	1,025,800
Goh Thih Liang	200	-	-	200
Wong Hong Wai	3,200	-	-	3,200
Indirect interests				
Loo Sooi Guan ¹	100	-	-	100
Datuk Hong Choon Hau ²	19,344,022	-	-	19,344,022

Notes:

¹ Shares held directly by spouse. In accordance with Section 59(11)(c) of the Companies Act 2016 in Malaysia, the interests of the spouse/children in the shares of the Company shall be treated as the interest of the Directors.

² Deemed interest pursuant to Section 8(4)(c) of the Companies Act 2016 in Malaysia, by virtue of his interests in Cambridge Asset Holding Limited, the holding company of Surin Bay Resort Sdn. Bhd.

By virtue of his interests in the shares of the Company, Dato' Lee Foo San is also deemed interested in the shares of all its subsidiary companies during the financial year to the extent that the Company has an interest pursuant to Section 8 of the Companies Act 2016 in Malaysia.

By virtue of his indirect interests in the shares of the Company, Datuk Hong Choon Hau is also deemed interested in the shares of all its subsidiary companies during the financial year to the extent that the Company has an interest pursuant to Section 8 of the Companies Act 2016 in Malaysia.

None of the other Directors in office at the end of the financial year held shares or had beneficial interest in the shares of the Company or its related corporations during the financial year.

Directors' Benefits

Since the end of the previous financial year, no Directors of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Directors as disclosed in the "Directors' Remuneration" of this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which the Director is a member, or with a Company in which he has a substantial financial interest, other than office maintenance fee and lease payment in which certain Directors of the Company have substantial financial interest as disclosed in Note 26(b) to the financial statements.

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

DIRECTORS' REPORT (CONT'D)**Directors' Remuneration**

The detail of the Directors' remuneration for the financial year ended 31 December 2024 are set out below:

	Group RM	Company RM
<u>Executive Directors</u>		
Salaries and other emoluments	1,308,600	-
Fees	168,000	72,000
Defined contribution plans	109,776	-
Social security contributions	5,212	-
Other benefit	6,663	-
Benefits-in-kind	41,213	-
	<u>1,639,464</u>	<u>72,000</u>
<u>Non-Executive Directors</u>		
Fees	138,000	90,000
Other emoluments	24,000	24,000
	<u>162,000</u>	<u>114,000</u>
Total Director's Remuneration	<u>1,801,464</u>	<u>186,000</u>

Indemnity and Insurance Costs

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and certain officers of the Company were RM 5 million and RM9,921 respectively. No indemnity was given to or insurance effected for auditors of the Company.

Other Statutory Information

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

- (a) to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no bad debts to be written off and no allowance for doubtful debts was required; and
- (b) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Company have been written down to an amount which the current assets might be expected so to realise.

DIRECTORS' REPORT (CONT'D)

Other Statutory Information (Cont'd)

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

- (a) which would render it necessary to write off any bad debts or to make any allowance for doubtful debts in the financial statements of the Group and of the Company; or
- (b) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
- (c) not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading; or
- (d) which have arisen which would 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:

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

No contingent 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, in the opinion of the directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations when they fall due.

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of operations of the Group and of the Company in the financial year in which this report is made.

Subsidiary Companies

The details of the subsidiary companies are disclosed in Note 7 to the financial statements.

Auditors' Remuneration

The auditors' remuneration of the Group and of the Company for the financial year ended 31 December 2024 are as follows:

	Group RM	Company RM
Auditors' remuneration		
- Statutory audit	85,500	28,000
- Non-audit services	5,000	5,000
	<u>90,500</u>	<u>33,000</u>

Auditors

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

UHY Malaysia PLT (LLP0041391-LCA & AF 1411) was registered on 19 December 2024 and with effect from that date, UHY Malaysia (Formerly known as UHY) (AF 1411), a conventional partnership was converted to a limited liability partnership.

Signed on behalf of the Board of Directors, as approved by the Board of Directors in accordance with a resolution of the Directors,

DATO' LEE FOO SAN

HAJI ARIFFIN BIN ABDUL AZIZ

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

We, Dato' Lee Foo San and Haji Ariffin Bin Abdul Aziz, being two of the Directors of Watta Holding Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2024 and of their financial performance and their cash flows of the Group and of the Company for the year ended on that date.

Signed in accordance with a resolution of the Directors,

DATO' LEE FOO SAN

HAJI ARIFFIN BIN ABDUL AZIZ

KUALA LUMPUR
11 APRIL 2025

**STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016**

I, Haji Ariffin Bin Abdul Aziz, being the Director primarily responsible for the financial management of Watta Holding Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the)
abovenamed at Kuala Lumpur in the)
Federal Territory on 11 April 2025)

HAJI ARIFFIN BIN ABDUL AZIZ

Before me,

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WATTA HOLDING BERHAD

[REGISTRATION NO: 199401038699 (324384-A)] (INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Watta Holding Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit and 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 material accounting policies information, as set out on pages 74 to 116.

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

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

Key Audit Matters	How we addressed the key audit matters
<p>Valuation of investment properties</p> <p>Investment properties are measured initially at cost and subsequently at fair value with any changes therein recognised in profit or loss for the period in which they arise.</p> <p>The fair value of investment properties was determined by a firm of independent external valuers using the Comparison Method of Valuation. The valuation is dependent on certain key inputs and the most significant input used in this approach is the comparison of selling price per square feet of properties which were recently transacted within the same vicinity of the investment properties adjusting for differences such as tenure, size, current cost of construction and other relevant factors, where necessary.</p>	<p>We reviewed and discussed with management on the carrying amount of investment properties in accordance with MFRS 140 <i>Investment Properties</i>.</p> <p>We evaluated the independent valuer's competence, capabilities, independence and objectivity.</p> <p>We assessed the methodologies used and the appropriateness of the key assumptions of the valuation report based on our knowledge.</p> <p>We assessed the adequacy and appropriateness of the disclosures relating to the valuation methodology and estimation made in the financial statements.</p>

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WATTA HOLDING BERHAD (CONT'D)

[REGISTRATION NO: 199401038699 (324384-A)] (INCORPORATED IN MALAYSIA)

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WATTA HOLDING BERHAD (CONT'D)
[REGISTRATION NO: 199401038699 (324384-A)] (INCORPORATED IN MALAYSIA)

Other Matter

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

UHY Malaysia PLT
202406000040(LLP0041391-LCA) & AF1411
Chartered Accountants

HO SIEW CHAN
Approved Number: 03485/02/2026 J
Chartered Accountant

KUALA LUMPUR
11 April 2025

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Non-Current Assets					
Property, plant and equipment	4	32,926	44,885	-	-
Right-of-use assets	5	1,571,484	1,398,501	350,921	70,184
Investment properties	6	48,445,000	47,575,000	-	-
Investment in subsidiary companies	7	-	-	22,592,169	22,592,169
Goodwill on consolidation	8	-	-	-	-
		<u>50,049,410</u>	<u>49,018,386</u>	<u>22,943,090</u>	<u>22,662,353</u>
Current Assets					
Inventories	9	161,278	290,919	-	-
Trade receivables	10	144,196	413,276	-	-
Other receivables	11	330,479	351,805	56,710	56,125
Amount due from subsidiary companies	12	-	-	-	-
Tax recoverable		211,643	277,571	49,536	114,392
Fixed deposits and, cash and bank balances	13	12,028,072	13,766,158	6,516,596	6,947,569
		<u>12,875,668</u>	<u>15,099,729</u>	<u>6,622,842</u>	<u>7,118,086</u>
Total Assets		<u>62,925,078</u>	<u>64,118,115</u>	<u>29,565,932</u>	<u>29,780,439</u>
Equity					
Share capital	14	42,240,000	42,240,000	42,240,000	42,240,000
Retained earnings/(Accumulated losses)		8,750,026	10,180,099	(13,178,019)	(12,674,861)
Total Equity		<u>50,990,026</u>	<u>52,420,099</u>	<u>29,061,981</u>	<u>29,565,139</u>
Non-Current Liabilities					
Lease liabilities	15	71,705	7,392	71,705	-
Deferred tax liabilities	16	10,257,850	10,000,743	-	-
		<u>10,329,555</u>	<u>10,008,135</u>	<u>71,705</u>	<u>-</u>
Current Liabilities					
Trade payables	17	299,959	519,302	-	-
Other payables	18	934,788	940,836	149,797	143,595
Lease liabilities	15	314,750	188,743	282,449	71,705
Tax payable		56,000	41,000	-	-
		<u>1,605,497</u>	<u>1,689,881</u>	<u>432,246</u>	<u>215,300</u>
Total Liabilities		<u>11,935,052</u>	<u>11,698,016</u>	<u>503,951</u>	<u>215,300</u>
Total Equity and Liabilities		<u>62,925,078</u>	<u>64,118,115</u>	<u>29,565,932</u>	<u>29,780,439</u>

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

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	19	6,476,900	8,609,482	72,000	72,000
Cost of sales		<u>(3,592,733)</u>	<u>(5,338,657)</u>	-	-
Gross profit		2,884,167	3,270,825	72,000	72,000
Other income		1,327,887	1,121,401	236,333	205,970
Administration expenses		(5,108,606)	(5,875,367)	(802,516)	(993,929)
Finance costs	20	<u>(12,854)</u>	<u>(13,134)</u>	<u>(8,975)</u>	<u>(5,551)</u>
Loss before tax	21	(909,406)	(1,496,275)	(503,158)	(721,510)
Taxation	22	<u>(520,667)</u>	<u>(473,198)</u>	-	-
Net loss for the financial year, representing total comprehensive loss for the financial year		<u>(1,430,073)</u>	<u>(1,969,473)</u>	<u>(503,158)</u>	<u>(721,510)</u>
Loss per share					
Basic/Diluted (sen)	23	<u>(1.69)</u>	<u>(2.33)</u>		

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

STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	<u>Attributable to Owners of the Parent</u>		
	Share Capital RM	<u>Distributable</u>	Total Equity RM
		Retained Earnings RM	
Group			
At 1 January 2024	42,240,000	10,180,099	52,420,099
Net loss for the financial year, representing total comprehensive loss for the financial year	-	(1,430,073)	(1,430,073)
At 31 December 2024	<u>42,240,000</u>	<u>8,750,026</u>	<u>50,990,026</u>
At 1 January 2023	42,240,000	12,149,572	54,389,572
Net loss for the financial year, representing total comprehensive loss for the financial year	-	(1,969,473)	(1,969,473)
At 31 December 2023	<u>42,240,000</u>	<u>10,180,099</u>	<u>52,420,099</u>
	Share Capital RM	Accumulated Losses RM	Total Equity RM
Company			
At 1 January 2024	42,240,000	(12,674,861)	29,565,139
Net loss for the financial year, representing total comprehensive loss for the financial year	-	(503,158)	(503,158)
At 31 December 2024	<u>42,240,000</u>	<u>(13,178,019)</u>	<u>29,061,981</u>
At 1 January 2023	42,240,000	(11,953,351)	30,286,649
Net loss for the financial year, representing total comprehensive loss for the financial year	-	(721,510)	(721,510)
At 31 December 2023	<u>42,240,000</u>	<u>(12,674,861)</u>	<u>29,565,139</u>

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

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from operating activities				
Loss before tax	(909,406)	(1,496,275)	(503,158)	(721,510)
Adjustments for:				
Amortisation of right-of-use assets	431,170	442,510	280,737	280,737
Depreciation of property, plant and equipment	13,558	14,735	-	-
Fair value gain on investment properties	(870,000)	(730,000)	-	-
Finance costs	12,854	13,134	8,975	5,551
Finance income	(418,544)	(382,526)	(236,333)	(204,755)
Impairment losses on:				
- investment in subsidiary companies	-	-	-	201,681
Inventories written down	33,462	-	-	-
Reversal of impairment losses on inventory	(34,126)	(47,900)	-	-
Unrealised loss on foreign exchange	(5,428)	506	-	-
Operating loss before working capital changes	<u>(1,746,460)</u>	<u>(2,185,816)</u>	<u>(449,779)</u>	<u>(438,296)</u>
Changes in working capital:				
Inventories	130,305	630,094	-	-
Trade receivables	274,508	(167,675)	-	-
Other receivables	21,326	(51,919)	(585)	-
Trade payables	(219,343)	(418,532)	-	-
Other payables	(6,048)	(8,037)	6,202	556
	<u>200,748</u>	<u>(16,069)</u>	<u>5,617</u>	<u>556</u>
Cash used in operations	(1,545,712)	(2,201,885)	(444,162)	(437,740)
Interest received	418,544	382,526	236,333	204,755
Interest paid	(12,854)	(13,134)	(8,975)	(5,551)
Tax refund	88,963	3,742	87,616	-
Tax paid	(271,595)	(235,228)	(22,760)	(2,231)
	<u>223,058</u>	<u>137,906</u>	<u>292,214</u>	<u>196,973</u>
Net cash used in operating activities	<u>(1,322,654)</u>	<u>(2,063,979)</u>	<u>(151,948)</u>	<u>(240,767)</u>
Cash flows from investing activities				
Acquisition of property, plant and equipment, representing net cash used in investing activity	(1,599)	(26,741)	-	-

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from financing activities				
Payment of lease liabilities	(413,833)	(417,722)	(279,025)	(282,449)
Decrease in fixed deposits pledged with licensed bank	-	21,979	-	-
(Placement)/Withdrawal of fixed deposits not for short-term funding requirement	(6,639,415)	7,874,470	(5,103,239)	5,030,556
Net cash (used in)/from financing activities	(7,053,248)	7,478,727	(5,382,264)	4,748,107
Net (decrease)/ increase in cash and cash equivalents	(8,377,501)	5,388,007	(5,534,212)	4,507,340
Cash and cash equivalents at the beginning of the financial year	13,236,782	7,848,775	6,947,569	2,440,229
Cash and cash equivalents at the end of the financial year	4,859,281	13,236,782	1,413,357	6,947,569
Cash and cash equivalents at the end of the financial year comprises:				
Cash and bank balances	13 1,692,391	11,117,890	388,327	5,568,844
Fixed deposits with licensed banks	13 10,335,681	2,648,268	6,128,269	1,378,725
	12,028,072	13,766,158	6,516,596	6,947,569
Less: Deposits not for short-term funding requirement	13 (7,168,791)	(529,376)	(5,103,239)	-
	4,859,281	13,236,782	1,413,357	6,947,569

Note to statements of cash flows**Cash flows for a leases as a lessee**

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Included in operating activities:				
Included paid in relation to lease liabilities (Note 20)	12,854	13,134	8,975	5,551
Lease expenses relating to short-term lease (Note 21)	15,600	84,350	-	-
Included in financing activities:				
Payment of lease liabilities (Note 15)	(426,687)	(430,856)	(288,000)	(288,000)
Total cash outflows for leases	(398,223)	(333,372)	(279,025)	(282,449)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

1. Corporate 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.

The principal place of business of the Company is located at 12th Floor, Menara Cosway, Plaza Berjaya, Jalan Imbi, 55100 Kuala Lumpur, Wilayah Persekutuan.

The registered office Company is located at Lot 5, Level 10, Menara Great Eastern 2, No. 50, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan.

The principal activities of the Company consist of investment holding and the provision of management services. The principal activities of its subsidiary companies are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities of the Company and its subsidiary companies during the financial year.

2. Basis of Preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the material accounting policies below.

Adoption of new and amended standards

During the financial year, the Group and the Company have adopted the following amendments and annual improvements to MFRS issued by the Malaysian Accounting Standards Board ("MASB") that are mandatory for current financial year:

Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Non-current Liabilities with Covenants
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

The adoption of the new standards and amendments to standards did not have any significant impact on the financial statements of the Group and of the Company.

Standards issued but not yet effective

The Group and the Company have not applied the following new standards and amendments to standards that have been issued by the MASB but are not yet effective for the Group and for the Company:

		Effective dates for financial periods beginning on or after
Amendments to MFRS 121	Lack of Exchangeability	1 January 2025
Amendments to MFRS 9 and MFRS 7	Amendments to the Classification and Measurements of Financial Instruments	1 January 2026
Amendments to MFRS 9 and MFRS 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to MFRS - Volume 11:	Accounting Standard	1 January 2026
• Amendments to MFRS 1		
• Amendments to MFRS 7		
• Amendments to MFRS 9		
• Amendments to MFRS 10		
• Amendments to MFRS 107		

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**2. Basis of Preparation (Cont'd)**

(a) Statement of compliance (Cont'd)

Standards issued but not yet effective

The Group and the Company have not applied the following new standards and amendments to standards that have been issued by the MASB but are not yet effective for the Group and for the Company: (Cont'd)

		Effective dates for financial periods beginning on or after
MFRS 18	Presentation and Disclosure in Financial Statement	1 January 2027
MFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to MFRS 10 and MFRS 128	Sale of Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The Group and the Company intend to adopt the above amendments to standards, if applicable, when they become effective.

The initial application of the above-mentioned amendments to standards are not expected to have any significant impacts on the financial statements of the Group and of the Company except as disclosed below.

MFRS 18 Presentation and Disclosure in Financial Statement

MFRS 18 will replace MFRS 101 *Presentation of Financial Statements*. It preserves the majority requirements of MFRS 101 while introducing additional requirements. In addition, narrow-scope amendments have been made to MFRS 107 *Statement of Cash Flows* and some requirements of MFRS 101 have been moved to MFRS 108 *Basis of Preparation of Financial Statements*.

MFRS 18 additional requirements are as follows:

(i) Statement of Profit or Loss and Other Comprehensive Income

MFRS 18 introduces newly defined “operating profit or loss” and “profit or loss before financing and income tax” subtotal which are to be presented in the statement of profit or loss, while the net profit or loss remains unchanged. Statement of profit or loss to be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

(ii) Statement of Cash Flows

The standard modifies the starting point for calculating cash flows from operations using the indirect method, shifting from “profit or loss” to “operating profit or loss”. It also provides guidance on classification of interest and dividend in statement of cash flows.

(iii) New disclosures of expenses by nature

Entities are required to present expenses in the operating category by nature, function or a mix of both. MFRS 18 includes guidance for entities to assess and determine which approach is most appropriate based on the facts and circumstances.

(iv) Management-defined Performance Measures (MPMs)

The standard requires disclosure of explanations of the entity’s company-specific measures that are related to the statement of profit or loss, referred to MPMs. MPMs are required to be reconciled to the most similar specified subtotal in MFRS Accounting Standards.

(v) Enhanced Guidance on Aggregation and Disaggregation

MFRS 18 provides enhanced guidance on grouping items based on shared characteristics and requires disaggregation when items have dissimilar characteristics or when such disaggregation is material.

The potential impact of the new standard on the financial statements of the Group and of the Company have yet to be assessed.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**2. Basis of Preparation (Cont'd)****(b) Functional and presentation currency**

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest RM except when otherwise stated.

(c) Significant accounting judgements, estimates and assumptions

The preparation of the Group'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.

Judgements

The following are the judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements:

Classification between investment properties and right-of-use assets

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

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes.

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

Judgement is made on an individual property basis to determine whether ancillary services are significant that a property does not qualify as investment property.

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group and the Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Company has several lease contracts that include extension and termination options. The Group and the Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group and the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

The Group and the Company includes the renewal period as part of the lease term for leases of land and building with non-cancellable period included as part of the lease term as these are reasonably certain to be exercised because there will be a significant negative effect on operation if a replacement asset is not readily available.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**2. Basis of Preparation (Cont'd)**

(c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are set out below:

Useful lives of property, plant and equipment and right-of-use ("ROU") assets

The Group regularly reviews the estimated useful lives of property, plant and equipment and ROU assets based on factors such as business plan and strategies, expected level of usage and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned above. A reduction in the estimated useful lives of property, plant and equipment and ROU assets would increase the recorded depreciation and decrease the value of property, plant and equipment and ROU assets.

The carrying amount at the reporting date for property, plant and equipment and ROU assets are disclosed on Notes 4 and 5 to the financial statements respectively.

Revaluation of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged an independent valuation specialist to assess fair value as at 31 December 2024 for investment properties. For investment properties, a valuation methodology based on sales comparison approach was used. Land was valued by reference to market-based evidence, using comparable prices adjusted for specific market factors such as nature, location and condition of the property. The fair value of buildings was determined using the cost approach that reflects the cost to a market participant to construct assets of comparable utility and age, adjusted for obsolescence.

The key assumptions used to determine the fair value of the properties are provided in Note 6 to the financial statements.

Impairment of investment in subsidiary companies

The Company reviews its investment in subsidiary companies when there are indicators of impairment. Impairment is measured by comparing the carrying amount of an investment with its recoverable amount. Significant judgement is required in determining the recoverable amount. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash-generating units and also to determine a suitable discount rate in order to calculate the present value of those cash flows.

The carrying amount at the reporting date for investment in subsidiary companies is disclosed in Note 7 to the financial statements.

Inventories valuation

Inventories are measured at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices less estimated cost to sales. Demand levels and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories. Details of inventories are disclosed in Note 9 to the financial statements.

Provision for expected credit loss of financial assets at amortised cost

The Group and the Company review the recoverability of its receivables, include trade and other receivables, amounts due from subsidiary companies at each reporting date to assess whether an impairment loss should be recognised. The impairment provisions for receivables are based on assumptions about risk of default and expected loss rates. The Group and the Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions at the end of each reporting period.

The carrying amounts at the reporting date for receivables are disclosed in Notes 10, 11 and 12 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**2. Basis of Preparation (Cont'd)**

- (c) Significant accounting judgements, estimates and assumptions (Cont'd)

Key sources of estimation uncertainty (Cont'd)Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the unused tax losses, unabsorbed capital allowances and other deductible temporary differences can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The carrying value of recognised and unrecognised deferred tax assets are disclosed in Note 16 to the financial statements.

Income taxes

Judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. As at 31 December 2024, the Group and the Company have tax recoverable of RM 211,643 (2023: RM277,571) and RM49,536 (2023: RM114,392) and tax payable of RM56,000 (2023: RM41,000) and RM Nil (2023: RM Nil) respectively.

Discount rate used in leases

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

Determination of transaction prices

The Group is required to determine the transaction price in respect of each of its contracts with customers. In making such judgement the Group assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

There is no estimation required in determining the transaction price, as revenue from sale of goods or services are based on invoiced values. Discounts are not considered as they are not only given in rare circumstances.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**3. Material Accounting Policies**

The Group and the Company apply the material accounting policies set out below, consistently throughout all periods presented in the financial statements unless otherwise stated.

(a) Basis of consolidation**(i) Subsidiary companies**

Subsidiary companies are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary companies are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary company is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed in profit or loss as incurred.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is re-measured at its acquisition-date fair value and the resulting gain or loss is recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (which cannot exceed one year from the acquisition date), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date, if known, would have affected the amounts recognised at that date.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 *Financial Instruments* is measured at fair value with the changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains or losses on transactions between Group companies are eliminated. Unrealised losses are eliminated only if there is no indication of impairment. Where necessary, accounting policies of subsidiary companies have been changed to ensure consistency with the policies adopted by the Group.

In the Company's separate financial statements, investment in subsidiary companies are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy Note 3(i)(i) to the financial statements on impairment of non-financial assets.

(ii) Changes in ownership interests in subsidiary companies without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary company is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**3. Material Accounting Policies (Cont'd)**

(a) Basis of consolidation (Cont'd)

(iii) Loss of contract

If the Group loses control of a subsidiary company, the assets and liabilities of the subsidiary company, including any goodwill, and non-controlling interests are derecognised at their carrying value on the date that control is lost. Any remaining investment in the entity is recognised at fair value. The difference between the fair value of consideration received and the amounts derecognised and the remaining fair value of the investment is recognised as a gain or loss on disposal in profit or loss. Any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(b) Foreign currency transactions and balances

Transactions in foreign currency are recorded in the functional currency of the respective Group entities using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are included 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 reporting period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. Exchange differences arising from such non-monetary items are also recognised in other comprehensive income.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

(i) Recognition and measurement

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the assets to working condition for its intended use, cost of replacing components parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

The cost of property, plant and equipment recognised as a result of a business combination is based on fair value at acquisition date. The fair value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. The fair value of other items of plant and equipment is based on the quoted market prices for similar items.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**3. Material Accounting Policies (Cont'd)**

(c) Property, plant and equipment (Cont'd)

(ii) Depreciation

Depreciation is recognised in the profit or loss on a straight-line basis to write off the cost of each asset to its residual value over its estimated useful life.

Property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:

Plant and machinery	5 years
Office equipment, tools and equipment	5 years
Furniture, fittings and renovation	5 - 10 years
Motor vehicles	5 years

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates the expected pattern of consumption of future economic benefits embodied in the property, plant and equipment.

(d) Leases

As lessee

The Group and the Company recognise a ROU asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or site on which it is located, less any lease incentives received.

The ROU asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment loss and, if applicable, adjusted for any remeasurement of lease liabilities. The policy of recognition and measurement of impairment losses is in accordance with Note 3(i)(i) to the financial statements on impairment of non-financial statements.

The ROU asset under cost model is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of the ROU assets are determined on the same basis as those of property, plant and equipment as follows:

Leasehold land and buildings	Over the remaining lease period
Office spaces	Over the remaining lease period
Motor vehicles	5 years

The ROU assets are subject to impairment.

The lease liability is initially measured at the present value of future lease payments at the commencement date, discounted using the respective Group entities' incremental borrowing rates. Lease payments included in the measurement of the lease liability include fixed payments, any variable lease payments, amount expected to be payable under a residual value guarantee, and exercise price under an extension option that the Group and the Company are reasonably certain to exercise.

Variable lease payments that do not depend on an index or a rate and are dependent on a future activity are recognised as expenses in profit or loss in the period in which the event or condition that triggers the payment occurs.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in rate, or if the Group or the Company changes its assessment of whether it will exercise an extension or termination option.

Lease payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in profit or loss. Short term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low value assets are those assets valued at less than RM20,000 each when purchased new.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**3. Material Accounting Policies (Cont'd)****(d) Leases (Cont'd)**As lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. Leases in which the Group or the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

If the lease arrangement contains lease and non-lease components, the Group and the Company apply MFRS 15 *Revenue from Contracts with Customers* to allocate the consideration in the contract based on the stand-alone selling price.

The Group and the Company recognise assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The Group and the Company use the interest rate implicit in the lease to measure the net investment in the lease.

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Revenue". Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(e) Investment properties

Investment properties are properties which are owned or held under a leasehold interest to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured initially at cost, including transaction costs. Subsequently, investment properties are measured at fair value which reflects market conditions at the reporting date. Gains and losses arising from changes in the fair values of investment properties are recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are valued by independent professionally qualified valuers, having appropriate recognised professional qualifications and recent experience in the locations and segments of the investment properties valued. The management team reviewed and discussed the valuations, including valuation processes, performed by the independent valuers for financial reporting purposes.

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

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**3. Material Accounting Policies (Cont'd)**

(f) Financial assets

Financial asset categories and subsequent measurement

The Group and the Company determine the classification of financial assets at initial recognition and are not reclassified subsequent to their initial recognition unless the Group and the Company change its 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 in the business model.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Group and the Company classify their financial assets as follows:

(i) Financial assets at amortised cost

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. The Group's and the Company's financial assets at amortised cost include trade and other receivables, amount due from subsidiaries and deposits, bank and cash balances.

(ii) Financial assets at fair value through other comprehensive income ("FVTOCI")

The Group and the Company have not designated any financial assets at FVTOCI.

(iii) Financial assets at fair value through profit or loss

The Group and the Company have not designated any financial assets at FVTPL.

All financial assets, except for those measured at FVTPL and equity investments measured at FVTOCI, are subject to impairment assessment in accordance with Note 3(i)(ii) on impairment of financial assets.

Regular way purchase or sale of financial assets

Regular way purchase or sale are purchase or sale of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchase or sale of financial assets are recognised or derecognised on the trade date i.e., the date that the Group and the Company commit to purchase or sell the asset.

Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to receive cash flows from the financial asset expire or transferred, or control of the financial 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 assets and the sum of consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**3. Material Accounting Policies (Cont'd)****(g) Financial liabilities**

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(h) Inventories

Inventories are measured at the lower of cost and net realisable value.

Costs of inventories comprise cost of purchase and other costs incurred in bringing it to their present location and conditions are determined on a weighted average basis.

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

(i) Impairment of assets**(i) Non-financial assets**

The carrying amounts of non-financial assets (except for inventories, deferred tax assets and investment property measured at fair value) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of value-in-use and fair value less costs of disposal. In assessing value in use, the estimated future cash flows 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 or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. Impairment loss is recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (group of cash-generating units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**3. Material Accounting Policies (Cont'd)**

(i) Impairment of assets (Cont'd)

(ii) Financial assets

The Group and the Company recognise an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (“a 12-month ECL”). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (“a lifetime ECL”).

For trade receivables, other receivables, and inter-company balances, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(j) Provisions

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

Provisions are reviewed at the end of each reporting period 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.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. The expense relating to any provision is presented in the statements of profit or loss and other comprehensive income net of any reimbursement.

(k) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The Group's contributions to defined contribution plans are expensed as the related service is provided by the employee.

(ii) Defined contribution plans

As required by law, Companies in Malaysia contribute to the state pension scheme, the Employee Provident Fund (“EPF”). Such contributions are recognised as an expense in the profit or loss as incurred. Once the contributions have been paid, the Group has no further payment obligations.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**3. Material Accounting Policies (Cont'd)****(l) Revenue recognition****(i) Revenue from contracts with customers**

Revenue is recognised when the Group satisfied a performance obligation ("PO") by transferring a promised good or services to the customer, which is when the customer obtains control of the good or service. A PO may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied PO.

Rendering of services

Revenue from services and management fees are recognised in the reporting period in which the services are rendered, which simultaneously received and consumes the benefits provided by the Group, and the Group has a present right to payment for the services.

(ii) Management fee

Management fee is recognised on an accrual basis when the services are rendered.

(iii) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(iv) Interest income

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

(m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

(n) Income taxes

Tax expense in profit or loss comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised on the liability method for all temporary differences between the carrying amount of assets or liabilities in the statements of financial position and their tax base. Deferred tax is not recognised for the temporary difference arising from the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction which is not a business combination and that affects neither accounting profit nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**3. Material Accounting Policies (Cont'd)****(n) Income taxes (Cont'd)**

The measurement of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, at the end of the reporting period, except for investment properties carried at fair value model. Where investment properties measured using fair value model, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying amounts at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(o) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segment and make overall strategic decisions. The Group's operating segments are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

(p) Contingencies

Where it is not probable that an inflow or an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the asset or the obligation is disclosed as a contingent asset or contingent liability, unless the probability of inflow or outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent assets or contingent liabilities unless the probability of inflow or outflow of economic benefits is remote.

(q) Fair value measurement

Fair value of an asset or a liability 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 of 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 uses 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 : quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

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

Level 3 : unobservable inputs for the asset or liability.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event of change in circumstances that cause the transfer.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

4. Property, Plant and Equipment

	Plant and machinery RM	Office equipment, tools and equipment RM	Furniture, fittings and renovation RM	Motor vehicles RM	Total RM
Group					
2024					
Cost					
At 1 January	399,191	1,419,582	2,306,511	1,721,272	5,846,556
Additions	-	1,599	-	-	1,599
At 31 December	399,191	1,421,181	2,306,511	1,721,272	5,848,155
Accumulated depreciation					
At 1 January	384,028	1,397,022	2,299,351	1,721,270	5,801,671
Charge for the financial year	3,017	3,448	7,093	-	13,558
At 31 December	387,045	1,400,470	2,306,444	1,721,270	5,815,229
Carrying amount					
At 31 December	12,146	20,711	67	2	32,926
2023					
Cost					
At 1 January	384,111	1,407,921	2,306,511	1,721,272	5,819,815
Additions	15,080	11,661	-	-	26,741
At 31 December	399,191	1,419,582	2,306,511	1,721,272	5,846,556
Accumulated depreciation					
At 1 January	383,390	1,388,020	2,294,256	1,721,270	5,786,936
Charge for the financial year	638	9,002	5,095	-	14,735
At 31 December	384,028	1,397,022	2,299,351	1,721,270	5,801,671
Carrying amount					
At 31 December	15,163	22,560	7,160	2	44,885

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

5. Right-of-use Assets

	Leasehold land and buildings RM	Office spaces RM	Motor vehicles RM	Total RM
Group				
2024				
Cost				
At 1 January	1,504,040	615,896	458,903	2,578,839
Additions	-	604,153	-	604,153
Expiration of lease contract	-	(615,896)	-	(615,896)
At 31 December	<u>1,504,040</u>	<u>604,153</u>	<u>458,903</u>	<u>2,567,096</u>
Accumulated amortisation				
At 1 January	296,919	516,298	367,121	1,180,338
Charge for the financial year	18,567	320,821	91,782	431,170
Expiration of lease contract	-	(615,896)	-	(615,896)
At 31 December	<u>315,486</u>	<u>221,223</u>	<u>458,903</u>	<u>995,612</u>
Carrying amount				
At 31 December	<u>1,188,554</u>	<u>382,930</u>	<u>-</u>	<u>1,571,484</u>
2023				
Cost				
At 1 January	1,504,040	613,590	458,903	2,576,533
Additions	-	39,218	-	39,218
Expiration of lease contract	-	(36,912)	-	(36,912)
At 31 December	<u>1,504,040</u>	<u>615,896</u>	<u>458,903</u>	<u>2,578,839</u>
Accumulated amortisation				
At 1 January	278,351	221,048	275,341	774,740
Charge for the financial year	18,568	332,162	91,780	442,510
Expiration of lease contract	-	(36,912)	-	(36,912)
At 31 December	<u>296,919</u>	<u>516,298</u>	<u>367,121</u>	<u>1,180,338</u>
Carrying amount				
At 31 December	<u>1,207,121</u>	<u>99,598</u>	<u>91,782</u>	<u>1,398,501</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

5. Right-of-use Assets (Cont'd)

	2024 RM	2023 RM
Company		
Office spaces		
Cost		
At 1 January	561,474	561,474
Addition	561,474	-
Expiration of lease contract	(561,474)	-
At 31 December	<u>561,474</u>	<u>561,474</u>
Accumulated amortisation		
At 1 January	491,290	210,553
Charge for the financial year	280,737	280,737
Expiration of lease contract	(561,474)	-
At 31 December	<u>210,553</u>	<u>491,290</u>
Carrying amount		
At 31 December	<u>350,921</u>	<u>70,184</u>

In the previous year, the motor vehicles with a carrying amount of RM91,782 of the Group are pledged as securities for the related lease liabilities.

The remaining period of the lease term of leasehold land and buildings is 64 years (2023: 65 years).

6. Investment Properties

	Leasehold land RM	Buildings RM	Total RM
Group			
At fair value			
2024			
At 1 January	45,360,000	2,215,000	47,575,000
Changes in fair value recognised in profit or loss	1,005,000	(135,000)	870,000
At 31 December 2023	<u>46,365,000</u>	<u>2,080,000</u>	<u>48,445,000</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**6. Investment Properties (Cont'd)**

	Leasehold land RM	Buildings RM	Total RM
Group (Cont'd)			
At fair value			
2023			
At 1 January	44,515,000	2,330,000	46,845,000
Changes in fair value recognised in profit or loss	845,000	(115,000)	730,000
At 31 December	<u>45,360,000</u>	<u>2,215,000</u>	<u>47,575,000</u>

- (a) The rental income earned by the Group from its investment properties amounted to RM1,266,000 (2023: RM1,217,000). Direct operating expenses arising from investment properties that generated rental income during the financial year amounted to RM36,219 (2023: RM17,451).
- (b) The remaining period of the lease term range from 30 to 64 years (2023: 31 to 65 years).
- (c) The investment properties are valued annually at fair value based on market values determined by independent qualified valuers. The independent professionally qualified valuers hold recognised relevant professional qualifications and have recent experience in the locations and segments of the investment properties valued. The fair value measurements of the investment properties are based on the highest and best use, which does not differ from their actual use. The fair values are within level 2 of the fair value hierarchy. The fair values have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity 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.

There were no transfers between levels during current and previous financial year.

The net increase in the fair values of RM870,000 (2023: RM730,000) has been recognised in the profit or loss during the financial year.

7. Investment in Subsidiary Companies

	Company	
	2024	2023
	RM	RM
In Malaysia		
Unquoted shares, at cost	32,980,682	32,980,682
Less: Accumulated impairment losses		
At the beginning of the financial year	(10,388,513)	(10,186,832)
Impairment losses recognised in profit or loss	-	(201,681)
At the end of the financial year	<u>(10,388,513)</u>	<u>(10,388,513)</u>
	<u>22,592,169</u>	<u>22,592,169</u>

The estimated recoverable amount of the Company's investment in SEMS Services Sdn. Bhd. and Mobile Technic Sdn. Bhd. was RM1,044,845 and RM2,960,694 respectively. An impairment loss amounting to RM Nil (2023: RM201,681) was recognised during the financial year.

The impairment losses was recognised in administration expenses in the statements of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

7. Investment in Subsidiary Companies (Cont'd)

Details of the subsidiary companies are as follows:

Name of company	Place of business/ Country of incorporation	Effective interests		Principal activities
		2023 %	2022 %	
Watta Battery Industries Sdn. Bhd.	Malaysia	100	100	Property investment
Syarikat Perniagaan Leko Sdn. Bhd.	Malaysia	100	100	Ceased operations
Watta Energy (M) Sdn. Bhd.	Malaysia	100	100	Marketing and distribution of telecommunication equipment and related products
Mobile Technic Sdn. Bhd.	Malaysia	100	100	Servicing and repair of mobile telecommunication equipment products and other electronic equipment
SEMS Services Sdn. Bhd.	Malaysia	100	100	Servicing and repair of mobile telecommunication equipment products and other electronic equipment
Indirect holding				
<i>Held through Watta Battery Industries Sdn Bhd.</i>				
Mega Meranti Sdn. Bhd.	Malaysia	100	100	Property investment

8. Goodwill on Consolidation

	Group	
	2024 RM	2023 RM
At Cost	4,803,417	4,803,417
Less: Accumulated impairment losses	(4,803,417)	(4,803,417)
	-	-

Impairment testing for cash-generating units ("CGU") containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest CGU level within the Group at which the goodwill is monitored for internal management purpose.

The aggregate carrying amount of goodwill has been allocated to the Group's "CGU" in services segment.

In the financial year of 2018, as a result of ceased operation in Watta Battery Industries Sdn. Bhd. and Syarikat Perniagaan Leko Sdn. Bhd. in trading segment, the Group carried out a review of the recoverable amount of the unit.

The recoverable amount of the services segment unit was determined based on its value-in-use, determined by discounting the future cash flows expected to be generated by the unit. An impairment loss of RM4,803,417 was recognised in the financial year of 2018. The impairment losses is recorded within administrative expenses in the statements of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**9. Inventories**

	Group	
	2024	2023
	RM	RM
At net realisable value		
Handphone spare parts	161,278	290,919
Recognised in profit or loss		
Inventories written off	33,462	-
Recognised as cost of sales	3,592,733	5,338,657
Reversal of impairment on inventories	(34,126)	(47,900)

10. Trade Receivables

	Group	
	2024	2023
	RM	RM
Trade receivables	144,196	413,276

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2023: 30 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The aged analysis of the trade receivables as at the end of the reporting period:

	Group	
	2024	2023
	RM	RM
Not past due	144,196	337,079
Past due:		
Less than 30 days	-	68,414
31 to 60 days	-	7,783
	-	76,197
	144,196	413,276

Trade receivables that are not past due are creditworthy receivables with good payment records and mostly are regular customers that have been transacting with the Group.

As at 31 December 2024, trade receivables of RM Nil (2023: RM76,197) were past due. These relate to a number of independent customers for whom there is no recent history of default.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

11. Other Receivables

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other receivables	100,121	100,309	-	-
Deposits	160,316	163,861	54,000	56,125
Prepayments	70,042	87,635	2,710	-
	<u>330,479</u>	<u>351,805</u>	<u>56,710</u>	<u>56,125</u>

12. Amount due from Subsidiary Companies

	Company	
	2024 RM	2023 RM
Amount due from subsidiary companies	1,697,000	1,697,000
Less: Accumulated impairment losses	<u>(1,697,000)</u>	<u>(1,697,000)</u>
	<u>-</u>	<u>-</u>

The amount due from subsidiary companies arose mainly from advances and expenses paid on behalf, which are unsecured, interest free and repayable on demand.

Movements in the allowance for impairment losses during the financial year are as follows:

	Company	
	2024 RM	2023 RM
At 1 January	1,697,000	1,697,000
At 31 December	<u>1,697,000</u>	<u>1,697,000</u>

13. Fixed Deposits, and Cash and Bank Balances

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	1,692,391	11,117,890	388,327	5,568,844
Fixed deposits with licensed banks	<u>10,335,681</u>	<u>2,648,268</u>	<u>6,128,269</u>	<u>1,378,725</u>
Total fixed deposit, and cash and bank balances	12,028,072	13,766,158	6,516,596	6,947,569
Less: Deposits not for short-term funding requirement	<u>(7,168,791)</u>	<u>(529,376)</u>	<u>(5,103,239)</u>	-
	<u>4,859,281</u>	<u>13,236,782</u>	<u>1,413,357</u>	<u>6,947,569</u>

The effective interest rates of fixed deposits of the Group and of the Company as at the end of the reporting period range from 1.60% to 3.50% (2023: 1.60% to 3.50%) per annum and the maturities of fixed deposits are 30 to 365 days (2023: 30 to 365 days) and 30 to 180 days (2023: 30 to 90 days) respectively.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**14. Share Capital**

	Group/Company			
	Number of ordinary shares		Amount	
	2024	2023	2024	2023
	Units	Units	RM	RM
Ordinary shares Issued and fully paid				
At 1 January/				
At 31 December	84,480,000	84,480,000	42,240,000	42,240,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

15. Lease Liabilities

	Group	
	2024	2023
	RM	RM
At 1 January	196,135	574,639
Additions	604,153	39,218
Accretion of interest (Note 20)	12,854	13,134
Repayments	(426,687)	(430,856)
At 31 December	386,455	196,135

Presented by:

Non-current liabilities	71,705	7,392
Current liabilities	314,750	188,743
	386,455	196,135

	Company	
	2024	2023
	RM	RM
At 1 January	71,705	354,154
Additions	561,474	-
Accretion of interest (Note 20)	8,975	5,551
Repayments	(288,000)	(288,000)
At 31 December	354,154	71,705

Presented by:

Non-current liabilities	71,705	-
Current liabilities	282,449	71,705
	354,154	71,705

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**15. Lease Liabilities (Cont'd)**

The maturity analysis of lease liabilities of the Group and of the Company at the end of the reporting period:

	Group	
	2024	2023
	RM	RM
Within one year	321,300	192,156
Later than one year and not later than two years	72,000	7,416
	<u>393,300</u>	<u>199,572</u>
Less; Future finance charges	(6,845)	(3,437)
Present value of lease liabilities	<u>386,455</u>	<u>196,135</u>

	Company	
	2024	2023
	RM	RM
Within one year	288,000	72,000
Later than one year and not later than two years	72,000	-
	<u>360,000</u>	<u>72,000</u>
Less: Future finance charges	(5,846)	(295)
Present value of lease liabilities	<u>354,154</u>	<u>71,705</u>

The Group leases various motor vehicles, office and service center buildings. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The weighted average effective interest rates per annum at the end of the reporting period for lease liabilities is 2.85% to 4.22% (2023: 2.85% to 4.22%).

16. Deferred Taxation

	Group	
	2024	2023
	RM	RM
At 1 January	10,000,743	9,776,851
Recognised in profit or loss (Note 22)	257,107	223,892
At 31 December	<u>10,257,850</u>	<u>10,000,743</u>

The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsetting are as follows:

	Group	
	2024	2023
	RM	RM
Deferred tax liabilities	10,635,512	10,378,814
Deferred tax assets	(377,662)	(378,071)
	<u>10,257,850</u>	<u>10,000,743</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**16. Deferred Taxation (Cont'd)**

The components and movements of deferred tax liabilities and assets are as follows:

	Accelerated capital allowances RM	Fair value of investment properties RM	Total RM
Group			
Deferred tax liabilities			
At 1 January 2024	1,423,860	8,954,954	10,378,814
Recognised in profit or loss	(1,550)	257,107	255,557
(Over)/under provision in prior years	(1,416,080)	1,417,221	1,141
At 31 December 2024	<u>6,230</u>	<u>10,629,282</u>	<u>10,635,512</u>
At 1 January 2023	1,373,889	8,779,754	10,153,643
Recognised in profit or loss	52,980	175,200	228,180
Over provision in prior years	(3,009)	-	(3,009)
At 31 December 2023	<u>1,423,860</u>	<u>8,954,954</u>	<u>10,378,814</u>
	Unused tax losses RM	Unutilised capital allowances RM	Total RM
Group			
Deferred tax assets			
At 1 January 2024	(374,323)	(3,748)	(378,071)
Recognised in profit or loss	(309)	1,859	1,550
Under/(Over) provision in prior years	309	(1,450)	(1,141)
At 31 December 2024	<u>(374,323)</u>	<u>(3,339)</u>	<u>(377,662)</u>
At 1 January 2023	(374,323)	(2,469)	(376,792)
Recognised in profit or loss	(309)	(1,518)	(1,827)
Over provision in prior years	309	239	548
At 31 December 2023	<u>(374,323)</u>	<u>(3,748)</u>	<u>(378,071)</u>

Deferred tax assets have not been recognised in respect of the following items:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unutilised capital allowances	58,749	44,492	1,850	1,850
Unused tax losses	15,748,845	15,023,764	2,015,895	1,848,516
	<u>15,807,594</u>	<u>15,068,256</u>	<u>2,017,745</u>	<u>1,850,366</u>

Deferred tax assets have not been recognised in respect of these items as they may not probable that future taxable profits will be available against which they can be utilized based on the current plan of the respective companies.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

17. Trade Payables

The normal trade credit terms granted to the Group range from 30 to 90 days (2023: 30 to 90 days) depending on the terms of the contracts.

18. Other Payables

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other payables	18,227	18,227	-	-
Accruals	527,609	527,609	149,797	143,595
Deposits	350,000	395,000	-	-
SST payable	25,469	-	-	-
	<u>934,788</u>	<u>940,836</u>	<u>149,797</u>	<u>143,595</u>

19. Revenue

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from contracts with customers:				
- Services rendered	5,210,900	7,392,482	-	-
- Management fee from subsidiary company	-	-	72,000	72,000
	<u>5,210,900</u>	<u>7,392,482</u>	<u>72,000</u>	<u>72,000</u>
Revenue from other sources:				
- Rental income	1,266,000	1,217,000	-	-
	<u>6,476,900</u>	<u>8,609,482</u>	<u>72,000</u>	<u>72,000</u>
Timing of revenue recognition				
At a point in time	5,210,900	7,392,482	-	-
Over time	-	-	72,000	72,000
Total revenue from contracts with customers	<u>5,210,900</u>	<u>7,392,482</u>	<u>72,000</u>	<u>72,000</u>

Breakdown of the Group's revenue from contracts with customers:

	Group	
	2024 RM	2023 RM
Major goods and services		
Services rendered	<u>5,210,900</u>	<u>7,392,482</u>
Total revenue from contracts with customers	<u>5,210,900</u>	<u>7,392,482</u>
Geographical market		
Malaysia	<u>5,210,900</u>	<u>7,392,482</u>
Total revenue from contracts with customers	<u>5,210,900</u>	<u>7,392,482</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**20. Finance costs**

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest expense on:				
- Lease liabilities	12,854	13,134	8,975	5,551

21. Loss before Tax

Loss before tax is derived after charging/(crediting) amongst other, the following items:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Auditors' remuneration				
- Statutory audits	85,500	85,500	28,000	28,000
- Non-audit services	5,000	5,000	5,000	5,000
Amortisation of right-of-use assets	431,170	442,510	280,737	280,737
Depreciation of property, plant and equipment	13,558	14,735	-	-
Non-Executive Directors' remuneration				
- Fees	138,000	132,000	90,000	84,000
- Allowances	24,000	21,000	24,000	21,000
(Gain)/Loss on foreign exchange				
- Realised	1,923	(370)	-	-
- Unrealised	(5,428)	506	-	-
Impairment losses on investment in subsidiary companies	-	-	-	201,681
Inventories written down	33,462	-	-	-
Reversal of impairment losses on inventory	(34,126)	(47,900)	-	-
Lease expenses relating to short-term leases	15,600	84,350	-	-
Fair value gain on investment properties	(870,000)	(730,000)	-	-
Interest income				
- Earmarked Interest	(197,033)	(10,180)	(104,672)	(5,872)
- Fixed deposits	(213,959)	(371,879)	(128,269)	(198,883)
- Others	(7,552)	(467)	(3,392)	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

22. Taxation

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current income tax				
Current year provision	260,000	245,000	-	-
Under provision in prior year	3,560	4,306	-	-
	<u>263,560</u>	<u>249,306</u>	<u>-</u>	<u>-</u>
Deferred tax (Note 16)				
Relating to origination and reversal of temporary differences	257,107	226,353	-	-
Over provision in prior year	-	(2,461)	-	-
	<u>257,107</u>	<u>223,892</u>	<u>-</u>	<u>-</u>
Tax expense for the financial year	<u>520,667</u>	<u>473,198</u>	<u>-</u>	<u>-</u>

Malaysia income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated assessable profits for the financial year.

A reconciliation of income tax expenses applicable to loss before tax at the statutory income tax rate to income tax expenses at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Loss before tax	<u>(909,406)</u>	<u>(1,496,275)</u>	<u>(503,158)</u>	<u>(721,510)</u>
Taxation at statutory tax rate of 24% (2023: 24%)	(218,257)	(359,106)	(120,758)	(173,162)
Income not subject to tax	(1,406)	(3,357)	-	-
Expenses not deductible for tax purposes	559,329	554,577	80,587	166,698
Deferred tax assets not recognised	75,971	279,239	40,171	6,464
Utilisation of previously unrecognised tax losses	98,922	-	-	-
Utilisation of previously unrecognised unabsorbed capital allowances	2,548	-	-	-
Over provision of deferred taxation in prior year	-	(2,461)	-	-
Under provision of current taxation in prior year	3,560	4,306	-	-
Tax expense for the financial year	<u>520,667</u>	<u>473,198</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**22. Taxation (Cont'd)**

The Group and the Company have estimated unused tax losses and unutilised capital allowances available for offset against future taxable profits as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unused tax losses	17,308,525	16,582,156	2,015,895	1,848,516
Unutilised capital allowances	72,667	66,154	1,850	1,850
	<u>17,381,192</u>	<u>16,648,310</u>	<u>2,017,745</u>	<u>1,850,366</u>

With effects from year assessment 2019, unutilised tax losses are allowed to be carried forward up to a maximum of ten (10) years of assessment under the current tax legislation in Malaysia. The other temporary difference does not expire under tax legislation.

Pursuant to Section 44(5F) of the Income Tax Act 1967 in Malaysia, the unutilised tax losses can only be carried forward until the following years of assessment.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
YA2028	12,759,673	12,759,673	175,969	175,969
YA2029	297,875	297,875	46,479	46,479
YA2030	463,744	463,744	360,778	360,778
YA2031	711,018	1,628,573	439,530	439,530
YA2032	747,303	747,303	438,076	438,076
YA2033	1,602,543	684,988	387,684	387,684
YA2034	726,369	-	167,379	-
	<u>17,308,525</u>	<u>16,582,156</u>	<u>2,015,895</u>	<u>1,848,516</u>

23. Loss Per Share

The basic earnings per share are calculated based on the consolidated loss for the financial year attributable to owners of the parent and the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2024 RM	2023 RM
Net loss for the financial year attributable to the owners of the parent	<u>(1,430,073)</u>	<u>(1,969,473)</u>
Weighted average number of ordinary shares in issue	<u>84,480,000</u>	<u>84,480,000</u>
Basic loss per share (in sen)	<u>(1.69)</u>	<u>(2.33)</u>

The Group have no dilution in their earnings per ordinary share as there are no dilutive potential ordinary shares. There have been no other transactions involving ordinary shares or potential ordinary shares since the end of the financial year and before the authorisation of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

24. Staff Costs

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries, wages and other emoluments	2,677,496	3,493,806	-	-
Fee	168,000	168,000	72,000	72,000
Defined contribution plans	281,351	361,801	-	-
Social security contributions	29,922	39,741	-	-
Other benefits	83,651	76,885	-	-
Benefits-in-kind	41,213	43,046	-	-
	<u>3,281,634</u>	<u>4,183,279</u>	<u>72,000</u>	<u>72,000</u>

Included in staff costs in aggregate amount of remuneration received by the Executive Directors of the Company and of the subsidiary company during the financial year as below:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive Directors of the Company				
Salaries and other emoluments	943,800	943,800	-	-
Fee	168,000	168,000	72,000	72,000
Defined contribution plans	95,184	95,184	-	-
Social security contributions	3,651	3,120	-	-
Other benefit	6,663	-	-	-
Benefits-in-kind	41,213	43,046	-	-
	<u>1,258,511</u>	<u>1,253,150</u>	<u>72,000</u>	<u>72,000</u>
Executive Directors of the Subsidiary Company				
Salaries and other emoluments	364,800	377,800	-	-
Defined contribution plans	14,592	15,112	-	-
Social security contributions	1,561	1,485	-	-
	<u>380,953</u>	<u>394,397</u>	<u>-</u>	<u>-</u>
Total Directors' Remuneration	<u>1,639,464</u>	<u>1,641,547</u>	<u>72,000</u>	<u>72,000</u>

25. Reconciliation of Liabilities arising from Financing Activities

The table below show the details changes in the liabilities of the Group and of the Company arising from financing activities:

	Non cash flow changes			
	At 1 January RM	Financing cash flows (i) RM	New lease (Note 15) RM	At 31 December RM
2024				
Group				
Lease liabilities	196,135	(413,833)	604,153	386,455
Company				
Lease liabilities	71,705	(279,025)	561,474	354,154
22023				
Group				
Lease liabilities	574,639	(417,722)	39,218	196,135
Company				
Lease liabilities	354,154	(282,449)	-	71,705

The cash flows from lease liabilities make up the repayments of lease liabilities in the statements of cash flows.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**26. Related Party Disclosures**

(a) Identifying related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group or the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel comprise the Directors and management personnel of the Group, having authority and responsibility for planning, directing and controlling the activities of the Group entities directly or indirectly.

(b) Significant related party transaction

Related party transactions have been entered into in the normal course of business under negotiated terms. In addition to the related party balances disclosed elsewhere in the financial statements, the significant related party transactions of the Group and of the Company are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Transaction with subsidiary company				
- Management fee	-	-	72,000	72,000
A Company in which a Director has financial interest				
- Office maintenance fees	135,383	135,383	135,383	135,383
- Lease payment	288,000	288,000	288,000	288,000
	<u>423,383</u>	<u>423,383</u>	<u>423,383</u>	<u>423,383</u>

(c) Compensation of key management personnel

Remuneration of Directors which represent key management personnel are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM	RM	RM	RM
Salaries and other emoluments	1,332,600	1,342,600	24,000	21,000
Fees	306,000	300,000	162,000	156,000
Defined contribution plans	109,776	110,296	-	-
Social security contributions	5,212	4,605	-	-
Benefits-in-kind	6,663	-	-	-
Benefits-in-kind	41,213	43,046	-	-
	<u>1,801,464</u>	<u>1,803,547</u>	<u>186,000</u>	<u>177,000</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**27. Segmental Information**

For management purposes, the Group is organised into business segments based on their products and services, and has two reportable operating segments as follows:

Services	Servicing of telecommunication equipment and related products
Investment holding and others	Investment holding

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements.

Transactions between segments are carried out on agreed terms between both parties. The effects of such inter-segment transactions are eliminated on consolidation. The measurement basis and classification are consistent with those adopted in the previous financial year.

	Services RM	Investment holding and others RM	Eliminations RM	Total RM
2024				
Revenue				
Total external revenue	5,210,900	1,266,000	-	6,476,900
Inter-segment revenue	-	72,000	(72,000)	-
Total segment revenue	<u>5,210,900</u>	<u>1,338,000</u>	<u>(72,000)</u>	<u>6,476,900</u>
Results				
Operating result	(678,329)	(1,068,131)	-	(1,746,460)
Interest income	2,415	416,129	-	418,544
Finance costs	(1,640)	(11,214)	-	(12,854)
Amortisation and depreciation	(69,836)	(374,892)	-	(444,728)
Other non-cash items	1,492	874,600	-	876,092
Segment result	<u>(745,898)</u>	<u>(163,508)</u>	<u>-</u>	<u>(909,406)</u>
Taxation	-	(520,667)	-	(520,667)
Loss for the financial year	<u>(745,898)</u>	<u>(684,175)</u>	<u>-</u>	<u>(1,430,073)</u>
2024				
Other non-cash items				
Fair value gain on investment properties	-	870,000	-	870,000
Reversal of impairment on inventory	34,126	-	-	34,126
Inventories written down	(33,462)	-	-	(33,462)
Unrealised gain on foreign exchange	828	4,600	-	5,428
	<u>1,492</u>	<u>874,600</u>	<u>-</u>	<u>876,092</u>
2024				
Segment assets	<u>4,016,347</u>	<u>85,325,178</u>	<u>(26,416,447)</u>	<u>62,925,078</u>
Included in the movement of segment assets are :				
Additions to property, plant and equipment	1,599	-	-	1,599
Additions to right-of-use assets	42,679	561,474	-	604,153
Segment liabilities	<u>2,100,498</u>	<u>15,993,378</u>	<u>(6,158,824)</u>	<u>11,935,052</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

27. Segmental Information (Cont'd)

	Services RM	Investment holding and others RM	Eliminations RM	Total RM
2023				
Revenue				
Total external revenue	7,392,482	1,217,000	-	8,609,482
Inter-segment revenue	-	72,000	(72,000)	-
Total segment revenue	<u>7,392,482</u>	<u>1,289,000</u>	<u>(72,000)</u>	<u>8,609,482</u>
Results				
Operating result	(1,103,803)	(1,034,113)	-	(2,137,916)
Interest income	13,149	369,377	-	382,526
Finance costs	(1,863)	(11,271)	-	(13,134)
Amortisation and depreciation	(82,439)	(374,806)	-	(457,245)
Other non-cash items	(506)	528,319	201,681	729,494
Segment result	(1,175,462)	(522,494)	201,681	(1,496,275)
Taxation	(3,464)	(469,734)	-	(473,198)
Loss for the financial year	<u>(1,178,926)</u>	<u>(992,228)</u>	<u>201,681</u>	<u>(1,969,473)</u>
2023				
Other non-cash items				
Impairment losses on investment in subsidiary companies	-	(201,681)	201,681	-
Fair value gain on investment properties	-	730,000	-	730,000
Unrealised loss on foreign exchange lease liabilities	(506)	-	-	(506)
	<u>(506)</u>	<u>528,319</u>	<u>201,681</u>	<u>729,494</u>
2023				
Segment assets	<u>5,187,948</u>	<u>85,532,417</u>	<u>(26,602,250)</u>	<u>64,118,115</u>
Included in the movement of segment assets are :				
Additions to property, plant and equipment	24,091	2,650	-	26,741
Additions to right-of-use assets	39,218	-	-	39,218
Segment liabilities	<u>2,526,201</u>	<u>15,516,442</u>	<u>(6,344,627)</u>	<u>11,698,016</u>

Geographical segments

No disclosure on geographical segments information as the Group operates predominantly in Malaysia.

Major customers

Revenue from 4 (2023: 4) major customers amount to RM154,704 (2023: RM351,099), arising from sales in the services segment.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

28. Financial Instruments

(a) Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The principal accounting policies in Note 3 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised.

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
Group			
2024			
Financial Assets			
Trade receivables	144,196	-	144,196
Other receivables	260,437	-	260,437
Fixed deposits, and Cash and bank balances	12,028,072	-	12,028,072
	<u>12,432,705</u>	<u>-</u>	<u>12,432,705</u>
Financial Liabilities			
Lease liabilities	-	386,455	386,455
Trade payables	-	299,959	299,959
Other payables	-	909,319	909,319
	<u>-</u>	<u>1,595,733</u>	<u>1,595,733</u>
2023			
Financial Assets			
Trade receivables	413,276	-	413,276
Other receivables	264,170	-	264,170
Fixed deposits, and Cash and bank balances	13,766,158	-	13,766,158
	<u>14,443,604</u>	<u>-</u>	<u>14,443,604</u>
Financial Liabilities			
Lease liabilities	-	196,135	196,135
Trade payables	-	519,302	519,302
Other payables	-	940,836	940,836
	<u>-</u>	<u>1,656,273</u>	<u>1,656,273</u>
Company			
2024			
Financial Assets			
Other receivables	54,000	-	54,000
Fixed deposits, and Cash and bank balances	6,516,596	-	6,516,596
	<u>6,570,596</u>	<u>-</u>	<u>6,570,596</u>
Financial Liabilities			
Lease liabilities	-	3 54,154	354,154
Other payables	-	1 49,797	149,797
	<u>-</u>	<u>5 03,951</u>	<u>503,951</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**28. Financial Instruments (Cont'd)**

(a) Classification of financial instruments (Cont'd)

The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis: (Cont'd)

	Financial assets at amortised cost RM	Financial liabilities at amortised cost RM	Total RM
Company			
2023			
Financial Assets			
Other receivables	56,125	-	56,125
Fixed deposits, and Cash and bank balances	6,947,569	-	6,947,569
	<u>7,003,694</u>	<u>-</u>	<u>7,003,694</u>
Financial Liabilities			
Lease liabilities	-	71,705	71,705
Other payables	-	143,595	143,595
	<u>-</u>	<u>215,300</u>	<u>215,300</u>

(b) Financial risk management objectives and policies

The Group's financial risk management policy is to ensure that adequate financial resources are available for the development of the Group's operations whilst managing its credit, liquidity, foreign currency and interest rate risks. The Group operates within clearly defined guidelines that are approved by the Board and the Group's policy is not to engage in speculative transactions.

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.

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from its customers and deposits with licensed banks. The Company's exposure to credit risk arises principally from loans and advances to subsidiary companies, fixed deposits with licensed banks and financial guarantees given to banks for credit facilities granted to subsidiary companies. There are no significant changes as compared to previous financial year.

The Group has adopted a policy of only dealing with creditworthy counterparties. Management has a credit policy in place to control credit risk dealing with creditworthy counterparties and deposit with banks with good credit rating. The exposure to credit risk is monitored on an ongoing basis and action will be taken for long outstanding debts.

The Company provides unsecured loans and advances to subsidiary companies. The Company monitors on an ongoing basis the results of the subsidiary companies and repayments made by the subsidiary companies.

At each reporting date, the Group and the Company assess whether any of the receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables are written off (either partial or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

The carrying amounts of the financial assets recorded on the statements of financial position at the end of the financial year represent the Group's and the Company's maximum exposure to credit risk.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

28. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(i) Credit risk (Cont'd)

As at the end of financial year, the Group had 4 customers (2023: 4 customers) that owed the Group accounted for approximately RM154,704 (2023: RM351,099) of all the receivables outstanding.

The Company has no significant concentration of credits risks except for loans and advance to its subsidiary companies where risks of default have been assessed to be low.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Group or the Company will encounter difficulty in meeting its financial obligations as they fall due. 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 funding requirements and liquidity risk are managed with the objective of meeting business obligations on a timely basis. The Group finances its liquidity through internally generated cash flows and minimises liquidity risk by keeping committed credit lines available.

The following table analyses the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

	On demand or within 1 year RM	1 to 2 years RM	Total Contractual Cash Flows RM	Total Carrying amount RM
Group				
2024				
Non-derivative financial liabilities				
Lease liabilities	321,300	72,000	199,572	196,135
Trade payables	299,959	-	519,302	519,302
Other payables	934,788	-	934,788	934,788
	1,556,047	72,000	1,628,047	1,621,202
2023				
Non-derivative financial liabilities				
Lease liabilities	192,156	7,416	199,572	196,135
Trade payables	519,302	-	519,302	519,302
Other payables	940,836	-	940,836	940,836
	1,652,294	7,416	1,659,710	1,656,273

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**28. Financial Instruments (Cont'd)**

(b) Financial risk management objectives and policies (Cont'd)

(ii) Liquidity risk (Cont'd)

	On demand or within 1 year RM	1 to 2 years RM	Total Contractual Cash Flows RM	Total Carrying amount RM
Company				
2024				
Non-derivative financial liabilities				
Lease liabilities	288,000	72,000	360,000	354,154
Other payables	149,797	-	149,797	149,797
	437,797	72,000	509,797	503,951
2023				
Non-derivative financial liabilities				
Lease liabilities	72,000	-	72,000	71,705
Other payables	143,595	-	143,595	143,595
	215,595	-	215,595	215,300

The Group and the Company provides unsecured financial guarantee to bank in respect of credit facilities granted to a subsidiary company and monitors on an ongoing basis the performance of the subsidiary company. At end of the financial year, there was no indication that the subsidiary company would default on repayment.

Financial guarantee have not been recognised since the fair value on initial recognition was deemed not material and the probability of the subsidiary company defaulting on their credit facilities is remote.

(iii) Market risks

(i) Foreign currency exchange risk

The Group is exposed to foreign currency risk on transactions that are denominated in currencies other than the respective functional currencies of the Group entities. The currencies giving rise to this risk is primarily United States Dollar (USD).

The Group has not entered into any derivative instruments for hedging or trading purposes. Where possible, the Group will apply natural hedging by selling and purchasing in the same currency. However, the exposure to foreign currency risk is monitored from time to time by management.

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the end of the reporting period are as follows:

	Denominated in USD	
	2024	2023
	RM	RM
Group		
Trade receivables	-	24,114
Trade payables	(4,176)	(41,804)
	(4,176)	(17,690)

Foreign currency sensitivity analysis

Foreign currency risk arises from Group entities which have a RM functional currency. The Group's exposure to sensitivity of currency risk is insignificant as the transactional currencies are mostly in the functional currencies of the respective operating entities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

29. Financial Instruments (Cont'd)

(b) Financial risk management objectives and policies (Cont'd)

(iii) Market risks (Cont'd)

(ii) Interest rate risk

The Group's and the Company's fixed deposits placed with licensed banks and borrowings are exposed to a risk of change in their fair value due to changes in interest rates.

The Group manages the interest rate risk of its deposits with licensed banks by placing them at the most competitive interest rates obtainable, which yield better returns than cash at bank and maintaining a prudent mix of short and long-term deposits.

The Group and the Company manage their interest rate risk exposure from interest bearing borrowings by obtaining financing with the most favourable interest rates in the market. The Group and the Company constantly monitors its interest rate risk by reviewing its debts portfolio to ensure favourable rates are obtained. The Group and the Company do not utilise interest swap contracts or other derivative instruments for trading or speculative purposes.

The carrying amounts of the Group and of the Company financial instruments that are exposed to interest rate risk are as follows:

	2024	2023
	RM	RM
Group		
<u>Fixed rate instruments</u>		
Financial assets	10,335,681	2,648,268
Financial liabilities	(386,455)	(196,135)
	<u>9,949,226</u>	<u>2,452,133</u>
Company		
<u>Fixed rate instruments</u>		
Financial assets	6,128,269	1,378,725
Financial liabilities	(354,154)	(71,705)
	<u>5,774,115</u>	<u>1,307,020</u>

Interest rate risk sensitivity analysisFair value sensitivity analysis for fixed rate instruments

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 reporting period would not affect profit or loss.

(c) Fair value of financial instruments

The carrying amounts of receivables and payables, cash and cash equivalents and short-term borrowings approximate their fair value due to the relatively short-term nature of these financial instruments and/or insignificant impact of discounting.

The carrying amounts of long-term floating rate loans approximate their fair value as the loans will be re-priced to market interest rate on or near reporting date.

Transfer between levels of fair value hierarchy

There is no transfer between levels of fair value hierarchy during the financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)**29. Capital Management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital using a gearing ratio. The Group's policy is to maintain a prudent level of gearing ratio that complies with debt covenants and regulatory requirements. The gearing ratios at end of the reporting year are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Total lease liabilities	386,455	196,135	354,154	71,705
Less: Fixed deposits, and cash and bank balances	12,028,072	13,766,158	6,516,596	6,947,569
Net cash	<u>(11,641,617)</u>	<u>(13,570,023)</u>	<u>(6,162,442)</u>	<u>(6,875,864)</u>
Total equity	<u>50,990,026</u>	<u>52,420,099</u>	<u>29,061,981</u>	<u>29,565,139</u>
Debt to equity ratio	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

N/A - Not applicable

The gearing ratio is not applicable as the Group is in a net cash position.

There were no changes in the Group's approach to capital management during the financial year.

30. Date of Authorisation for Issue

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 11 April 2025.

LIST OF PROPERTIES 31 DECEMBER 2024

Location & Details	Description	Tenure (Age of Property)	Existing Use	Land Area	Date of Acquisition or Last Revaluation	Net Book Value RM
WATTA BATTERY INDUSTRIES SDN.BHD.						
P.T. No. 7620 Mukim of Cheras District of Hulu Langat No. 6 Jalan 1, Kaw. Per. Balakong, Cheras Jaya, 43200 Selangor D.E.	Corner detached factory with double storey office	99 years leasehold expiring on 14 May 2088 (35 years)	Rented	4,571 sq. metres	• 27/12/2024	10,220,000
P.T. No. 7619 Mukim of Cheras District of Hulu Langat No. 16 Lorong 2A, Kaw. Per. Balakong, Cheras Jaya, 43200 Selangor D.E.	Corner semi- detached factory with double storey office	99 years leasehold expiring on 14 May 2088 (35 years)	Rented	2,019 sq. metres	• 27/12/2024	5,450,000
P.T. No. 7608 Mukim of Cheras District of Hulu Langat No. 7 Lorong 2A, Kaw. Per. Balakong, Cheras Jaya, 43200 Selangor D.E.	Corner semi- detached factory with double storey office	99 years leasehold expiring on 14 May 2088 (35 years)	Rented	1,600 sq. metres	• 27/12/2024	4,305,000
P.T. No. 7626 Mukim of Cheras District of Hulu Langat No. 8 Jalan 1, Kaw. Per. Balakong, Cheras Jaya, 43200 Selangor D.E.	Corner detached factory with double storey office	99 years leasehold expiring on 14 May 2088 (35 years)	Rented	4,347 sq. metres	• 27/12/2024	10,150,000
P.T. No. 10159 Mukim of Sungai Trap District of Kinta 6 1/2 miles Lahat Pusing Main Road Ipoh, Perak	Vacant land	60 years leasehold expiring on 5 May 2062 (45 years)	Vacant	6,845 sq. metres	• 27/12/2024	920,000
MEGA MERANTI SDN. BHD.						
H.S. (M) 1011 P.T. 22538 Mukim Cheras District of Hulu Langat Balakong, Selangor D.E.	Vacant land	60 years leasehold expiring on 29 August 2054 (30 years)	Vacant	25,660 sq. metres	• 27/12/2024	17,400,000
MOBILE TECHNIC SDN. BHD.						
Suite W-10-21 to W-10-26 10th Floor, Melawangi Business Suites, Amcorp Trade Centre, No. 18 Jalan Persiaran Barat, 46050 Petaling Jaya Selangor D.E.	Business building	99 years leasehold expiring on 11 September 2088 (35 years)	Office and Store	372 sq. metres	• 5/12/2017	1,188,554

• indicates date of last revaluation

ANALYSIS OF SHAREHOLDINGS AS AT 02 APRIL 2025**SHARE CAPITAL**

Total number of issued shares	:	84,480,000
Issued and paid-up share capital	:	RM42,240,000/-
Class of shares	:	Ordinary shares
Voting rights	:	One (1) vote for each share held

ANALYSIS BY SIZE OF SHAREHOLDINGS AS AT 02 APRIL 2025

(as per the Record of Depositors)

Size of Shareholdings	Number of Shareholders	% of Shareholders	Number of Shares Held	% of Shares Held
Less than 100	138	16.83	2,994	0.00
100 - 1,000	156	19.02	38,468	0.05
1,001 - 10,000	356	43.41	1,758,582	2.08
10,001 - 100,000	129	15.73	3,929,578	4.65
100,001 to less than 5% of issued shares	38	4.64	22,422,326	26.54
5% and above of issued shares	3	0.37	56,328,052	66.68
Total	820	100.00	84,480,000	100.00

SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS AT 02 APRIL 2025

(as per the Register of Substantial Shareholders)

Name	No. of ordinary shares			
	Direct	%	Indirect	%
Dato' Lee Foo San	39,634,762	46.92	-	-
Surin Bay Resort Sdn Bhd	19,344,022	22.90	-	-
Cambridge Asset Holding Limited	-	-	19,344,022*	22.90
Datuk Hong Choon Hau	-	-	19,344,022**	22.90
Sanjay Murlidhar Daryanani	-	-	19,344,022*	22.90

* Deemed interest by virtue of Section 8(4)(c) of the Companies Act 2016.

** Deemed interest by virtue of Section 8(4)(c) of the Companies Act 2016 through Cambridge Asset Holding Limited.

DIRECTORS' SHAREHOLDINGS AS AT 02 APRIL 2025

(as per the Register of Directors' Shareholdings)

Name	No. of ordinary shares			
	Direct	%	Indirect	%
Dato' Lee Foo San	39,634,762	46.92	-	-
Dato' Sivananthan A/L Shanmugam	-	-	-	-
Hj Ariffin Bin Abdul Aziz	-	-	-	-
Datin Teoh Lian Tin	-	-	-	-
Hj Ahmad Bin Khalid	-	-	-	-
Loo Sooi Guan	1,025,800	1.21	100*	0.00
Datuk Hong Choon Hau	-	-	19,344,022**	22.90
Goh Thih Liang	200	0.00	-	-
Wong Hong Wai	3,200	0.00	-	-

* Shares held directly by spouse, which shall be treated as the interest of the Director pursuant to Section 59(11)(c) of the Companies Act 2016.

** Deemed interest by virtue of Section 8(4)(c) of the Companies Act 2016 through Cambridge Asset Holding Limited.

ANALYSIS OF SHAREHOLDINGS AS AT 02 APRIL 2025 (CONT'D)**30 LARGEST SHAREHOLDERS**

(as per the Record of Depositors)

No.	Name of Shareholders	No. of Shares	
		Held	%
1.	Dato' Lee Foo San	26,687,998	31.59
2.	Surin Bay Resort Sdn Bhd	18,498,022	21.90
3.	AMSEC Nominees (Tempatan) Sdn Bhd - Pledged Securities Account – AmBank (M) Berhad for Dato' Lee Foo San	11,142,032	13.19
4.	Maybank Securities Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Tan Ching Ching	4,082,900	4.83
5.	Lai Thiam Poh	1,747,700	2.07
6.	Citigroup Nominees (Asing) Sdn Bhd - CBHK PBGSB for Bharat Gurmukhdas Budhrani	1,605,400	1.90
7.	Tan Han Chuan	1,498,600	1.77
8.	Lim Wei Ling	1,073,158	1.27
9.	Loo Sooi Guan	1,025,800	1.21
10.	Dato' Lee Foo San	1,019,732	1.21
11.	Tay Yu Xian	884,600	1.05
12.	Surin Bay Resort Sdn Bhd	846,000	1.00
13.	Ker Min Choo	842,000	1.00
14.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Dato' Lee Foo San	700,000	0.83
15.	Lai Thiam Mei	680,800	0.81
16.	Roland Capital Partners Sdn Bhd	571,400	0.68
17.	Alliancegroup Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ker Min Choo (8109400)	509,700	0.60
18.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd - Pledged Securities Account for Ng Geok Wah (B BRKLANG-CL)	400,000	0.47
19.	Goh Ling Yau	393,000	0.47
20.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Surinder Singh A/L Wassan Singh (E-IMO)	389,200	0.46
21.	Celina Lee Ching Ling	387,400	0.46
22.	Low Chun Wai	367,000	0.43
23.	Kok Chee Ming	342,000	0.40
24.	Chin Chin Seong	300,000	0.36
25.	Ng Bi Yong	283,000	0.33
26.	Lim Wai Tat	240,800	0.29
27.	RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ker Yun	200,000	0.24
28.	Yap Sze Pin	200,000	0.24
29.	Liew Chiew Hau	194,400	0.23
30.	Kong Chuen Refrigeration Engineering Sdn Bhd	190,800	0.23
	Total	77,303,442	91.51

This page has been intentionally left blank.

WATTA HOLDING BERHAD
(Registration No. 199401038699 (324384-A))
(Incorporated in Malaysia)

Number of shares held	
CDS Account No.	
Contact No.	

FORM OF PROXY

I/We _____ NRIC/Company No. _____
[Full name in block letters]

of _____
[Full address]

being a member of **Watta Holding Berhad**, hereby appoint _____
[Full name in block letters and NRIC No.]

of _____
[Full address]

*and/or failing him/her _____
[Full name in block letters and NRIC No.]

of _____
[Full address]

or failing him/her, *the Chairman of the meeting as *my/our proxy to vote for *me/us on *my/our behalf at the Thirtieth Annual General Meeting of the Company to be held at Alhambra Ballroom, Level M1, Hotel Melia Kuala Lumpur, 16, Jalan Imbi, 55100 Kuala Lumpur on Wednesday, 11 June 2025 at 9.00 a.m. or at any adjournment thereof.

*My/our proxy(ies) *is/are to vote as indicated below:-

No.	Resolutions	For	Against
Ordinary Business			
1.	To re-elect the Director, Dato' Lee Foo San		
2.	To re-elect the Director, Hj. Ariffin Bin Abdul Aziz		
3.	To re-elect the Director, Hj. Ahmad Bin Khalid		
4.	To approve the payment of Directors' fees and benefits in respect of the period from 12 June 2025 until the conclusion of the next annual general meeting		
5.	To re-appoint UHY Malaysia PLT as the Company's Auditors		
Special Business			
6.	Authority for Directors to issue shares		
7.	Proposed Shareholders' Mandate		

(Please indicate with an "X" or "✓" in the space provided above on how you wish your votes to be cast. If no specific instruction is given on voting, the proxy will vote or abstain from voting at his/her discretion.)

*Delete if not applicable.

*Delete the words "Chairman of the meeting" if you wish to only appoint other person(s) to be your proxy(ies).

The proportion of *my/our shareholdings to be represented by *my/our proxies are as follows (to be completed ONLY when two proxies are appointed):-

Proxy 1	%	Proxy 2	%
---------	---	---------	---

Dated this _____ day of _____

Signature/Common Seal of Member

Notes:

- (1) Only a depositor whose name appears in the Company's Record of Depositors as at 4 June 2025 shall be regarded as a member and entitled to attend, speak and vote at this meeting or appoint proxy(ies) to attend and vote in his stead.
- (2) A member may appoint proxies to attend and vote instead of him at the meeting. If the member appoints more than one proxy, the appointment shall be invalid unless he specifies the proportion of his holdings to be represented by each proxy. A proxy may but need not be a member of the Company.
- (3) Where a member of the Company is an exempt authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 which holds ordinary shares in the Company for multiple beneficial owners in one 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.
- (4) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under seal or under the hand of an officer or attorney duly authorised.
- (5) The original instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Registered Office of the Company at Lot 5, Level 10, Menara Great Eastern 2, No. 50, Jalan Ampang, 50450 Kuala Lumpur not less than forty-eight (48) hours before the time for holding the meeting.
- (6) Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the notice of this meeting will be put to vote by poll.
- (7) The Personal Data Protection Act 2010, which regulates the processing of personal data in commercial transactions, applies to the Company. By providing to us your personal data which may include your name, contact details and mailing address, you hereby consent, agree and authorise the processing and/or disclosure of any personal data of or relating to you for the purposes of issuing the notice of this meeting and convening the meeting, including but not limited to preparation and compilation of documents and other matters, whether or not supplied by you. You further confirm to have obtained the consent, agreement and authorisation of all persons whose personal data you have disclosed and/or processed in connection with the foregoing.

A rectangular box with a thin black border, containing the word "STAMP" in a simple, sans-serif font. The box is positioned on the right side of the page, below a horizontal line.

STAMP

The Company Secretary
WATTA HOLDING BERHAD
(Registration No. 199401038699 (324384-A))
Lot 5, Level 10,
Menara Great Eastern 2
No. 50, Jalan Ampang
50450 Kuala Lumpur
Malaysia



WATTA HOLDING BERHAD
(199401038699 (324384-A))



12th Floor, Menara Cosway, Plaza Berjaya,
Jalan Imbi, 55100 Kuala Lumpur.