



**WATTA HOLDING BERHAD**

(199401038699 (324384-A))

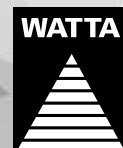
**ANNUAL REPORT 2025**



# ANNUAL REPORT 2025

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## NOTICE OF THIRTY-FIRST ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the Thirty-First 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, 3 June 2026 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 2025 and the Reports of the Directors and Auditors thereon.                                               | <b>Please refer to<br/>Note 1</b> |
| 2. | To re-elect the following Directors who retire by rotation pursuant to Clause 109 of the Company's Constitution:-                                                                              |                                   |
|    | 2.1 Datin Teoh Lian Tin;                                                                                                                                                                       | <b>(Resolution 1)</b>             |
|    | 2.2 Loo Sooi Guan; and                                                                                                                                                                         | <b>(Resolution 2)</b>             |
|    | 2.3 Datuk Hong Choon Hau.                                                                                                                                                                      | <b>(Resolution 3)</b>             |
| 3. | To re-elect the following Director who retires pursuant to Clause 115 of the Company's Constitution:-                                                                                          |                                   |
|    | 3.1 Goh Doh Hau.                                                                                                                                                                               | <b>(Resolution 4)</b>             |
| 4. | To approve the payment of Directors' fees and benefits of up to RM300,000.00 in respect of the period from 4 June 2026 until the conclusion of the next annual general meeting of the Company. | <b>(Resolution 5)</b>             |
| 5. | To re-appoint UHY Malaysia PLT as the Company's Auditors and to authorise the Directors to fix their remuneration.                                                                             | <b>(Resolution 6)</b>             |

### SPECIAL BUSINESS

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

- |    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                       |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| 6. | <b>ORDINARY RESOLUTION<br/>AUTHORITY FOR DIRECTORS TO ISSUE SHARES</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>(Resolution 7)</b> |
|    | <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> |                       |
| 7. | <b>ORDINARY RESOLUTION<br/>PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE ("PROPOSED SHAREHOLDERS' MANDATE")</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>(Resolution 8)</b> |
|    | <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 2026 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 THIRTY-FIRST 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."

8. 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)**  
**CHONG HUI MYN (SSM PC NO. 202108000133) (MAICSA 7072437)**  
Company Secretaries

Kuala Lumpur  
29 April 2026

**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 21 May 2026 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 Share Registrar's Office, Bina Management (M) Sdn Bhd at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan 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 THIRTY-FIRST ANNUAL GENERAL MEETING (CONT'D)

### Explanatory Notes:-

#### 1. **Resolutions 1, 2 and 3 – Re-election of Directors (Clause 109 of the Company's Constitution)**

The profiles of the Directors seeking for re-election are set out in the Directors' Profile section of the Company's Annual Report 2025. 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. Datin Teoh Lian Tin (Executive Director) ("Datin Teoh"), Loo Sooi Guan (Executive Director) ("Mr. Loo"), and Datuk Hong Choon Hau (Non-Independent Non-Executive Director) ("Datuk Hong"), 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 Datin Teoh and Mr. Loo. The Nomination Committee and the Board had also considered and were satisfied with the commitment and contribution of Datuk Hong.

The Board recommends the re-election of Datin Teoh, Mr. Loo and Datuk Hong.

#### 2. **Resolution 4 – Re-election of Director (Clause 115 of the Company's Constitution)**

The profile of the Director seeking for re-election is set out in the Directors' Profile section of the Company's Annual Report 2025. In accordance with Clause 115 of the Company's Constitution, the Directors shall have power at any time and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next AGM and shall then be eligible for re-election. Goh Doh Hau (Independent Non-Executive Director) ("Mr. Goh") who was appointed on 19 December 2025, being eligible, has offered himself for re-election.

The Nomination Committee and the Board had reviewed the declarations by Mr. Goh who does not have any conflict of interest or potential conflict of interest with the Company or its subsidiaries, and were satisfied with the contribution of Mr. Goh who had provided independent views, advice and judgements being an independent Director.

The Board recommends the re-election of Mr. Goh.

#### 3. **Resolution 5 – 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 Thirty-First ("31st") AGM until the conclusion of the next AGM of the Company.

#### 4. **Resolution 7 – 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 2025 which was not exercised by the Company during the year, will expire at the forthcoming 31st 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.

#### 5. **Resolution 8 – 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 2026. 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 31st AGM of the Company.

## CORPORATE INFORMATION

## BOARD OF DIRECTORS

**GOH THIH LIANG***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***WONG HONG WAI***Independent Non-Executive Director***GOH DOH HAU***Independent Non-Executive Director***AUDIT COMMITTEE**

Wong Hong Wai (*Chairman*)  
 Goh Thih Liang  
 Goh Doh Hau  
 Hj. Ahmad Bin Khalid

**NOMINATION COMMITTEE**

Goh Doh Hau (*Chairman*)  
 Goh Thih Liang  
 Hj. Ahmad Bin Khalid

**REMUNERATION COMMITTEE**

Goh Thih Liang (*Chairman*)  
 Wong Hong Wai  
 Goh Doh Hau

**COMPANY SECRETARIES**

Yeoh Chong Keat (*MIA 2736*)  
 Chong Hui Myn (*MAICSA 7072437*)

**REGISTERED OFFICE**

Suite 10.03, Level 10  
 The Gardens South Tower  
 Mid Valley City, Lingkaran Syed Putra  
 59200 Kuala Lumpur  
 Tel : (603) 2298 0255  
 Email : general@cosec-ai.com

**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

### GOH THIH LIANG

65 years of age,  
Malaysian, Male

**Independent  
Non-Executive Chairman**

Mr. Goh Thih Liang was appointed to the Board on 21 August 2023 and was re-designated as an Independent Non-Executive Chairman on 19 December 2025. He is a member of the Audit Committee and was also re-designated as Chairman of the Remuneration Committee, as well as a member of the Nomination Committee and the Risk Assessment/Management Committee on 19 December 2025.

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 2025.

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.

### DATO' LEE FOO SAN

61 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 2025.

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

72 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 2025.

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

58 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 2025.

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

75 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 and was appointed as a member of the Audit Committee on 19 November 2025.

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 2025.

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.

61 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 2025.

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.

50 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 2025.

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)****WONG HONG WAI**

65 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 2025.

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.

**GOH DOH HAU**

55 years of age,  
Malaysian, Male

**Independent  
Non-Executive Director**

Mr. Goh Doh Hau was appointed to the Board on 19 December 2025. 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 Master of Business Administration from the Sydney Business School, University of Wollongong and a degree in business administration majoring in advertising from Western Michigan University.

Mr. Goh brings with him more than 28 years of experience in sales and marketing, business development, and general management across the telecommunications, technology, and education sectors in Malaysia and the region. He currently serves as Head of Sales & Marketing at Infosyte Sdn Bhd since May 2025. Prior to this, he was Vice President of Sales & Marketing at the International College of Creative Arts Technology (CATS College) from March 2023 to December 2024.

From April 2021 to December 2022, Mr. Goh served as Country Manager of HMD Mobile (Malaysia) Sdn Bhd, the official brand licensee for Nokia mobile devices, with full responsibility for all commercial operations across Malaysia. He previously held the position of General Manager at Garganto Sdn Bhd from September 2019 to March 2021.

Earlier in his career, he was Assistant Vice President for Admissions, Counseling and Field Sales Operations at INTI International University and colleges (formerly part of Laureate International Universities) from October 2011 to July 2016.

Mr. Goh began his professional career in the telecommunications industry. He held senior marketing and sales leadership roles at PT Nokia Indonesia from August 2007 to July 2010, following nearly a decade with Nokia (M) Sdn Bhd from June 1998 to July 2007 in various senior positions within customer and market operations. He commenced his career at Maxis Mobile Sdn Bhd from October 1996 to May 1998, focusing on product development and management.

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

There were no Board of Directors' Meetings held between 19 December 2025 and 31 December 2025. Accordingly, there is no attendance record for Mr. Goh at any such meetings of the Company during the financial year ended 31 December 2025.

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

67 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. 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

64 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				
	2021	2022	2023	2024	2025
<b>Financial Highlights of Income Statement Items (RM)</b>					
Revenue	11,980,163	11,162,204	8,609,482	6,476,900	4,192,728
Earnings Before Interest, Tax, Depreciation And Amortisation	(200,695)	123,951	(1,025,896)	(451,824)	(379,753)
Profit/(Loss) Before Tax	(781,702)	(397,334)	(1,496,275)	(909,406)	(740,616)
Profit/(Loss) After Tax	(1,162,839)	(861,882)	(1,969,473)	(1,430,073)	(1,306,024)
Net Profit/(Loss) Attributable to Equity Holders	(1,162,839)	(861,882)	(1,969,473)	(1,430,073)	(1,306,024)
<b>Financial Highlights of Financial Position Items (RM)</b>					
Total Assets	66,699,241	66,647,027	64,118,115	62,925,078	61,429,399
Total Borrowings	437,367	574,639	196,135	386,455	104,006
Shareholders' Equity	55,251,454	54,389,572	52,420,099	50,990,026	49,684,002
<b>Financial Indicators</b>					
Return of Equity	(0.02)	(0.02)	(0.04)	(0.03)	(0.03)
Return on Total Assets	(0.02)	(0.01)	(0.03)	(0.02)	(0.02)
Gearing Ratio	0.01	0.01	0.00	0.01	0.00
Interest Cover	(36.52)	(18.37)	(112.92)	(69.75)	(100.84)
Earnings Per Share (sen)	(1.38)	(1.02)	(2.33)	(1.69)	(1.55)
Net Asset Per Share (RM)	0.65	0.64	0.62	0.60	0.59
Gross Dividend Per Share	NIL	NIL	NIL	NIL	NIL
Price Earnings Ratio	(37.41)	(52.44)	(25.31)	(25.40)	(24.58)
Gross Dividend Yield Per Share	NA	NA	NA	NA	NA
Share Price as at Financial Year End	0.515	0.535	0.590	0.430	0.380

## MANAGEMENT DISCUSSION AND ANALYSIS

### OVERVIEW OF THE MALAYSIAN ECONOMY

Malaysia's economy remained resilient in 2025 despite global economic uncertainties arising from geopolitical developments, evolving trade dynamics and fluctuations in global financial markets. Supported by strong domestic demand and improving external trade conditions, the Malaysian economy continued to expand at a steady pace.

According to the Department of Statistics Malaysia, Malaysia recorded Gross Domestic Product growth of 5.2 percent in 2025, exceeding the earlier official projection range of between 4.0 percent and 4.8 percent. This performance was slightly higher than the 5.1 percent growth recorded in 2024, reflecting the continued strength of Malaysia's economic fundamentals and the resilience of key sectors.

Economic expansion during the year was supported by stable domestic consumption, continued private sector investment and improving export performance. Household spending remained strong due to supportive labour market conditions and stable income growth. Private investment also expanded in sectors such as manufacturing, infrastructure, logistics and digital technology.

The services sector continued to be the largest contributor to Malaysia's economy and benefited from increased consumer activity and the continued recovery of tourism related sectors. At the same time, Malaysia's ongoing investments in digital infrastructure, particularly the nationwide rollout of 5G connectivity, further strengthened the country's position as a regional hub for technology and telecommunications.

Against this macroeconomic backdrop, WATTA Holding Berhad (WHB) operated within a dynamic business environment while maintaining focus on operational efficiency, cost discipline and strengthening its core business activities.

### OVERVIEW OF THE GROUP'S BUSINESS

WHB and its subsidiaries operate primarily in two core business segments. The first segment involves the servicing and repair of mobile telecommunication equipment together with the trading of related telecommunication products. The second segment involves investment and rental of properties.

These two segments provide diversification to the Group's revenue base. The mobile servicing segment remains closely linked to developments within the global smartphone industry, while the investment property segment provides stable and recurring rental income.

During the financial year under review, the Group continued to face structural challenges within the mobile servicing segment due to evolving industry dynamics and increasing competition from independent repair service providers. Nevertheless, the Group remained focused on improving operational efficiency and managing its cost structure.

The investment property segment continued to provide a stable income stream and supported the Group's overall financial position.

### INDUSTRY DEVELOPMENTS

The global smartphone industry continues to evolve with the introduction of devices incorporating advanced capabilities such as artificial intelligence applications, enhanced camera technologies and wider 5G connectivity. These innovations have supported steady demand for smartphones globally.

Improvements in product quality and device durability have gradually reduced the frequency of repair requirements compared with earlier generations of smartphones. Modern devices are designed with greater reliability and longer product lifecycles, resulting in lower demand for servicing and repair activities.

In addition, the mobile device repair market has become increasingly competitive with the expansion of independent repair service providers and third party service centres. These providers often offer competitive pricing and faster turnaround times, which has influenced consumer behaviour and created a more fragmented repair market.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### REVIEW OF OPERATING ACTIVITIES

#### Mobile Telecommunication Servicing Business

The Group's mobile telecommunication servicing operations are primarily carried out through its subsidiaries Mobile Technic Sdn Bhd and SEMS Services Sdn Bhd.

During the financial year under review, the mobile servicing segment experienced lower service volumes compared with previous years. This was largely attributed to improvements in smartphone durability, which resulted in fewer repair cases, as well as intensified competition from independent repair service providers.

Shifts in smartphone brand market share within Malaysia also affected the servicing landscape. The emergence of new smartphone brands and evolving consumer preferences have influenced demand for certain repair services.

In response to these developments, the Group implemented a series of operational initiatives aimed at improving efficiency and managing costs. These measures included optimisation of workforce levels, improved operational processes and tighter cost control.

The Group continues to explore opportunities to enhance productivity through the adoption of improved diagnostic tools and repair technologies in order to strengthen service capabilities and competitiveness.

### INVESTMENT PROPERTY SEGMENT

The Group's investment property segment continued to perform steadily and remained an important contributor to the Group's financial stability.

The Group owns several industrial properties which remained fully tenanted during the year. Rental income generated from these properties provided a stable and recurring revenue stream for the Group.

The commercial property market also demonstrated gradual improvement in line with Malaysia's broader economic recovery. Rental rates increased modestly following lease renewals and improved market demand.

During the financial year, the Group conducted a valuation of its investment properties which resulted in a revaluation surplus of approximately RM1.095 million. This gain contributed positively to the Group's financial performance.

The investment property segment continues to provide stable income while supporting the Group's balance sheet strength.

### FINANCIAL PERFORMANCE

For the financial year ended 31 December 2025, the Group recorded revenue of RM4.19 million compared with RM6.48 million in the previous financial year.

The reduction in revenue was primarily attributable to lower service orders from the mobile telecommunication servicing segment following the industry developments described earlier.

Despite the decline in revenue, the Group recorded profit before taxation of RM0.64 million in the fourth quarter of 2025, mainly due to the gain arising from the revaluation of investment properties.

For the full financial year, the Group reported a net loss of RM1.31 million, representing a slight improvement compared with the net loss of RM1.43 million recorded in the previous financial year.

As at 31 December 2025, the Group's total assets stood at RM61.43 million, while shareholders' equity amounted to RM49.68 million. The Group maintained a relatively strong balance sheet with low gearing and adequate liquidity.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### DIVIDEND

The Board of Directors does not recommend any dividend for the financial year ended 31 December 2025.

The Group aims to strengthen its long-term capabilities and to better position itself for sustainable growth in the challenging market environment.

### KEY RISKS AND CHALLENGES

The Group operates in an industry characterised by rapid technological developments and evolving consumer behaviour. Improvements in smartphone durability and longer product lifecycles have reduced the frequency of repair requirements, which presents challenges for the servicing business.

In addition, the increasing number of independent repair service providers has intensified competition within the repair market.

Economic conditions and consumer spending behaviour may also influence demand for repair services and related products. The Group continues to monitor these developments closely and adopts appropriate strategies to manage potential risks.

### OUTLOOK AND PROSPECTS

Looking ahead, the Group remains cautiously optimistic about its prospects.

Malaysia's economic outlook remains supportive, driven by continued domestic demand and ongoing investments in infrastructure and technology development. The expansion of digital infrastructure and telecommunications services is expected to support long term demand for mobile communication devices.

Within the mobile servicing segment, the Group will continue to focus on improving operational efficiency and strengthening service capabilities. The Group will also continue to strengthen relationships with existing smartphone brands while exploring potential collaboration opportunities with emerging manufacturers.

The Group also observes that the continued introduction of smartphones with advanced artificial intelligence capabilities and enhanced features is expected to sustain demand for high end mobile devices. At the same time, the increasing price of technologically advanced devices is contributing to the growth of the refurbished smartphone market as consumers seek more affordable alternatives.

The Group believes that this trend may gradually expand the refurbished smartphone segment and create a more balanced market between new and refurbished devices. As consumer acceptance of refurbished smartphones continues to increase, this segment may experience steady growth and present opportunities within the broader mobile device ecosystem.

Meanwhile, the investment property segment is expected to remain stable and continue providing recurring rental income to the Group.

Moving forward, the Group will remain focused on improving cost efficiency, strengthening business partnerships, diversifying revenue streams and enhancing operational resilience. Through disciplined execution of these strategies, the Group aims to gradually improve financial performance and deliver sustainable long term value to shareholders.

## SUSTAINABILITY STATEMENT

### ABOUT THIS REPORT

Watta Holding Berhad (“Watta” or “the Company”) aspires to be the preferred service partner of choice, delivering high-quality, reliable and accessible services at competitive cost, while progressively advancing towards a more sustainable future. Guided by our sustainability theme, **“High Product Quality and Service Excellence”** the Company continues to integrate sustainability considerations into its business strategy, operations, and service delivery.

As technology continues to evolve rapidly and regulatory expectations become increasingly stringent, Watta remains committed to adapting its business practices to strengthen operational resilience, encourage innovation, and uphold responsible and ethical business conduct. Through continuous improvement and compliance driven operations, we strive to create long-term value for our stakeholders while supporting sustainable growth.

As a service-oriented organisation, the Company places strong emphasis on service quality, environmental stewardship, and regulatory compliance. Our sustainability approach is anchored on robust Environmental, Social and Governance (“ESG”) principles, ensuring that our activities contribute positively to the environment, society, and the economy, while meeting the expectations of our customers, employees, investors, and the wider community.

We are pleased to present Watta Holding Berhad’s Sustainability Statement for the financial year ended 31 December 2025 (“SR 2025”), which highlights the Group’s sustainability practices and initiatives, as well as the ESG impacts arising from our operations.

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

### REPORTING FRAMEWORKS AND STANDARDS

To ensure all ESG disclosures are relevant to every stakeholder, this report was created based on the following standards:

- Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
- FTSE4Good Bursa Malaysia Index
- Global Reporting Initiative (“GRI”) Standards
- Taskforce for Climate-Related Financial Disclosures (“TCFD”)
- United Nations Sustainable Development Goals (“UN SDGs”)
- International Financial Reporting Standards (“IFRS”) Sustainability Disclosure Standards

### REPORTING SCOPE AND BOUNDARIES

Watta’s statement has been prepared in accordance with the GRI Standards. This Statement covers the reporting period for FY2025 from 1 January 2025 to 31 December 2025. 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 2025 and was audited by UHY.

### DATA ASSURANCE AND VALIDITY

The SR2025 content has been endorsed by our senior management and Board. We are committed to continuously improving our data collection and analysis to ensure all ESG disclosures are reported with the highest regard for accuracy and transparency.

### FORWARD-LOOKING STATEMENTS

The Watta SR2025 contains forward-looking statements regarding our key performance indicators (“KPI”), objectives, strategies, and anticipated figures. These statements are based on reasonable assumptions and the information accessible at the time of reporting about market trends and are not guarantees of future performance. Readers are encouraged to approach the information in this report with caution.

### FEEDBACK AND ENQUIRIES

Stakeholders are welcome to send any feedback or enquiries related to the SR2025 through the following channels <http://www.watta.com.my/>. We appreciate all inputs from our valued stakeholders and will incorporate suggestions in future reports, where applicable.

## SUSTAINABILITY STATEMENT (CONT'D)

### ABOUT WATTA AND WHO WE ARE

Watta Holding Berhad has been listed in the main market of Bursa Securities since 23 April 1996. The company primarily engaged in the servicing and repair of mobile telecommunication equipment, marketing and distribution of related products, and property investment through rental of industrial properties.

<b>Vision</b>	<ul style="list-style-type: none"> <li>• Coordinates and supports the Sustainability Working Group in managing material matters.</li> <li>• Consolidates sustainability reports and data from the Working Group for the CSC.</li> <li>• Guides the materiality assessment process.</li> <li>• Oversees the management of material sustainability matters.</li> <li>• Leads the preparation of the Sustainability Statement and recommends it for Board approval.</li> </ul>
<b>Mission</b>	<ul style="list-style-type: none"> <li>• 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.</li> </ul>

### OUR VALUE CHAIN

There are two (2) divisions which comprise the following:

Mobile Phones Servicing	Property Investment
<p>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.</p> <p>Both MTSB and SEMS are authorised partners of world renown brands for Samsung and Xiaomi; and partnership with local suppliers for Blackshark and Amazfit.</p> <p>MTSB and SEMS have accumulated more than 2 decades of service and maintenance knowledge and experience of mobile telecommunication devices in Malaysia and combined are currently one of the largest handphone service companies in Malaysia.</p>	<p>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), had been involved in the manufacturing, distribution and trading of automotive batteries.</p> <p>Having ceased operations in automotive batteries in 2018, the industrial properties have been diversified into investment properties.</p> <p>The industrial properties are currently tenanted to various tenants and generate rental income for the Group.</p>

Watta’s value chain is centred on the provision of telecommunication-related services and property investment activities, supported by a network of suppliers, service partners, and internal capabilities. Our value creation process begins with the sourcing of equipment, tools, and technical support services required for our operations. These inputs are deployed through our service delivery and operational platforms to support customers’ telecommunication needs and the effective management of our property assets.

Supporting functions such as procurement, logistics coordination, human capital development, information systems, risk management, and corporate governance play a critical role in ensuring smooth and reliable operations across the value chain. As part of our ongoing commitment to sustainable growth, we continue to strengthen sustainability integration across each stage of the value chain, focusing on service quality, operational efficiency, regulatory compliance, and responsible business practices, while creating long-term value for our stakeholders.

## SUSTAINABILITY STATEMENT (CONT'D)

### OUR VALUE CHAIN (CONT'D)

The activities within each stage of the value chain are outlined below:

Value Chain	Activities
Procurement & Supplier Engagement	Sourcing of telecommunication equipment, spare parts, tools, and technical services from approved vendors and service partners. Engagement with suppliers is guided by considerations of quality, reliability, cost efficiency, and compliance with applicable regulatory and ethical standards.
Operations & Service Delivery	Provision of telecommunication-related servicing, repair, and support services. Day-to-day operational activities include technical works, coordination of service teams, operational planning, and adherence to safety, quality, and data protection requirements.
Property Management & Investment	Management, leasing, and maintenance of industrial and commercial property assets to support operational needs and generate recurring income. Focus is placed on asset reliability, tenant satisfaction, and efficient utilisation of resources.
Customer Engagement & Support	Delivery of services to customers, ongoing engagement, and after-service support to ensure service reliability and customer satisfaction. This includes managing service performance, addressing customer feedback, and fulfilling contractual and regulatory obligations.

### SUSTAINABILITY GOVERNANCE

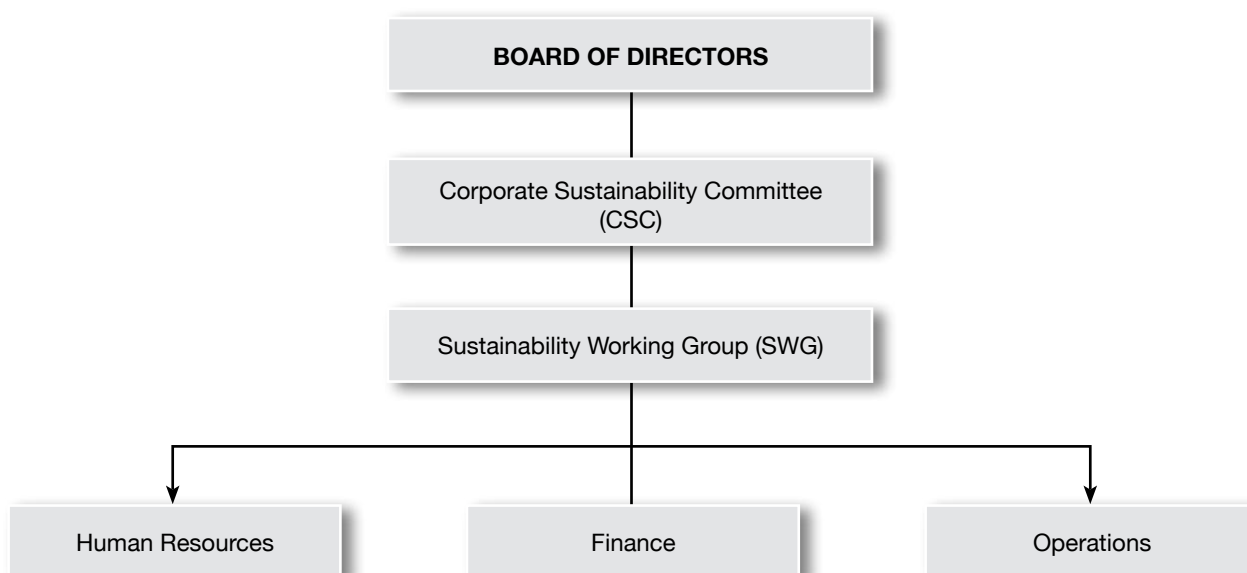
At Watta, we acknowledge that business operations are exposed to sustainability related risks to the ESG. We, therefore take responsibility for responding to these risks and embedding sustainable considerations in our business management. Our sustainability approaches and efforts are overseen by the 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.

Watta sustainability governance adopts a top-down structure, with the Board maintaining oversight of all sustainability matters, including climate change. The Board sets the direction and cascades strategies and directives to the Corporate Sustainability Committee ("CSC").

The Executive Directors ("ED") oversees the Group's day-to-day operations and is accountable for executing the Board's directives, particularly in managing sustainability, climate, and occupational safety and health ("OSH") risks and opportunities. Supporting the ED, the Sustainability Working Group ("SWG") consists of departmental heads to advance sustainability initiatives across the Group.

### ORGANISATION STRUCTURE FOR SUSTAINABILITY (GRI 2: GENERAL DISCLOSURES [2-9, 2-10, 2-11, 2-14] TO INCLUDE SUSTAINABILITY GOVERNANCE / DETAILS (GRI 2-12,13)



## SUSTAINABILITY STATEMENT (CONT'D)

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

Roles & Composition	Responsibilities
Board of Directors (“Board”)	<ul style="list-style-type: none"> <li>Provides ultimate strategic direction and exercises comprehensive oversight across the company entire sustainability agenda, including all ESG considerations, climate-related risks, guiding policies, key priorities, and performance targets.</li> <li>Sets and communicates sustainability strategies and guidelines to the CSC and ED.</li> </ul>
Executive Directors (“ED”)	<ul style="list-style-type: none"> <li>Manages the day-to-day operations of the Group.</li> <li>Executes directives from the Board, which includes overseeing sustainability, climate, OSH risks and opportunities.</li> <li>Leads the CSC to advance various sustainability initiatives across the Group.</li> <li>Oversees the integration of sustainability and climate considerations into the Group’s Enterprise Risk Management (“ERM”) framework.</li> <li>Manages and monitors critical sustainability issues, encompassing climate-related risks and opportunities.</li> <li>Tracks progress towards sustainability goals and identifies areas for improvement.</li> </ul>
Corporate Sustainability Committee (“CSC”)	<ul style="list-style-type: none"> <li>Draft’s sustainability strategies and policies, seeking Board committee approval.</li> <li>Drives consistent implementation across all business segments and locations.</li> <li>Assesses overall sustainability risks and opportunities, prioritising climate-related aspects.</li> <li>Evaluates and refines the materiality assessment process and outcomes.</li> <li>Reviews and provides feedback on the sustainability statement before Board approval.</li> <li>Develops and recommends sustainability-linked KPIs for performance evaluation of the Board and senior management.</li> <li>Oversees engagement with stakeholders, ensuring their concerns are incorporated into sustainability initiatives.</li> <li>Recommends material sustainability matters, policies, goals, and targets for Board approval.</li> <li>Monitors the implementation of sustainability policies and initiatives.</li> </ul>
Sustainability Working Group (“SWG”) [Composed of various departmental heads from each division]	<ul style="list-style-type: none"> <li>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.</li> <li>Distributes sustainability instructions to the appropriate data custodians within each division.</li> <li>Collects and consolidates feedback on the progress of sustainability initiatives for strategic evaluation.</li> </ul>

## SUSTAINABILITY POLICIES

Watta has a long-standing commitment to sustainability, which is reflected in our robust policy framework to ensure our operations meet best practice standards. These policies span a wide range of topics, from robust governance controls like our Anti- Corruption and Anti-Bribery (“ACAB”) Policy to proactive environmental measures.



Details on relevant policies are outlined further throughout SR2025. These policies are open for review to the public and can be accessed through our official website.

## SUSTAINABILITY STATEMENT (CONT'D)

### STAKEHOLDER ENGAGEMENT

Stakeholder engagement is at the core of our sustainability strategy. We actively engage with individuals and organisations who influence and are impacted by our business to gather feedback that informs our short and long-term direction. We regularly engage with all stakeholder groups through both formal and informal channels to foster trust, transparency, and active participation in shaping our sustainability journey.

Watta approach to various stakeholders, including the frequency of communication and how we approach stakeholder needs, are detailed below:

Stakeholder Group	Areas of Interest	Engagement Frequency	Response Strategies
Customers	<ul style="list-style-type: none"> <li>Product quality, battery maintenance, and repair services</li> <li>Customer satisfaction and loyalty</li> <li>Environmental initiatives (e.g., recycling programs)</li> </ul>	Immediately; Yearly; Ad hoc	<ul style="list-style-type: none"> <li>Social media campaigns educating customers on battery maintenance</li> <li>Personalised promotions based on purchase history</li> <li>Collaborate with influencers to promote products</li> <li>Host battery recycling programs</li> <li>Develop customer loyalty programs</li> </ul>
Shareholders & Investors	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Corporate governance</li> <li>ESG and sustainability performance</li> </ul>	Regularly	<ul style="list-style-type: none"> <li>Announce quarterly financial results to Bursa Securities</li> <li>Publish AGM notices in local newspapers</li> <li>Hold AGM and encourage participation</li> <li>Timely and transparent reporting of ESG and financial performance</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Health, safety, and well being</li> <li>Skill development and career growth</li> <li>Workplace engagement and satisfaction</li> </ul>	Yearly; Half-yearly; Ad hoc	<ul style="list-style-type: none"> <li>Technical and safety training (fire safety, hygiene, RTK/Swab testing)</li> <li>Maintain clean and healthy office and factory environments</li> <li>Implement employee wellness programs and flexible work arrangements</li> <li>Team-building and sports activities</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Timely delivery and quality of materials</li> <li>Supplier sustainability practices</li> </ul>	Monthly; Regularly	<ul style="list-style-type: none"> <li>Monthly discussions to ensure delivery and quality standards</li> <li>Monitor supplier performance and continuity of supply</li> <li>Conduct ESG-related assessments and surveys</li> </ul>
Community	<ul style="list-style-type: none"> <li>Community welfare</li> <li>Environmental sustainability</li> <li>Social impact programs</li> </ul>	Regularly	<ul style="list-style-type: none"> <li>Participate in charitable events, including distribution of daily essentials</li> <li>Sponsorship and donation programs aligned with community needs</li> </ul>
Government & Regulators	<ul style="list-style-type: none"> <li>Regulatory compliance</li> <li>Industry standards and updates</li> </ul>	Regularly; Yearly	<ul style="list-style-type: none"> <li>Staff training on updated rules and regulations</li> <li>Maintain full compliance with all relevant legislation</li> </ul>
Media	<ul style="list-style-type: none"> <li>Corporate updates</li> <li>Public awareness of initiatives</li> <li>Reputation management</li> </ul>	Ad hoc	<ul style="list-style-type: none"> <li>Publish news and updates on social media</li> <li>Transparent communication of key initiatives</li> </ul>
General Public	<ul style="list-style-type: none"> <li>Company operations and corporate governance</li> <li>Access to information</li> </ul>	Regularly	<ul style="list-style-type: none"> <li>Maintain up-to-date corporate website (<a href="http://www.watta.com.my">www.watta.com.my</a>)</li> <li>Share ESG and corporate information for transparency</li> </ul>

## SUSTAINABILITY STATEMENT (CONT'D)

### OUR SUPPORT TO UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

We recognise our responsibility to address broader social and environmental challenges. To this end, we have aligned our sustainability strategy with the United Nations Sustainable Development Goals (“UNSDG”).

The UNSDG provide a globally recognised framework built on three key pillars: economic growth, social inclusion, and environmental protection, with the aim of eradicating poverty and fostering peace by 2030. The framework comprises 17 goals and 169 specific targets, encouraging both governments and businesses to take meaningful action. At Watta, we consider all 17 Sustainable Development Goals (“SDGs”) where practicable, ensuring our approach and strategy are aligned with this global agenda.



### MATERIALITY ASSESSMENT [GRI3-1]

Watta reviews its material ESG matters annually to ensure continued relevance to the Group’s financial performance and stakeholder expectations. A comprehensive materiality assessment is carried out including risk management. Inputs are gathered from key individuals, after which the information is analysed and processed as illustrated below.

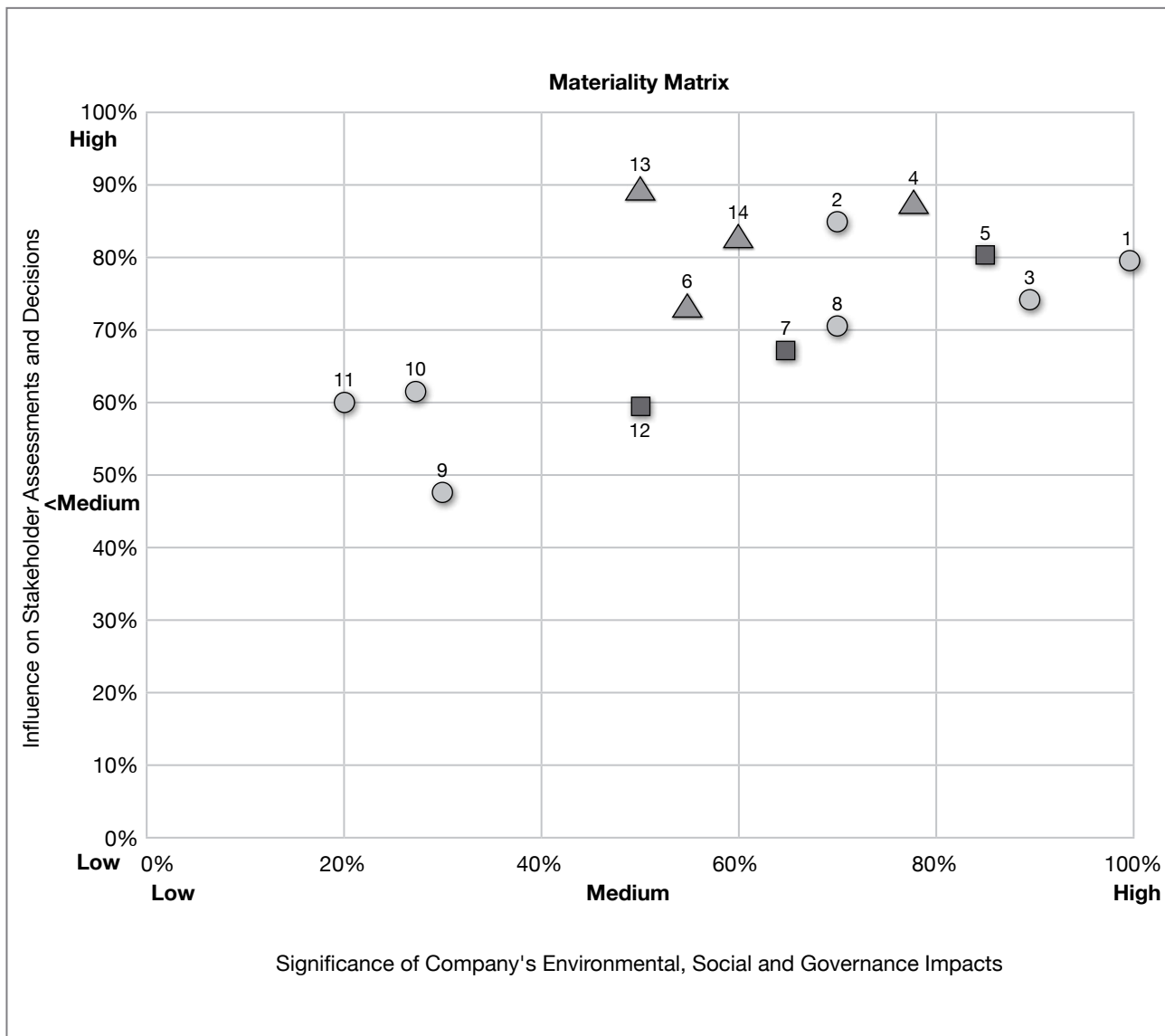


In FY2025, Watta conducted a limited desktop review of the material topics and determined that the identified material matters from the previous materiality assessment are still relevant to the stakeholders and our operations. The resulting material matrix has been approved by the Corporate Sustainability Committee (“CSC”).

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

## SUSTAINABILITY STATEMENT (CONT'D)

### ESG KPI'S AND TARGETS

Watta has established ESG performance indicators to embed sustainability into the Group's operational and governance frameworks. These indicators are designed to ensure alignment with the Group's strategic priorities, including business resilience, human capital development, environmental responsibility, and the maintenance of high standards of transparency, integrity, and regulatory compliance.

Topic	Rationale	KPI	Performance
Business Resilience	To ensure continuity of critical services, strengthen operational stability, and manage risks arising from operational, technological, and regulatory changes.	<ul style="list-style-type: none"> <li>Service Level Agreement (SLA) compliance rate</li> <li>Annual enterprise risk assessment conducted</li> </ul>	≥ 95% services delivered within agreed SLA
			Risk assessment conducted on quarterly basis
Our People & Communities Development	To attract, develop, and retain a competent workforce while fostering a safe, inclusive, and responsible workplace culture.	<ul style="list-style-type: none"> <li>Average training hours per employee</li> <li>Employee turnover rate</li> <li>Workplace safety incidents (LTIFR)</li> </ul>	≥ 20 training hours per employee per year
			Voluntary turnover rate ≤ 15%
			Zero work-related fatalities and major injuries
Environmental Responsibility	To minimise environmental impact, improve resource efficiency, and comply with applicable environmental regulations across operations.	<ul style="list-style-type: none"> <li>Electricity consumption monitoring</li> <li>Scheduled waste compliance</li> <li>Environmental non-compliance cases</li> </ul>	Energy consumption and track annually
			Water consumption and track annually
			100% compliance with scheduled waste regulations
			Zero environmental non-compliance cases
Transparency, Integrity & Regulatory Compliance	To uphold strong governance practices, ethical conduct, and compliance with regulatory requirements, ensuring accountability to stakeholders.	<ul style="list-style-type: none"> <li>Code of Conduct training coverage</li> <li>Regulatory breaches</li> <li>Internal audit plan completion</li> </ul>	100% employee awareness and training on Code of Conduct
			Zero material regulatory breaches
			100% completion of approved annual internal audit plan

### SUSTAINABILITY RISKS AND OPPORTUNITIES

To strengthen Watta's business model and long-term resilience, we have identified key sustainability related risks and opportunities that may affect the Group's operations, financial performance, and stakeholder relationships in both the short and long term. These risks and opportunities are assessed with reference to established ESG standards and frameworks, including the GRI and TCFD, while reflecting Watta's material sustainability topics and business priorities.

By proactively managing these sustainability considerations, Watta aims to mitigate potential risks, enhance operational efficiency, strengthen governance practices, and unlock opportunities for sustainable value creation.

## SUSTAINABILITY STATEMENT (CONT'D)

## SUSTAINABILITY RISKS AND OPPORTUNITIES (CONT'D)

Material Topics	Risks	Opportunities	UNSDG Alignment
<b>Marketplace</b>			
Compliance	Regulatory non-compliance, penalties, reputational damage, operational disruption	Strengthened compliance framework, improved stakeholder confidence, enhanced operational discipline	SDG 16
Economic Performance	Market volatility, cost pressures, project delays impacting profitability	Diversification of service offerings, improved operational efficiency, sustainable revenue growth	SDG 8
Anti- Corruption & bribery	Legal sanctions, reputational damage, loss of stakeholder trust	Strong ethical culture, enhanced governance systems, increased investor confidence	SDG 16
Data Privacy and Cybersecurity	Cybersecurity breaches, data loss, service disruption	Strengthened IT controls, enhanced data protection, increased customer trust	SDG 9; SDG 16
Corporate Governance	Weak oversight, inadequate risk management, shareholder concerns	Improved Board oversight, transparency, and accountability	SDG 16
Quality of Services	Service disruptions, failure to meet service level agreements (SLAs), customer dissatisfaction	Service excellence, improved customer retention, competitive advantage	SDG 9
Supply Chain Management	Supplier non-compliance, service delays, dependency risks	Resilient and reliable supplier partnerships, responsible procurement practices	SDG 12; SDG 17
<b>Workplace</b>			
Labour Practices, Diversity and Inclusion	Talent shortages, low employee engagement, workplace inequality	Inclusive workplace culture, stronger employer branding, improved productivity	SDG 5; SDG 8; SDG 10
Occupational Safety & Health	Workplace accidents, injuries, legal liabilities	Enhanced safety management systems, improved employee wellbeing and morale	SDG 3; SDG 8
Employee Development & Wellbeing	Skills gaps, high turnover, low morale	Structured training programmes, talent retention, leadership development	SDG 4; SDG 8
<b>Environment</b>			
Energy and Climate Change	Rising energy costs, regulatory and transition risks	Energy efficiency initiatives, cost optimisation, improved environmental performance	SDG 7; SDG 13
Resource & Waste Management	Inefficient resource use, regulatory non-compliance	Improved waste management practices, operational efficiency	SDG 12
Water Management	Water inefficiencies, potential environmental impact	Water conservation initiatives, sustainable water usage practices	SDG 6; SDG 12
<b>Community</b>			
Community & Social Contributions	Loss of social licence to operate, weak community relationships	Stronger community engagement, enhanced corporate reputation	SDG 11; SDG 17

## SUSTAINABILITY STATEMENT (CONT'D)

### 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.

#### ENVIRONMENTAL COMMITMENT

Watta recognises that responsible environmental management is essential to long-term business resilience, stakeholder confidence, and sustainable growth. Efforts to reduce greenhouse gas ("GHG") emissions and improve energy and resource efficiency support societal well-being while strengthening our operational sustainability.

As climate change and environmental challenges continue to evolve, Watta acknowledges the importance of collective action by businesses and stakeholders. In line with our Sustainability Statement, we are committed to complying with applicable environmental laws and regulations and managing the environmental impacts of our operations responsibly. Guided by the principle of "small actions, big differences", our environmental initiatives begin at the workplace and are progressively integrated across our operations.

#### (a) Energy & Resource Management

As a company specialising in mobile device servicing and repairs services, Watta acknowledges the impact of energy consumption and resource utilisation form part of our operational footprint. We strive to minimise our environmental impact through practical and continuous improvement initiatives.

##### i) Energy Management

Our energy efficiency measures include:

- Implementing lighting schedules at our head office to reduce electricity usage during periods of low occupancy;
- Regular maintenance and replacement of electrical equipment and lighting fixtures to improve energy efficiency;
- Encouraging the switching off of electrical appliances in offices and pantry areas when not in use; and
- Raising employee awareness through internal energy-saving campaigns and workplace reminders.

##### ii) Water Management

Watta promotes responsible water usage by encouraging water-saving practices among employees and adopting efficient water management measures where feasible. Current initiatives include:

- Conducting routine inspections to promptly detect and address water leaks; and
- Promoting water conservation awareness through internal communication and engagement activities.

Electricity and water consumption data for operational centres will be progressively compiled and disclosed in future reporting periods as data availability and tracking capabilities improve.

Energy consumption	FYE 2024	FYE 2025
Total electricity consumption (kWh)	141,166	97,937
Total Water Consumption (m3)	265	247

#### (b) Waste & E-Waste Management

Given our reliance on electronic components and spare parts, Watta places strong emphasis on responsible waste and electronic waste ("e-waste") management. Our key initiatives include:

- Partnering with authorised recycling and disposal companies for the proper handling of defective mobile components and spare parts;
- Providing designated recycling bins for electronic waste at service centres;
- Encouraging digital documentation and reducing paper usage through a Group-wide "Go Digital" initiative.

#### Storage and Collection of Recyclables

To support responsible waste handling and promote a recycling-based culture, Watta has implemented initiatives for the storage and collection of recyclables. The objectives of these initiatives include:

- Providing designated areas for the collection and temporary storage of non-hazardous recyclable materials;
- Reducing the volume of scheduled waste sent to licensed disposal companies; and
- Designating dedicated on-site areas for sorted waste materials to be stored separately prior to collection.

## SUSTAINABILITY STATEMENT (CONT'D)

### (c) Environmental Compliance & Innovation

Watta is committed to complying with all environmental regulations governing our operations and service activities. We continuously seek opportunities to improve environmental performance through operational enhancements and sustainable practices, including the refurbishment and repurposing of electronic components where feasible to extend product life cycles and reduce waste generation.

#### Environmental Protection

The Group recognises that certain operational activities may have environmental implications. As such, we ensure strict adherence to applicable environmental laws and guidelines to minimise potential impacts. Key measures implemented include:

- Returning major defective parts to manufacturers or principals for appropriate recycling treatment;
- Disposing of surplus or unusable spare parts through licensed disposal contractors in accordance with regulatory requirements;
- Providing recycling bins for the proper disposal of unused electronic items by customers;
- Minimising paper usage through digital documentation and electronic record-keeping, supported by workplace notices and internal policies;
- Maintaining a safe, clean, and organised workplace to support employee well-being, safety, and productivity.

## SOCIAL COMMITMENT

Watta Holding Berhad places strong emphasis on the health, safety, and overall well-being of our employees, customers, and communities. A safe, inclusive, and supportive work environment enables our people to perform at their best, supports operational reliability, and safeguards the long-term value of our assets.

The Group recognises that long-term sustainability extends beyond financial performance. Integrating social responsibility into our business strategy enhances stakeholder trust, strengthens our brand reputation, and supports talent attraction and retention. Meaningful social initiatives contribute to a positive workplace culture while reinforcing Watta's commitment to responsible and sustainable business growth.

### Our Social Approach

#### I) COMMUNITY INVESTMENT

Watta is committed to contributing positively to the communities in which we operate. As an organisation deeply rooted in the local community, we recognise our responsibility to support social development and address evolving community needs.

During the financial year under review, the Group provided monetary donations and participated in charitable initiatives organised by recognised non-governmental organisations, including HOPE Worldwide Malaysia. These initiatives included contributions of essential items to welfare and needy homes, as well as participation in community events such as the Good Earth Run.

Watta remains dedicated to strengthening community relationships and making meaningful contributions that improve quality of life and social well-being.

#### Community Investment Performance Data

	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Total amount invested where the target beneficiaries are external to Watta	1,000	1,000	1,000	1,000
Total number of beneficiaries of the investment in communities	35	50	50	50
Number of employees participated in community impact programmes	5	5	5	5
Total hours spent on community impact programmes per employee	4	5	5	5

**SUSTAINABILITY STATEMENT (CONT'D)**

**I) COMMUNITY INVESTMENT (CONT'D)**

**Community Investment Performance Data (cont'd)**

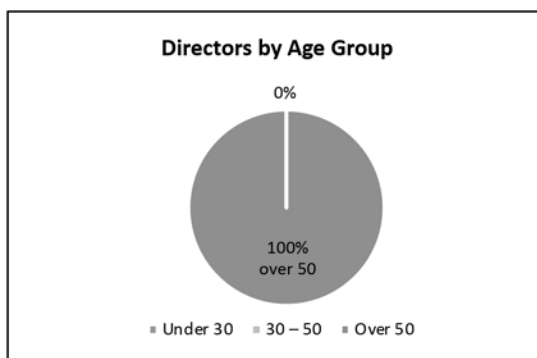
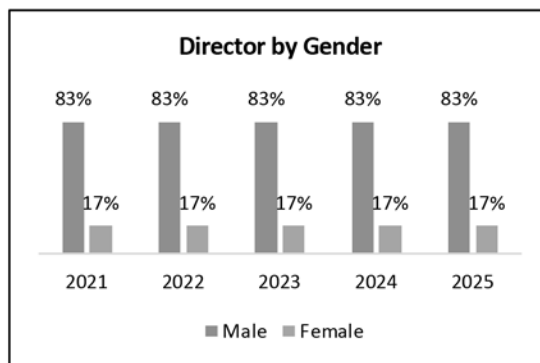
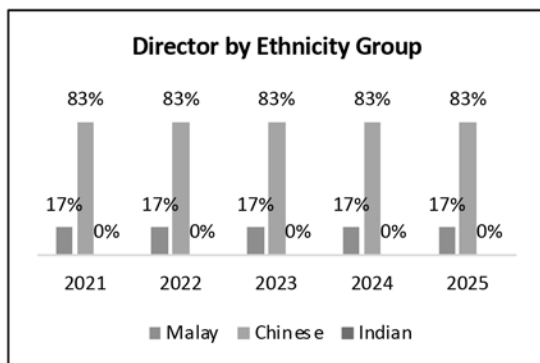
Watta has contributed and participated on Good Earth Run organised by HOPE Malaysia.



**Diversity, Equity & Inclusion**

The Group actively promotes equal opportunity and non-discrimination across all levels of the organisation. We are committed to fostering a diverse and inclusive workforce that reflects the communities we serve. Our approach includes encouraging diverse talent participation, ensuring fair employment practices, and nurturing an inclusive workplace culture where employees feel respected and valued.

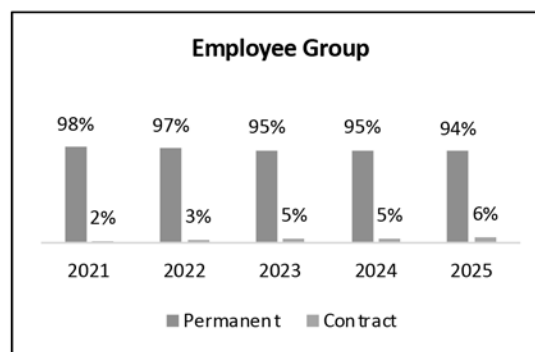
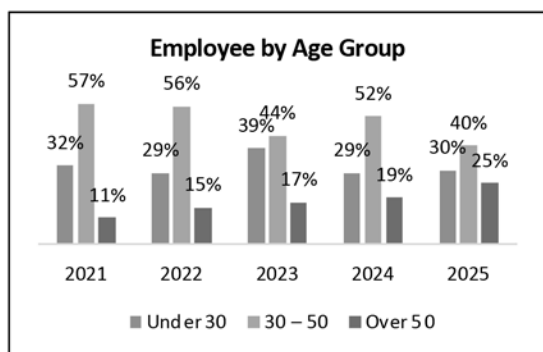
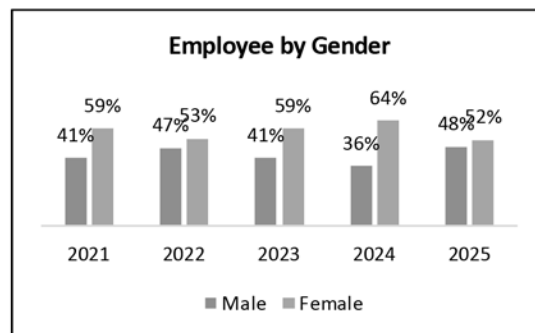
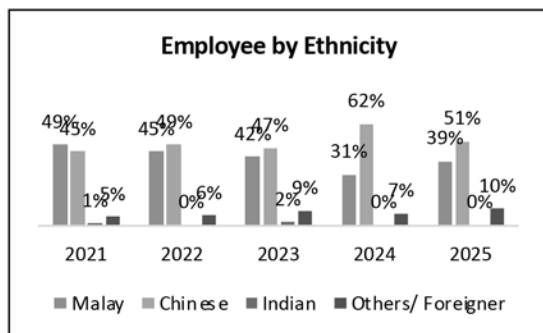
**Directors Profile**



## SUSTAINABILITY STATEMENT (CONT'D)

### I) COMMUNITY INVESTMENT (CONT'D)

#### Employee Profile



### II) EMPLOYEES MANAGEMENT

Watta recognises that our employees are our most valuable asset and a key driver of long-term success. We are committed to attracting, developing, and retaining talent by providing a supportive, engaging, and empowering work environment.

Our people management practices focus on:

- Fair and inclusive recruitment and career development opportunities;
- Continuous learning through structured training, workshops, and technical programmes;
- Performance management and competitive compensation aligned with employee well-being; and
- Supporting work-life balance through flexible work arrangements and employee benefits.

- **Upskilling and Reskilling**

The Group provides continuous training to ensure employees are equipped with relevant technical knowledge and industry updates. Training programmes include in-house sessions, external workshops, and principal-led technical training to support skills enhancement and career progression.

**SUSTAINABILITY STATEMENT (CONT'D)****II) EMPLOYEES MANAGEMENT (CONT'D)**

- Upskilling and Reskilling (cont'd)**

**Samsung training FOR 2025**

Date	Course Description	Category	Hours
13/01/2025	Engineer Briefing	Technician	1 hour 30 mins
03/02/2025	S25 Series Technical Training	Technician	1 hour 30 mins
13/02/2025	[VOC] Vertical Line Program & RMA Return Process	Technician	1 hour
24/03/2025	[SME] [MX] Galaxy A06, A26, A36 & A56 Training	Technician	1 hour
03/04/2025	New KPI Incentive briefing	BIC and Admin. Exe.	1 hour 30 mins
08/04/2025	[SME] [MX] Galaxy Tab S10 FE Series Training	CSO	1 hour
11/04/2025	Samsung Galaxy Forever Program	CSO	1 hour
30/04/2025	Line On Display Program & SC+ (sub category)	Technician	1 hour
11/06/2025	Trainings (Galaxy S25 Edge, XCover7 Pro, Tab Active5 Pro)	CSO	1 hour
11/07/2025	review & training on R-NPS and abnormal IQC result	Technician	1 hour 30 mins
11/07/2025	[SME][MX] Galaxy Watch8 Series Training	CSO	1 hour
14/07/2025	[SME][MX] Galaxy Z7 Series (Fold7, Flip7) Training	CSO	1 hour
17/07/2025	Technical Training - Z7 Series & Watch8 Series	Technician	1 hour 30 mins
08/09/2025	SBA Trainings (Galaxy S25 FE, Tab S11 Series, Buds3 FE, A07 & A17)	CSO	1 hour
24/10/2025	ASC KPI Review & Info sharing Oct 2025	BIC	1 hour
04/12/2025	CS SA Reader ASC Training Deck	CSO	1 hour

**Xiaomi Training for 2025**

Date	Course Description	Category	Hours
2-Jan-25	Aftersales training	Technician, CSO & Admin Officer	1 hour
16-Jan-25	Xiaomi Technical Training	Technician	2 hours
5-Feb-25	Xiaomi Technical Training	Technician	1 Hour
ESC training and exam information for March - complete before March 24 <sup>th</sup>		Technician & CSO	1 hour
10-Apr-25	Xiaomi Technical Training	CSO	1 hour
10-Apr-25	Xiaomi Technical Training	Technician	1 hour
April study and examination schedule: 4/2 (Beijing time)		Technician & CSO	30 minutes
May monthly study and examination schedule: 5/14~ 5/28		Technician & CSO	30 minutes
June study and examination schedule: 6/18~ 6/30		Technician & CSO	30 minutes
July 25 study and examination schedule: 7/14~ 7/28		Technician & CSO	30 minutes

## SUSTAINABILITY STATEMENT (CONT'D)

### II) EMPLOYEES MANAGEMENT (CONT'D)

- **Upskilling and Reskilling (cont'd)**

*Xiaomi Training for 2025 (cont'd)*

Date	Course Description	Category	Hours
25-Jul-25	Xiaomi Technical Training	CSO	1 hour
31-Jul-25	Xiaomi Technical Training	Technician	1 hour
26-Jul-25	Xiaomi Technical Training	Technician	1 hour
19-Aug-25	Xiaomi Technical Training	Technician	1 hour
12-Sep-25	ESC Front Desk Training	BIC and CSO	1 hour
26-Sep-25	Xiaomi 15T & 15T Pro Training	Technician	1 hour
6-Oct-25	Xiaomi Pad Mini (O88) Training & Buds Repair Refresher	Technician, CSO & Admin Officer	1 hour
9-Oct-25	Xiaomi Robot Vacuum Common Issue Repair Guidance Training	Technician, CSO & Admin Officer	1 hour
17-Nov-25	Xiaomi Robot Vacuum 5 & 5 Pro Training	Technician	1 hour
4-Dec-25	POCO F8 Pro & POCO F8 Ultra (P11&P11U) NPI Training	Technician	1 hour 30 mins
5-Dec-25	Robot Vacuum Refresher Training (Technical Bulletin Reminders and Common Issues Troubleshooting)	Technician, CSO & Admin Officer	1 hour
28/02/2025	Practical Guide on E-Invoice Implementation for Malaysia Companies with Budget 2025 Updates	Executive	7 hours
11/03/2025	Online E-Invoicing Briefing	Executive	2.5 hours
13/03/2025	Online E-Invoicing Briefing	Executive	5 hours
19/03/2025	OBM E-Invoicing Recap	Executive	1.5 Hours

- **Performance Management and Compensation**

**i) Leave**

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

## SUSTAINABILITY STATEMENT (CONT'D)

### II) EMPLOYEES MANAGEMENT (CONT'D)

- 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	FYE 2025
New hire	62	33	22	14
Turnover	70%	51%	52%	42%

Attrition by Age Group	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Under 30	26	25	12	10
30- 50	49	28	22	15
Over 50	13	11	8	8
<b>Total</b>	<b>88</b>	<b>64</b>	<b>42</b>	<b>33</b>

Employee Category	Total number of new hires			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Senior Management	0	0	0	0
Middle Management	0	0	0	0
Executive	9	5	5	2
Non-executive/ Technical Staff	53	28	17	12
<b>Total</b>	<b>62</b>	<b>33</b>	<b>22</b>	<b>14</b>

Employee Age Group	Total number of new hires			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Under 30	52	29	16	11
30- 50	10	4	6	3
Over 50	9	0	0	0
<b>Total</b>	<b>62</b>	<b>33</b>	<b>22</b>	<b>14</b>

Employee Category	Total number of employee turnover			
	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Senior Management	0	0	0	0
Middle Management	0	0	0	0
Executive	9	5	5	2
Non-executive/ Technical Staff	53	28	17	12
<b>Total</b>	<b>62</b>	<b>33</b>	<b>22</b>	<b>14</b>

- Employee Training Hours**

In 2025, we spent 200 hours on training, investing RM999 in internal and external learning and development programmes.

	FYE 2024	FYE 2025
Total Training Hours	227.5	200
Total Investment	RM 1450	RM 999
Average Training hours per employee	6 HR	7 HR

Employee Category	Total Training Hours	
	FYE 2024	FYE 2025
Senior Management	0	0
Middle Management	15	16
Executive	31.5	7
Non-executive/ Technical Staff	181	177
<b>Total</b>	<b>227.5</b>	<b>200</b>

## SUSTAINABILITY STATEMENT (CONT'D)

### II) EMPLOYEES MANAGEMENT (CONT'D)

#### • Employee Training Hours (cont'd)

In 2025, we spent 200 hours on training, investing RM999 in internal and external learning and development programmes. (cont'd)

Employee Category	Average Training hours per employee	
	FYE 2024	FYE 2025
Senior Management	0	0
Middle Management	7.5	8
Executive	10.5	3.5
Non-executive/ Technical Staff	15	8.5
<b>Total</b>	<b>33</b>	<b>20</b>

Employee Category	Training hours by Gender	
	FYE 2024	FYE 2025
Male	20	9
Female	13	11
<b>Total</b>	<b>33</b>	<b>20</b>

### III) EMPLOYEE WELL-BEING & WORKPLACE SAFETY

The health and safety of our workforce remain a top priority. Given the technical nature of our operations, Watta places strong emphasis on occupational safety, hazard prevention, and maintaining a conducive working environment.

Our commitments include:

- Compliance with the Occupational Safety and Health Act 1994;
- Regular health and safety training to minimise workplace risks;
- Maintaining a clean, organised, and safe workplace; and
- Supporting employee well-being through flexible work arrangements and engagement initiatives.

The Group strives to achieve zero work-related fatalities and major injuries and continues to enhance its occupational safety and health practices.

#### i) Training

In line with our commitment to a safe work environment, 33 participants engaged in comprehensive health and safety training programs.

	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Number of employees trained on health and safety standards	88	64	42	33
Total training Hours	4	4	4	4
Number of representatives in the OSH Committee	0	0	0	0

#### ii) Work Related Injuries

	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Number of Fatalities	0	0	0	0
Number of Lost Time Injuries	0	0	0	0
Lost Time Incident Rate ("LTIR") %	0	0	0	0

### IV) HUMAN RIGHTS

Watta is committed to upholding and respecting human rights across all areas of our operations. We believe that fair treatment, ethical conduct, and respect for human dignity contribute to a productive and positive workplace culture.

The Group maintains a zero-tolerance approach towards human rights violations and aims to achieve zero substantiated complaints related to human rights across its operations.

	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Number of substantiated complaints concerning human rights violation	0	0	0	0

## SUSTAINABILITY STATEMENT (CONT'D)

### V) CUSTOMER SATISFACTION

Customer satisfaction and service quality are critical to Watta's long-term success. We regularly engage with customers through feedback mechanisms and satisfaction surveys to better understand their expectations and continuously improve our services.

The Group has policies, procedures, and quality controls in place to ensure compliance with health, safety, and data privacy requirements, while delivering reliable and high-quality services.

	FYE 2022	FYE 2023	FYE 2024	FYE 2025
Customer satisfaction scores (%)	> 80%	> 80%	> 80%	> 80%
Customer complaints received	3	3	0	0
Customer complaints resolved	3	3	0	0
Number of complaints from regulatory bodies	0	0	0	0
Substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0	0
Total number of identified leaks, thefts, or losses of customer data	0	0	0	0

### VI) SUPPLY CHAIN MANAGEMENT

Watta recognises the importance of responsible sourcing and sustainable supply chain practices. Suppliers are selected through structured procurement and bidding processes that emphasise quality, reliability, competitive pricing, and ethical standards.

The Group has begun incorporating sustainability-related considerations into supplier assessments and is progressively engaging suppliers to affirm their commitment to ESG principles. The majority of our procurement spending is directed towards local suppliers, supporting domestic businesses and economic development.

	FYE 2023 (%)	FYE 2024 (%)	FYE 2025 (%)
Proportion of spending on local suppliers (Average)	98.61	99.79	100

### VII) MARKETPLACE

The Group is committed to maintaining high standards of transparency, accountability, and ethical conduct in all business dealings. Robust internal controls, risk management frameworks, and governance oversight mechanisms are in place to support responsible decision making. 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.

Through ongoing stakeholder engagement, Watta seeks to build trust, mutual respect, and long-term relationships with shareholders, employees, customers, suppliers, regulators, and the wider community. 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.

Through these social initiatives, Watta aims to foster a responsible, inclusive, and sustainable corporate ecosystem while strengthening long-term business resilience and stakeholder value creation.

## SUSTAINABILITY STATEMENT (CONT'D)

### COMMUNITY INVESTMENT

In line with Watta's commitment to being a responsible corporate citizen, the Group undertakes Corporate Social Responsibility ("CSR") initiatives to support the communities in which we operate. These initiatives are designed to enhance social well-being while strengthening stakeholder relationships, reinforcing Watta's corporate reputation, and supporting long-term business sustainability. By integrating CSR into our business approach, Watta demonstrates its dedication to creating positive social impact alongside sustainable growth.

During the financial year under review, Watta contributed to various community-based initiatives aimed at community welfare, education, environmental awareness, and social support. These efforts reflect the Group's ongoing commitment to contributing meaningfully to society and supporting the needs of local communities.

The Group's CSR activities carried out during the financial year are summarised below:

CORPORATE SOCIAL RESPONSIBILITY PROGRAMME	
Good Earth Run organised by HOPE Malaysia	Contribution: RM1,000.00
Total	Contribution: RM1,000.00

### GOVERNANCE COMMITMENT

#### COMPLIANCE

Watta is committed to full compliance with all applicable laws, regulations, and industry standards across its operations. Guided by principles of integrity, accountability, and transparency, the Group upholds a strong governance culture supported by clear policies and internal controls. These frameworks enable effective monitoring, oversight, and assurance of compliance, ensuring ethical conduct, regulatory adherence, and responsible business practices at all times.

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.

	FYE 2023	FYE 2024	FYE 2025
Number of incidents the company and/or subsidiaries have been fined or censured for any environmental non-compliance.	0	0	0
Number of incidents the company and/or subsidiaries have been fined or censured for any socioeconomic non-compliance	0	0	0

#### (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.

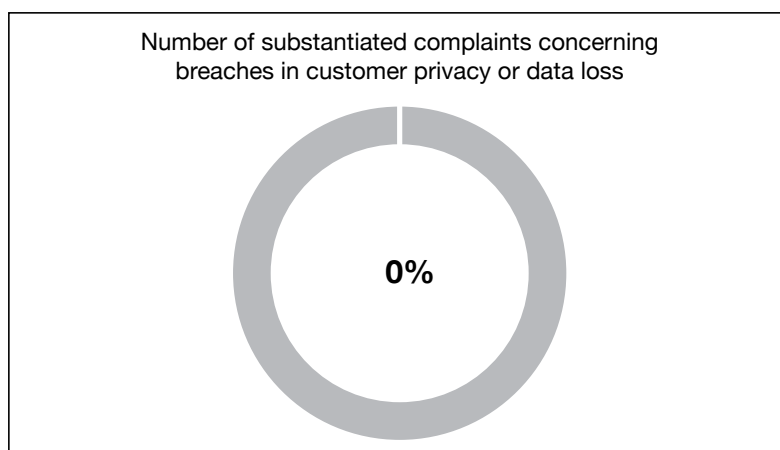
The Group continues to strengthen its cybersecurity measures through strict adherence to our Personal Data Protection Policy. Our policy is developed in accordance with the Personal Data Protection Act ("PDPA") 2010. We maintain a robust cybersecurity framework that is embedded within our operations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

**SUSTAINABILITY STATEMENT (CONT'D)****(a) DATA PRIVACY AND SECURITY – Related UNSDGs 16 (cont'd)**

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 2025.



Data Privacy & Security	FYE 2023	FYE 2024	FYE 2025
Number of confirmed security breaches	0	0	0
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0
Number of PDPA non-compliances	0	0	0
Total fines related to PDPA non-compliance (RM)	0	0	0

**(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 FY2025. We maintain a Whistleblowing Policy, ensuring stakeholders have a secure and anonymous platform to report unethical behavior, 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.

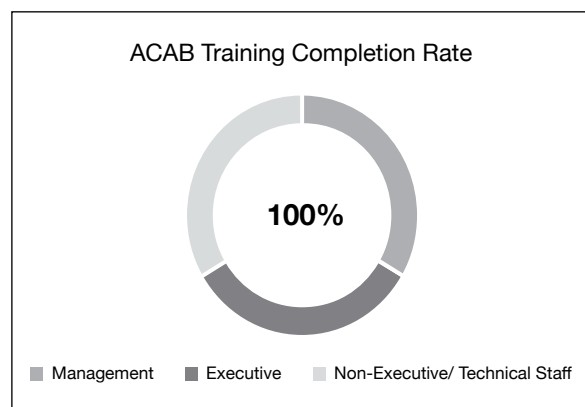
## SUSTAINABILITY STATEMENT (CONT'D)

## (b) ETHICS AND ANTI CORRUPTION - Related UNSDGs 16 (cont'd)

## Our Performance

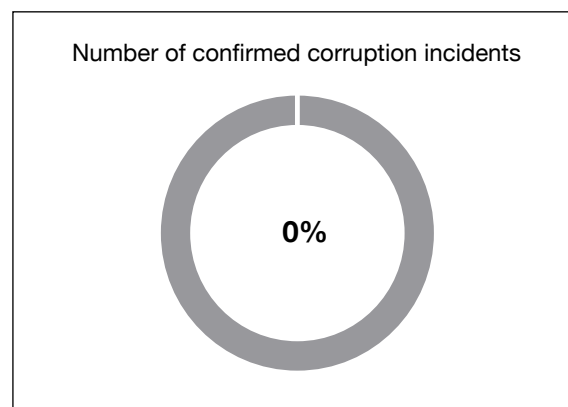
## Corruption Related Training

All employees have completed the necessary annual training in 2025. Additionally, employees are required to complete an integrity pledge to indicate compliance.



## Corruption Related Incidents

As of 31 December 2025, we recorded zero incidents of corruption across our business operations.



ABAC Training		FYE 2025
Number and percentage of governance body members that have received training on anti-corruption:		
Total number of directors		9
Number of directors who have received training on anti-corruption		8
Percentage of directors who have received training on anti-corruption		88.89%
Percentage of employees that have received training on anti-corruption by employee's category:		
Senior Management		100%
Management		100%
Executive		100%
Non-executive		100%
Total percentage of employees that have received training on anti-corruption		100%

Corruption Risk Assessment	FYE 2023	FYE 2024	FYE 2025
Percentage of operations assessed for corruption-related risks	100%	100%	100%
Number of confirmed incidents of bribery and corruption	0	0	0
Total cost of fines, penalties or settlements in relations to corruption	0	0	0
Total amount of political contributions made (RM)	0	0	0
Significant risks related to corruption identified through the risk assessment	Nil	Nil	Nil
Number of staff disciplined or dismissed due to non-compliance with anti-corruption policy	Nil	Nil	Nil

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 2025 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.

## SUSTAINABILITY STATEMENT (CONT'D)

### (c) ECONOMIC PERFORMANCE - Related UNSDGs 8

This year the Group's revenue was RM4,192,728. As the table below demonstrates, Watta remains a consistent source of value for our stakeholders.

	FYE 2022 RM	FYE 2023 RM	FYE 2024 RM	FYE 2025 RM
Economic value generated (i.e., revenue and other income)	11,162,204	8,609,482	6,476,900	4,192,728
Economic value distributed:				
Operating costs	2,000,608	1,738,883	1,833,635	1,625,524
Employee wages and benefits	4,580,299	4,137,655	3,274,971	2,866,553
Payment to providers of capital (i.e., dividend and financing costs)	20,515	13,135	12,854	7,272
Payment to government (i.e., tax)	230,419	249,306	271,595	309,098
Community investment	1,000	1,000	1,000	1,000

### (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 FY2025.

## LOOKING AHEAD

Sustainability remains central to Watta's growth, our role as a responsible corporate citizen, and the well-being of the communities we serve. We are committed to continuously enhancing our sustainability initiatives to drive positive impact and long-term value creation.

By integrating ESG considerations into our strategy and operations, the Group will continue to manage material sustainability risks and opportunities, while monitoring emerging ESG trends. This complements our established risk management framework, which addresses strategic, operational, and financial risks, ensuring the Group remains resilient and adaptive.

Watta will continue to strengthen its sustainability measures as part of our corporate responsibility to stakeholders, while evolving our business models, structures, and strategies to support lasting growth and resilience.

## ASSURANCE

The Sustainability Statement has not been subjected to any internal review by the Group's outsourced internal auditor. However, it was reviewed by a third party external independent assurance firm in accordance with recognized assurance standards.

This Statement has been approved by the Board and is current as of 13/04/2026.

## SUSTAINABILITY STATEMENT (CONT'D)

PLEASE FIND BELOW WATTA'S ESG PERFORMANCE DATA FOR 3 YEARS (FY2023, FY2024 & FY2025) AS PER BURSA MALAYSIA'S ENHANCED SUSTAINABILITY REPORTING REQUIREMENTS.

Indicator	Measurement Unit	2023	2024	2025
<b>Bursa (Anti-corruption)</b>				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	100.00	100.00	100.00
Executive	Percentage	100.00	100.00	100.00
Non-executive/Technical Staff	Percentage	100.00	100.00	100.00
General Workers	Percentage	100.00	100.00	100.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
<b>Bursa (Community/Society)</b>				
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	1,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	50	50	50
<b>Bursa (Diversity)</b>				
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	0.00
Management Between 30-50	Percentage	0.00	0.00	0.00
Management Above 50	Percentage	9.38	14.28	18.18
Executive Under 30	Percentage	0.00	0.00	0.00
Executive Between 30-50	Percentage	17.19	21.43	15.15
Executive Above 50	Percentage	6.25	4.76	6.06
Non-executive/Technical Staff Under 30	Percentage	28.13	30.95	27.27
Non-executive/Technical Staff Between 30-50	Percentage	15.63	28.58	33.33
Non-executive/Technical Staff Above 50	Percentage	1.56	0.00	0.00
General Workers Under 30	Percentage	12.50	0.00	0.00
General Workers Between 30-50	Percentage	9.37	0.00	0.00
General Workers Above 50	Percentage	0.00	0.00	0.00
Gender Group by Employee Category				
Management Male	Percentage	7.81	11.90	15.15
Management Female	Percentage	1.56	2.38	3.03
Executive Male	Percentage	6.25	9.52	15.15
Executive Female	Percentage	17.19	16.67	6.06
Non-executive/Technical Staff Male	Percentage	14.06	19.05	27.27
Non-executive/Technical Staff Female	Percentage	31.25	40.48	33.33
General Workers Male	Percentage	12.50	0.00	0.00
General Workers Female	Percentage	9.38	0.00	0.33
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	100.00	83.00	83.33
Female	Percentage	0.00	17.00	16.67
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	0.00	0.00	0.00
Above 50	Percentage	100.00	100.00	100.00

**SUSTAINABILITY STATEMENT (CONT'D)**

**PLEASE FIND BELOW WATTA'S ESG PERFORMANCE DATA FOR 3 YEARS (FY2023, FY2024 & FY2025) AS PER BURSA MALAYSIA'S ENHANCED SUSTAINABILITY REPORTING REQUIREMENTS.**

Indicator	Measurement Unit	2023	2024	2025
<b>Bursa (Health and safety)</b>				
Bursa C5(a) Number of workrelated fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	64	42	33
<b>Bursa (Labour practices and standards)</b>				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	4	15	16
Executive	Hours	4	32	7
Non-executive/Technical Staff	Hours	4	181	177
General Workers	Hours	4	0	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	4.68	0.00	0.00
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	0	0	0
Executive	Number	5	5	2
Non-executive/Technical Staff	Number	20	17	12
General Workers	Number	8	0	0
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
<b>Bursa (Supply chain management)</b>				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	98.00	99.79	100.00
<b>Bursa (Data privacy and security)</b>				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
<b>Bursa (Energy management)</b>				
Bursa C4(a) Total energy consumption	Megawatt	-	141	98
<b>Bursa (Water)</b>				
Bursa C9(a) Total volume of water used	Megalitres	-	0.001	0.001
<b>Bursa (Waste management)</b>				
Bursa C10(a) Total waste generated	Metric tonnes	-	0.00	0.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	0.00	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	0.00	0.00
<b>Bursa (Emissions management)</b>				
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	-	0.00	0.00
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	-	0.00	0.00
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	0.00	0.00

## SUSTAINABILITY STATEMENT (CONT'D)

## GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

GRI content index		
Statement of use	HCK Capital Group 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	
<b>Legend:</b>		
I. Sustainability reporting ("SR")		
II. Corporate Governance ("CG")		
III. Financial Reporting ("FR")		
GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 2: General Disclosures 2021</b>	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	-
<b>GRI 3: Material Topics 2021</b>	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
<b>GRI 101: Biodiversity 2024</b>	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 biodiversits	
	101-8 Ecosystem services	
<b>GRI 304: Biodiversity 2016</b>	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	
<b>GRI 201: Economic Performance 2016</b>	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	-
<b>GRI 202: Market Presence 2016</b>	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
<b>GRI 203: Indirect Economic Impacts 2016</b>	203-1 Infrastructure investments and services supported	CG
	203-2 Significant indirect economic impacts	-
<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	SR
<b>GRI 205: Anti-corruption 2016</b>	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
<b>GRI 206: Anti-competitive Behaviour 2016</b>	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	SR
<b>GRI 207: Tax 2019</b>	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	-
<b>GRI 301: Materials 2016</b>	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
<b>GRI 302: Energy 2016</b>	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
<b>GRI 303: Water and Effluents 2018</b>	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
<b>GRI 305: Emissions 2016</b>	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	-
<b>GRI 306: Effluents and Waste 2016</b>	306-3 Significant spills	-
<b>GRI 306: Waste 2020</b>	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
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	SR
	308-2 Negative environmental impacts in the supply chain and actions taken	SR
<b>GRI 401: Employment 2016</b>	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	-
<b>GRI 402: Labor/ Management Relations 2016</b>	402-1 Minimum notice periods regarding operational changes	SR
<b>GRI 403: Occupational Health and Safety 2018</b>	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
<b>GRI 404: Training and Education 2016</b>	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
<b>GRI 404: Training and Education 2016</b>	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
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	SR
	405-2 Ratio of basic salary and remuneration of women to men	CG
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	CG
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-
<b>GRI 408: Child Labor 2016</b>	408-1 Operations and suppliers at significant risk for incidents of child labor	-
<b>GRI 409: Forced or Compulsory Labor 2016</b>	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	-
<b>GRI 410: Security Practices 2016</b>	410-1 Security personnel trained in human rights policies or procedures	-
<b>GRI 411: Rights of Indigenous Peoples 2016</b>	411-1 Incidents of violations involving rights of indigenous peoples	-
<b>GRI 413: Local Communities 2016</b>	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
<b>GRI 414: Supplier Social Assessment 2016</b>	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
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions	-
<b>GRI 416: Customer Health and Safety 2016</b>	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	-
<b>GRI 417: Marketing and Labeling 2016</b>	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	-
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR

**SUSTAINABILITY STATEMENT (CONT'D)**

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Date : 1 April 2026  
To : Board of Directors

**INDEPENDENT SUSTAINABILITY THIRD PARTY ASSURANCE REVIEW**

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**Introduction and Purpose of the Engagement**

The SMART BUSINESS CONSULTING (“SBC”) has been appointed by WATTA HOLDINGS BERHAD (“WATTA”) to provide an independent review, with limited assurance, of their **Sustainability Statement (“SS”)** for FYE 2025.

This review aims to increase the confidence of WATTA 's stakeholders in the SS. SBC has assessed the accuracy, reliability, and objectivity of the information presented. The review will ensure the SS covers the most important sustainability issues for WATTA and its stakeholders.

**Scope of the Engagement**

Our review focused on assuring performance data and qualitative information in SS for the reporting period from 1 January 2025 to 31 December 2025. Within the constraints and exclusions outlined below, our review encompassed:

- Statements, information, and selected ESG performance indicators presented in the SS; and
- WATTA 's management approach to its significant issues and reporting Standards.

The selected information was compiled by WATTA team in compliance with recognised best practice reporting frameworks such as the Global Reporting Initiative (GRI), and Sustainable Development Goals (SDG), along with internal definitions established by WATTA for monitoring and evaluating progress against its ESG (Environment, Social, and Governance) performance indicators.

**Exclusions and Limitations**

Our review relied solely on the information provided by WATTA team. This information may include data consolidated and reconciled by WATTA from various sources like markets, operations, suppliers, and other third parties.

It is important to note that the accuracy of the reported data ultimately depends on how well data is collected and monitored at the source (markets and sites). We did not assess these data collection and monitoring procedures during our limited assurance engagement.

Our review considered a selection of the selected information based on a risk assessment. Due to this sampling approach, there is a chance that some errors, omissions, or misstatements in the SS might not be identified.

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**SUSTAINABILITY STATEMENT (CONT'D)**

The SS includes various types of information, some of which we reviewed and others that fell outside our scope of work:

1. Financial data, including data used to calculate selected information, which is audited by an external financial auditor and relied upon for our scope of work. This includes statements related to production, sales, revenue, salaries, payments, and financial investments.
2. Information outside the scope, contains information about activities that happened outside the timeframe or were irrelevant to our review.
3. Company statements and opinions, include statements expressing the company's position, opinions, beliefs, goals, and plans. Additionally, it may contain anecdotes or testimonials from WATTA or third parties. These were not part of our review.
4. New targets and reporting criteria, appropriateness of new commitments, targets, and objectives set by WATTA, as well as their internal reporting definitions, were not evaluated in our review.

**Responsibilities:**

Our responsibility was to provide a limited assurance review, following established standards, to assess the accuracy, reliability, and objectivity of the information presented in the SS. Based on this review, we formed an independent conclusion.

**Verification Opinion**

Based on the Data and Information provided by WATTA and the processes and procedures conducted, there is no evidence that the organization's sustainability statement:

- Is not materially correct;
- is not a fair representation of the GHG emissions data and information; and

It is our opinion that WATTA has established a system for the collection, aggregation, and analysis of quantitative data for the determination of its Environmental, and Safety data for the stated period and boundaries.

Thank you.

**SMART BUSINESS CONSULTING**

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**SUSTAINABILITY STATEMENT**  
**Bursa Malaysia Prescribed Table**

Date & Time: 2026-04-22\_12:15:54  
 FYE 31/12/2025

**WATTA HOLDING BERHAD**  
 BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Anti-corruption	Percentage of employees who have received training on anti-corruption - Management	Percentage	100.00	100.00	External (Limited)	Trainings for directors conducted by Smart Focus Business Solution
Anti-corruption	Percentage of employees who have received training on anti-corruption - Executive	Percentage	100.00	100.00	No assurance	Internal trainings and briefings are conducted twice a year. The target of 100% is for existing staff
Anti-corruption	Percentage of employees who have received training on anti-corruption - Non-Executive / Technical Staff	Percentage	100.00	100.00	No assurance	Internal trainings and briefings are conducted twice a year. The target of 100% is for existing staff
Anti-corruption	Percentage of operations assessed for corruption-related risks	Percentage	100.00	-	No assurance	Risk assessment and management are conducted on quarterly basis
Anti-corruption	Confirmed incidents of corruption and action taken	Number	0	-	No assurance	None reported
Community/Society	Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	1,000.00	-	No assurance	Participated Hope Malaysia's program
Community/Society	Total number of beneficiaries of the investment in communities	Number	50	-	No assurance	Participated Hope Malaysia's program
Diversity	Percentage of employees by age group -Management (under 30)	Percentage	0.00	-	No assurance	As per HR records
Diversity	Percentage of employees by age group -Management (30 to 50)	Percentage	0.00	-	No assurance	As per HR records
Diversity	Percentage of employees by age group -Management (above 50)	Percentage	18.18	-	No assurance	As per HR records

**SUSTAINABILITY STATEMENT**  
**Bursa Malaysia Prescribed Table**

Date & Time: 2026-04-22\_12:15:54  
 FYE 31/12/2025

**WATTA HOLDING BERHAD**  
 BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Percentage of employees by age group -Executive (under 30)	Percentage	0.00	-	No assurance	As per HR records
Diversity	Percentage of employees by age group -Executive (30-50)	Percentage	15.15	-	No assurance	As per HR records
Diversity	Percentage of employees by age group -Executive (above 50)	Percentage	6.06	-	No assurance	As per HR records
Diversity	Percentage of employees by age group -Non-Executive/Technical Staff (under 30)	Percentage	27.27	-	No assurance	As per HR records
Diversity	Percentage of employees by age group -Non-Executive/Technical Staff (30-50)	Percentage	33.33	-	No assurance	As per HR records
Diversity	Percentage of employees by age group -Non-Executive/Technical Staff (above 50)	Percentage	0.00	-	No assurance	As per HR records
Diversity	Percentage of employees by gender group -Management Male	Percentage	15.15	-	No assurance	As per HR records
Diversity	Percentage of employees by gender group -Management Female	Percentage	3.03	-	No assurance	As per HR records
Diversity	Percentage of employees by gender group -Executive Male	Percentage	15.15	-	No assurance	As per HR records
Diversity	Percentage of employees by gender group -Executive Female	Percentage	6.06	-	No assurance	As per HR records

**SUSTAINABILITY STATEMENT**  
**Bursa Malaysia Prescribed Table**

Date & Time: 2026-04-22\_12:15:54  
 FYE 31/12/2025

**WATTA HOLDING BERHAD**  
 BMLR Transition Period

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Diversity	Percentage of employees by gender group -Non-executive/Technical Staff Male	Percentage	27.27	-	No assurance	As per HR records
Diversity	Percentage of employees by gender group -Non-executive/Technical Staff Female	Percentage	33.33	-	No assurance	As per HR records
Diversity	Percentage of directors by gender -Male	Percentage	83.33	-	No assurance	As per HR records
Diversity	Percentage of directors by gender -Female	Percentage	16.67	-	No assurance	As per HR records
Diversity	Percentage of directors by age group -Under 30	Percentage	0.00	-	No assurance	As per HR records
Diversity	Percentage of directors by age group -Between 30-50	Percentage	0.00	-	No assurance	As per HR records
Diversity	Percentage of directors by age group -Above 50	Percentage	100.00	-	No assurance	As per HR records
Health and Safety	Number of work-related fatalities	Number	0	-	No assurance	No case reported
Health and Safety	Lost time incident rate ("LTIR")	Rate	0.00	-	No assurance	None recorded
Health and Safety	Number of employees trained on health and safety standards	Number	33	-	No assurance	As per records
Labour Practices and Standards	Total hours of training by employee -Management	Hours	16	-	No assurance	As per training records

**SUSTAINABILITY STATEMENT**  
**Bursa Malaysia Prescribed Table**

**WATTA HOLDING BERHAD**  
**BMLR Transition Period**

Date & Time: 2026-04-22\_12:15:54  
 FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Labour Practices and Standards	Total hours of training by employee -Executive	Hours	7	-	No assurance	As per training records
Labour Practices and Standards	Total hours of training by employee -Non-executive/Technical Staff	Hours	177	-	No assurance	As per training records
Labour Practices and Standards	Percentage of employees that are contractors or temporary staff	Percentage	0.00	-	No assurance	As per HR records
Labour Practices and Standards	Total number of employee turnover by employee -Management	Number	0	-	No assurance	As per HR records
Labour Practices and Standards	Total number of employee turnover by employee -Executive	Number	2	-	No assurance	As per HR records
Labour Practices and Standards	Total number of employee turnover by employee -Non-executive/Technicia Staff	Number	12	-	No assurance	As per HR records
Labour Practices and Standards	Number of substantiated complaints concerning uman rights violations	Number	0	-	No assurance	No case reported
Supply Chain Management	Proportion of spending on local suppliers	Percentage	100.00	-	No assurance	No overseas purchases or importations recorded
Data Privacy and Security	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	-	No assurance	No case reported
Energy Management	Total energy consumption	Megawatt	98	-	No assurance	Based on usage (TNB billings)
Water	Total volume of water used	Megalitres	0.001	-	No assurance	Based on usage (billings)

**SUSTAINABILITY STATEMENT**  
**Bursa Malaysia Prescribed Table**

**WATTA HOLDING BERHAD**  
**BMLR Transition Period**

Date & Time: 2026-04-22\_12:15:54  
 FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Waste Management	Total waste generated	Metric tonnes	0.00	-	No assurance	
Waste Management	Total waste diverted from disposal	Metric tonnes	0.00	-	No assurance	
Waste Management	Total waste directed to disposal	Metric tonnes	0.00	-	No assurance	
Emissions Management	Scope 1 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	0.00	-	No assurance	
Emissions Management	Scope 2 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	0.00	-	No assurance	
Emissions Management	Scope 3 emissions in tonnes of CO <sub>2</sub> e	Metric tonnes	0.00	-	No assurance	

## 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](http://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. Mr. Goh Thih Liang, 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](http://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](http://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 2025 and the details of attendance are set out as follows:-

Name of Directors	Attendance
Goh Thih Liang	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
Wong Hong Wai	5/5
Goh Doh Hau ( <i>appointed on 19 December 2025</i> )	Not Applicable
Dato' Sivananthan A/L Shanmugam ( <i>resigned on 23 September 2025</i> )	4/4

The Company Secretary was present at all Board meetings held during the financial year ended 31 December 2025.

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 2025:-

Name of Directors	Date of Training	Subject
<b>Goh Thih Liang</b>	27 November 2025	Anti-Bribery & Anti-Corruption, Conflicts of Interest and Personal Data Protection Act Awareness Training
<b>Dato' Lee Foo San</b>	27 November 2025	Anti-Bribery & Anti-Corruption, Conflicts of Interest and Personal Data Protection Act Awareness Training
<b>Hj. Ariffin Bin Abdul Aziz</b>	27 November 2025	Anti-Bribery & Anti-Corruption, Conflicts of Interest and Personal Data Protection Act Awareness Training
<b>Datin Teoh Lian Tin</b>	27 November 2025	Anti-Bribery & Anti-Corruption, Conflicts of Interest and Personal Data Protection Act Awareness Training
<b>Loo Sooi Guan</b>	17 June 2025	The Journey into the AI Age: Game Changer for Your Digital Transformation Era Programme
	9 September 2025	Board Simulation – Balancing Risks & Opportunity in Sustainability Leadership Programme
	27 November 2025	Anti-Bribery & Anti-Corruption, Conflicts of Interest and Personal Data Protection Act Awareness Training
<b>Hj. Ahmad Bin Khalid</b>	27 November 2025	Anti-Bribery & Anti-Corruption, Conflicts of Interest and Personal Data Protection Act Awareness Training
<b>Datuk Hong Choon Hau</b>	7 May 2025	Importance of Intellectual Property in Business
	27 November 2025	Anti-Bribery & Anti-Corruption, Conflicts of Interest and Personal Data Protection Act Awareness Training
<b>Wong Hong Wai</b>	27 November 2025	Anti-Bribery & Anti-Corruption, Conflicts of Interest and Personal Data Protection Act Awareness Training

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 Doh Hau                     | Chairman, Independent Non-Executive Director<br><i>(appointed on 19 December 2025)</i>   |
| (b) | Goh Thih Liang                  | Member, Independent Non-Executive Director<br><i>(re-designated on 19 December 2025)</i> |
| (c) | Hj. Ahmad Bin Khalid            | Member, Non-Independent Non-Executive Director                                           |
| (d) | Dato' Sivananthan A/L Shanmugam | Member, Independent Non-Executive Director<br><i>(ceased on 23 September 2025)</i>       |

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 2025, 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](http://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) | Goh Thih Liang                  | Chairman, Independent Non-Executive Director<br><i>(re-designated on 19 December 2025)</i> |
| (b) | Wong Hong Wai                   | Member, Independent Non-Executive Director                                                 |
| (c) | Goh Doh Hau                     | Member, Independent Non-Executive Director<br><i>(appointed on 19 December 2025)</i>       |
| (d) | Dato' Sivananthan A/L Shanmugam | Chairman, Independent Non-Executive Director<br><i>(ceased on 23 September 2025)</i>       |

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](http://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 2025 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 (in RM) for the financial year ended 31 December 2025 are as set out below:-

**Company**

Name	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments
<b>Executive Directors</b>						
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	-	-	-	-	-
<b>Non-Executive Directors</b>						
5 Hj. Ahmad Bin Khalid	18,000	-	-	-	-	-
6 Datuk Hong Choon Hau	18,000	-	-	-	-	-
7 Dato' Sivananthan A/L Shanmugam (resigned on 23 September 2025)	13,500	15,000	-	-	-	-
8 Goh Thih Liang (re-designated as Chairman on 19 December 2025)	18,000	3,500	-	-	-	-
9 Wong Hong Wai	18,000	2,000	-	-	-	-
10 Goh Doh Hau (appointed on 19 December 2025)	1,500	-	-	-	-	-

**Group**

Name	Fee	Allowance	Salary	Bonus	Benefits-in-kind	Other emoluments
<b>Executive Directors</b>						
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	24,192
4 Loo Sooi Guan	42,000	-	276,000	-	5,300	33,120
<b>Non-Executive Directors</b>						
5 Hj. Ahmad Bin Khalid	18,000	-	-	-	-	-
6 Datuk Hong Choon Hau	18,000	-	-	-	-	-
7 Dato' Sivananthan A/L Shanmugam (resigned on 23 September 2025)	13,500	15,000	-	-	-	-
8 Goh Thih Liang (re-designated as Chairman on 19 December 2025)	18,000	3,500	-	-	-	-
9 Wong Hong Wai	18,000	2,000	-	-	-	-
10 Goh Doh Hau (appointed on 19 December 2025)	1,500	-	-	-	-	-

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 2025, 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 2025 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) Annual Report;
- (b) 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](http://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](mailto:ac@watta.com.my) or to the Company through its website at [www.watta.com.my](http://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 2025.

### 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 2025, 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 Thirtieth Annual General Meeting held on 11 June 2025 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 11 June 2025 up to 1 April 2026 (RM)
Purchases of airline tickets, tour arrangements and accommodation bookings	<ul style="list-style-type: none"> <li>• Watta Battery Industries Sdn Bhd ("Watta Battery")</li> <li>• Watta Energy (M) Sdn Bhd ("Watta Energy")</li> <li>• Syarikat Perniagaan Leko Sdn Bhd ("Leko")</li> </ul>	Z'tronic Holidays Sdn Bhd ("Z'tronic")	<ul style="list-style-type: none"> <li>• Dato' Lee Foo San, the Group Executive Deputy Chairman and a Major Shareholder of Watta, is a Director and substantial shareholder of Z'tronic.</li> <li>• Datin Teoh Lian Tin, the Executive Director of Watta, is the spouse of Dato' Lee Foo San.</li> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> <li>• Lee Li Yen is an Alternate Director to Dato' Lee Foo San in Z'tronic. She is the sister of Dato' Lee Foo San.</li> </ul>	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 11 June 2025 up to 1 April 2026 (RM)
Lease of office premises	Watta Holding Berhad ("Watta")	Zitron Enterprise (M) Sdn Bhd ("Zitron")	<ul style="list-style-type: none"> <li>• Dato' Lee Foo San, the Group Executive Deputy Chairman and a Major Shareholder of Watta, is a Director and substantial shareholder of Zitron.</li> <li>• 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.</li> <li>• 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.</li> <li>• Lee Foo Hock, the brother of Dato' Lee Foo San, is a Director of Leko, Watta Battery and Watta Energy.</li> <li>• Hj. Ahmad Bin Khalid, a Director of Watta, is a Director of Zitron and Watta Energy.</li> </ul>	366,419
Service maintenance fee and repair of phone	Mobile Technic Sdn Bhd ("Mobile Technic")	Zitron	<ul style="list-style-type: none"> <li>• Dato' Lee Foo San, the Group Executive Deputy Chairman and a Major Shareholder of Watta, is a Director and substantial shareholder of Zitron.</li> <li>• 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.</li> <li>• 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.</li> <li>• Lee Foo Hock, the brother of Dato' Lee Foo San, is a Director of Leko, Watta Battery and Watta Energy.</li> <li>• Hj. Ahmad Bin Khalid, a Director of Watta, is a Director of Zitron and Watta Energy.</li> </ul>	NIL
Purchase of phone parts	Mobile Technic	Hello Service Centre (M) Sdn Bhd ("Hello Service Centre")	<ul style="list-style-type: none"> <li>• Dato' Lee Foo San, the Group Executive Deputy Chairman and a Major Shareholder of Watta, is a substantial shareholder of Hello Service Centre.</li> <li>• 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.</li> <li>• Lee Foo Hock, the brother of Dato' Lee Foo San, is a Director of Hello Service Centre.</li> </ul>	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 11 June 2025 up to 1 April 2026 (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"> <li>Dato' Lee Foo San, the Group Executive Deputy Chairman and a Major Shareholder of Watta, is a Director and substantial shareholder of Midland Network.</li> <li>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.</li> <li>Lee Foo Hock, the brother of Dato' Lee Foo San, is a Director and shareholder of Midland Network.</li> <li>Hj. Ahmad Bin Khalid, a Director of Watta, is a Director and shareholder of Midland Network.</li> </ul>	NIL
Sale and purchase of cellular telephones and related cellular telephone accessories	Watta Energy	Zitron	<ul style="list-style-type: none"> <li>Dato' Lee Foo San, the Group Executive Deputy Chairman and a Major Shareholder of Watta, is a Director and substantial shareholder of Zitron.</li> <li>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.</li> <li>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.</li> <li>Lee Foo Hock, the brother of Dato' Lee Foo San, is a Director of Leko, Watta Battery and Watta Energy.</li> <li>Hj. Ahmad Bin Khalid, a Director of Watta, is a Director of Zitron and Watta Energy.</li> </ul>	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"> <li>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.</li> <li>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.</li> <li>Lee Foo Hock, the brother of Dato' Lee Foo San, is a Director of Hello Station.</li> </ul>	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 11 June 2025 up to 1 April 2026 (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"> <li>Dato' Lee Foo San, the Group Executive Deputy Chairman and a Major Shareholder of Watta, is a Director and substantial shareholder of Midland Network.</li> <li>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.</li> <li>Lee Foo Hock, the brother of Dato' Lee Foo San, is a Director and shareholder of Midland Network.</li> <li>Hj. Ahmad Bin Khalid, a Director of Watta, is a Director and shareholder of Midland Network.</li> </ul>	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"> <li>Dato' Lee Foo San, the Group Executive Deputy Chairman and a Major Shareholder of Watta, is a Director and substantial shareholder of Zitron.</li> <li>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.</li> <li>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.</li> <li>Lee Foo Hock, the brother of Dato' Lee Foo San, is a Director of Leko, Watta Battery and Watta Energy.</li> <li>Hj. Ahmad Bin Khalid, a Director of Watta, is a Director of Zitron and Watta Energy.</li> </ul>	NIL

### 5. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

**ADDITIONAL COMPLIANCE INFORMATION (CONT'D)****5. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONT'D)****(A) Group Total Income and Total Assets**

		2025	Group 2024
Total Income	Remarks	RM	RM
Revenue		4,192,728	6,476,900
Interest income		312,664	418,544
Other income	Fair value gain on investment properties	1,095,000	870,000
Other	Reversal of impairment losses on inventory and others	256	39,554
<b>Total</b>		<b>5,600,648</b>	<b>7,804,998</b>
<b>Total Assets</b>		<b>61,429,399</b>	<b>62,925,078</b>

**(B) Business Activities**

		2025	Group 2024
Shariah Non-Compliant Activities	Remarks	RM	RM
Interest income		312,664	418,544
<b>Total</b>		<b>312,664</b>	<b>418,544</b>

**(c) Component of Financial Position****(i) Cash Component**

		2025	Group 2024
Islamic Account/Instruments	Remarks	RM	RM
Deposits with licensed bank		0	0
<b>Total</b>		<b>0</b>	<b>0</b>
<b>Conventional Account/Instruments</b>			
Cash at bank (exclude cash in hand)		1,318,162	1,692,391
Deposits with licensed bank		7,670,502	7,168,791
Short-term deposits		1,019,735	3,166,890
<b>Total</b>		<b>10,008,399</b>	<b>12,028,072</b>

**(ii) Debt Component  
Islamic Financing**

<b>Current</b>			
Bank borrowings		0	0
Bank overdrafts		0	0
<b>Non-Current</b>			
Bank borrowings		0	0
<b>Total</b>		<b>0</b>	<b>0</b>
<b>Conventional Borrowing</b>			
<b>Current</b>			
Bank borrowings		0	0
<b>Non-Current</b>			
Bank borrowings		0	0
<b>Total</b>		<b>0</b>	<b>0</b>

## 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 2025 which has been prepared in accordance with the “*Statement on Risk Management and Internal Control (SORMIC): Guidelines for Directors of Listed Companies*”.

### 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.

In addition to operational and financial risks, the Board has evaluated key risk areas such as Environmental, Social, and Governance (ESG) factors, sustainability, and cyber security, ensuring these are embedded into the strategic planning and overall risk management framework with adequate controls in place to mitigate them.

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 Doh Hau       | Chairman, Independent Non-Executive Director<br>(Appointed on 19 December 2025)   |
| (b) | Goh Thih Liang    | Member, Independent Non-Executive Director<br>(Re-designated on 19 December 2025) |
| (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.

### JOINT VENTURES AND ASSOCIATES

The Group does not have any material joint ventures or associate companies.

### INTERNAL AUDIT FUNCTION

The Group's internal audit function is outsourced to an independent professional firm, RSM Corporate Consulting (Malaysia) Sdn Bhd who provides the Audit Committee and the Board with objective assurance on the adequacy and effectiveness of the Group's risk management, internal controls and governance processes, in line with the SORMIC 2025. The outsourced internal audit team operates as the third line of defence, reporting functionally to the Audit Committee and led by qualified professionals with extensive experience in internal auditing and risk management, holding certifications such as Certified Internal Auditors and Chartered Certified Accountants. Independence is ensured through contractual arrangement and unrestricted access to records, personnel and management, with no operational responsibility.

The internal audits are conducted in accordance with the Global Internal Audit Standards of the International Practices Framework (IPPF) by The Institute of Internal Auditors (IIA). The Internal Auditors adopts a risk-based approach, covering significant operational, financial, compliance and strategic risks. The annual internal audit plan is reviewed and approved by the Audit Committee to ensure alignment with the Group's risk profile.

The internal audit review carried out by the Internal Auditors during the financial year ended 31 December 2025 in accordance with the internal audit plan is outlined in the Audit Committee Report of this Annual Report. Key outcomes included findings and recommendations to enhance internal controls, providing the Audit Committee with assurance in the effectiveness of the internal control environment. The Audit Committee monitors the implementation of audit recommendations, ensuring timely resolution of findings by the management.

The Company has incurred approximately RM20,000.00 for maintaining the outsourced internal audit function for the financial year ended 31 December 2025.

### 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.

### CONCLUSION

The Board is of the view that the Group's risk management and internal control system in place for the financial year under review and up to the approval date of this Statement, is sound and effective to safeguard shareholders' investments and the Group's assets.

This Statement is approved by the Board on 13 April 2026.

## 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 2025.

### COMPOSITION

The Audit Committee is composed of the following Directors:-

- |                                    |                                                                                   |
|------------------------------------|-----------------------------------------------------------------------------------|
| 1. Wong Hong Wai                   | Chairman, Independent Non-Executive Director                                      |
| 2. Goh Thih Liang                  | Member, Independent Non-Executive Director                                        |
| 3. Goh Doh Hau                     | Member, Independent Non-Executive Director<br>(Appointed on 19 December 2025)     |
| 4. Hj. Ahmad Bin Khalid            | Member, Non-Independent Non-Executive Director<br>(Appointed on 19 November 2025) |
| 5. Dato' Sivananthan A/L Shanmugam | Member, Independent Non-Executive Director<br>(Ceased on 23 September 2025)       |

### SUMMARY OF WORK DURING THE FINANCIAL YEAR

A total of five (5) Audit Committee meetings were held during the financial year ended 31 December 2025. Details of attendance are as follows:-

Name	Attendance
<b>Wong Hong Wai</b>	<b>5/5</b>
<b>Goh Thih Liang</b>	<b>5/5</b>
<b>Goh Doh Hau (appointed on 19 December 2025)</b>	<b>Not Applicable</b>
<b>Hj. Ahmad Bin Khalid (appointed on 19 November 2025)</b>	<b>1/1</b>
<b>Dato' Sivananthan A/L Shanmugam (ceased on 23 September 2025)</b>	<b>4/4</b>

During the financial year ended 31 December 2025, 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 in 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 amendments to the Anti-Corruption & Anti-Bribery Policy.

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 firm, RSM Corporate Consulting (Malaysia) Sdn Bhd which was appointed during the financial year with the aim of providing objective assurance to the Audit Committee and the Board on the adequacy and effectiveness of the internal control system within the Group.

The Internal Auditors adopts a risk-based approach and carried out their work in accordance with the Global Internal Audit Standards of the International Professional Practices Framework 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 objective assurance to the Audit Committee regarding the adequacy and effectiveness of the Group’s internal control systems. The outsourced internal audit function is led by Mr Charlie Christopher, Associate Director of RSM Corporate Consulting (Malaysia) Sdn Bhd, who 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 carried out reviews and reported to the Audit Committee on the following areas during the financial year under review:-

<b>Name of Company</b>	<b>Areas</b>
Watta Holding Berhad	<ul style="list-style-type: none"> <li>• Sustainability Reporting.</li> <li>• Corporate Governance.</li> </ul>
Watta Battery Industries Sdn Bhd	<ul style="list-style-type: none"> <li>• Tenancy Management.</li> </ul>

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

## STATEMENT ON DIRECTORS' RESPONSIBILITY IN PREPARING THE AUDITED FINANCIAL STATEMENTS

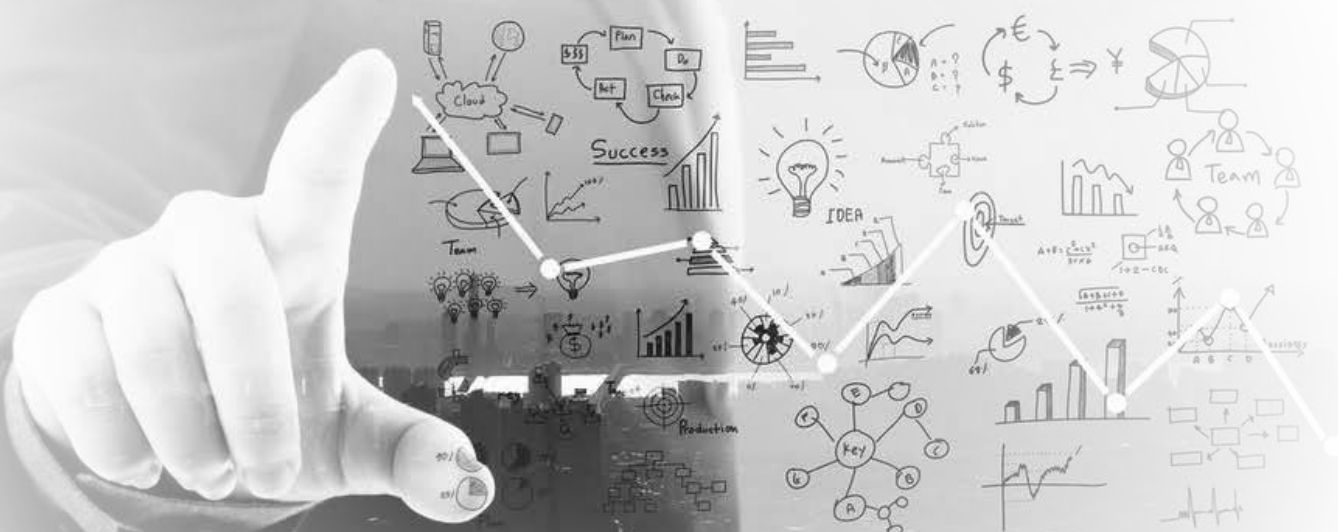
The Directors are required by the Companies Act 2016 ("the Act") to prepare financial statements for each financial year which give a true and fair view of the financial position of the Group and of the Company at the end of the financial year under review and their financial performance and cash flows 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 2025, the Directors have:-

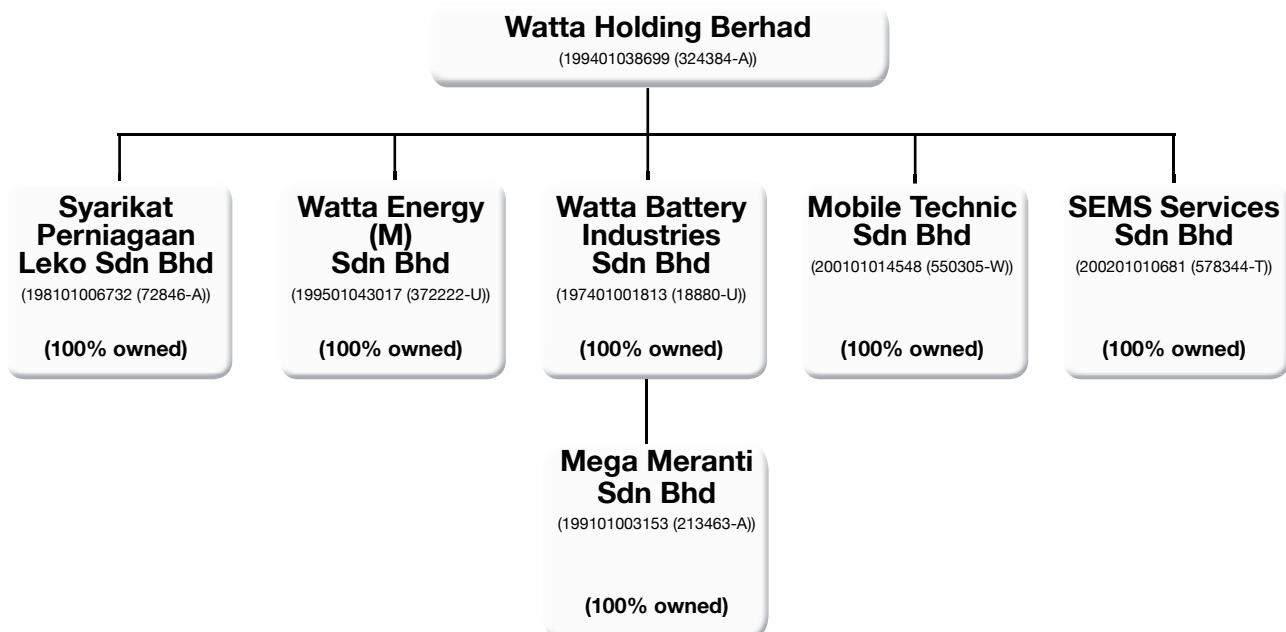
- adopted suitable accounting policies and applied them consistently;
- made judgements and estimates that are prudent and reasonable;
- ensured applicable approved accounting standards have been complied with, subject to any material departures being disclosed and explained in the financial statements; 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 13 April 2026.



## GROUP STRUCTURE



## CORPORATE OFFICE

**Watta Holding Berhad** (199401038699 (324384-A))

12th Floor, Menara Cosway,

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### Service of Mobile Phones Division:

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Melawangi Business Suites,

Ancorp Trade Centre,

No. 18 Jalan Persiaran Barat,

46050 Petaling Jaya,

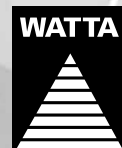
Selangor Darul Ehsan.

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

# Reports And Financial Statements For The Financial Year Ended 31 December 2025

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## 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 2025.

### Principal Activities

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

The principal activities of the Company's subsidiaries included investment property, service and repair of mobile telecommunication equipment products and other electronic equipment, the details are 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	1,306,024	1,328,638

### 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  
 Goh Thih Liang  
 Wong Hong Wai  
 Goh Doh Hau (*Appointed on 19 December 2025*)  
 Dato' Sivananthan A/L Shanmugam (*Resigned on 23 September 2025*)

\* *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 31.12.2025
	At 1.1.2025	Bought	Sold	
<b>Interests in the Company</b>				
<b>Direct interests</b>				
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
<b>Indirect interests</b>				
Loo Sooi Guan <sup>1</sup>	100	-	-	100
Datuk Hong Choon Hau <sup>2</sup>	19,344,022	-	-	19,344,022

Notes:

<sup>1</sup> 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.

<sup>2</sup> 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(c) 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' Benefits (cont'd)**

The detail of the Directors' remuneration for the financial year ended 31 December 2025 are set out below:

	<b>Group RM</b>	<b>Company RM</b>
<b><u>Executive Directors</u></b>		
Salaries and other emoluments	943,800	-
Fees	168,000	72,000
Defined contribution plans	110,304	-
Social security contributions	3,761	-
Benefits-in-kind	41,213	-
	<u>1,267,078</u>	<u>72,000</u>
<b><u>Non-Executive Directors</u></b>		
Fees	135,000	87,000
Other emoluments	20,500	20,500
	<u>155,500</u>	<u>107,500</u>
<b>Total Director's Remuneration</b>	<u>1,422,578</u>	<u>179,500</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 RM5 million and RM10,108 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 2025 are as follows:

	<b>Group RM</b>	<b>Company RM</b>
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.

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 2025 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,

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DATO' LEE FOO SAN

---

HAJI ARIFFIN BIN ABDUL AZIZ

KUALA LUMPUR  
13 APRIL 2026

**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 13 April 2026 )

---

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 2025 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 financial standards, including a summary of material accounting policies information, as set out in pages 16 to 84.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Report 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"), as applicable to audits of financial statements of public interest entities 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><b>Valuation of investment properties</b></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 property size 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purpose 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

TEOH WEI YEIN  
Approved Number: 03655/04/2026 J  
Chartered Accountant

KUALA LUMPUR  
13 April 2026

**STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025**

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
<b>Assets</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	4	24,809	32,926	-	-
Right-of-use assets	5	1,272,179	1,571,484	70,185	350,921
Investment properties	6	49,540,000	48,445,000	-	-
Investment in subsidiary companies	7	-	-	22,061,483	22,592,169
Goodwill on consolidation	8	-	-	-	-
		<u>50,836,988</u>	<u>50,049,410</u>	<u>22,131,668</u>	<u>22,943,090</u>
<b>Current Assets</b>					
Inventories	9	58,510	161,278	-	-
Trade receivables	10	88,502	144,196	-	-
Other receivables	11	273,509	330,479	56,593	56,710
Amount due from subsidiary companies	12	-	-	629,103	-
Tax recoverable		163,491	211,643	42,106	49,536
Fixed deposits and, cash and bank balances	13	10,008,399	12,028,072	5,082,769	6,516,596
		<u>10,592,411</u>	<u>12,875,668</u>	<u>5,810,571</u>	<u>6,622,842</u>
<b>Total Assets</b>		<u>61,429,399</u>	<u>62,925,078</u>	<u>27,942,239</u>	<u>29,565,932</u>
<b>Equity and Liabilities</b>					
<b>Equity</b>					
Share capital	14	42,240,000	42,240,000	42,240,000	42,240,000
Retained earnings/(Accumulated losses)		<u>7,444,002</u>	<u>8,750,026</u>	<u>(14,506,657)</u>	<u>(13,178,019)</u>
<b>Total Equity</b>		<u>49,684,002</u>	<u>50,990,026</u>	<u>27,733,343</u>	<u>29,061,981</u>
<b>Non-Current Liabilities</b>					
Lease liabilities	15	-	71,705	-	71,705
Deferred tax liabilities	16	10,567,740	10,257,850	-	-
		<u>10,567,740</u>	<u>10,329,555</u>	<u>-</u>	<u>71,705</u>
<b>Current Liabilities</b>					
Trade payables	17	114,287	299,959	-	-
Other payables	18	937,364	934,788	137,191	149,797
Lease liabilities	15	104,006	314,750	71,705	282,449
Tax payable		22,000	56,000	-	-
		<u>1,177,657</u>	<u>1,605,497</u>	<u>208,896</u>	<u>432,246</u>
<b>Total Liabilities</b>		<u>11,745,397</u>	<u>11,935,052</u>	<u>208,896</u>	<u>503,951</u>
<b>Total Equity and Liabilities</b>		<u>61,429,399</u>	<u>62,925,078</u>	<u>27,942,239</u>	<u>29,565,932</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 2025

	Note	Group		Company	
		2025 RM	2024 RM	2025 RM	2024 RM
Revenue	19	4,192,728	6,476,900	72,000	72,000
Cost of sales		<u>(1,845,433)</u>	<u>(3,592,733)</u>	<u>-</u>	<u>-</u>
<b>Gross profit</b>		2,347,295	2,884,167	72,000	72,000
Other income		1,411,438	1,327,887	181,432	236,333
Administration expenses		(4,492,077)	(5,108,606)	(1,576,519)	(802,516)
Finance costs	20	<u>(7,272)</u>	<u>(12,854)</u>	<u>(5,551)</u>	<u>(8,975)</u>
<b>Loss before tax</b>	21	(740,616)	(909,406)	(1,328,638)	(503,158)
Taxation	22	<u>(565,408)</u>	<u>(520,667)</u>	<u>-</u>	<u>-</u>
<b>Net loss for the financial year, representing total comprehensive loss for the financial year</b>		<u>(1,306,024)</u>	<u>(1,430,073)</u>	<u>(1,328,638)</u>	<u>(503,158)</u>
<b>Loss per share</b>					
Basic/Diluted (sen)	23	<u>(1.55)</u>	<u>(1.69)</u>		

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

**STATEMENTS OF CHANGES IN EQUITY** FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**Attributable to Owners of the Parent**

	<b>Distributable</b>		<b>Total Equity RM</b>
	<b>Share Capital RM</b>	<b>Retained Earnings RM</b>	
<b>Group</b>			
At 1 January 2025	42,240,000	8,750,026	50,990,026
Net loss for the financial year, representing total comprehensive loss for the financial year	-	(1,306,024)	(1,306,024)
At 31 December 2025	42,240,000	7,444,002	49,684,002
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	42,240,000	8,750,026	50,990,026

	<b>Share Capital RM</b>	<b>Accumulated Losses RM</b>	<b>Total Equity RM</b>
	<b>Company</b>		
At 1 January 2025	42,240,000	(13,178,019)	29,061,981
Net loss for the financial year, representing total comprehensive loss for the financial year	-	(1,328,638)	(1,328,638)
At 31 December 2025	42,240,000	(14,506,657)	27,733,343
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	42,240,000	(13,178,019)	29,061,981

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

**STATEMENTS OF CASH FLOWS** FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Cash flows from operating activities</b>				
Loss before tax	(740,616)	(909,406)	(1,328,638)	(503,158)
Adjustments for:				
Amortisation of right-of-use assets	341,984	431,170	280,736	280,737
Depreciation of property, plant and equipment	11,607	13,558	-	-
Fair value gain on investment properties	(1,095,000)	(870,000)	-	-
Finance costs	7,272	12,854	5,551	8,975
Finance income	(312,664)	(418,544)	(178,992)	(236,333)
Impairment losses on:				
- investment in subsidiary companies	-	-	530,686	-
- amount due from subsidiary companies	-	-	250,000	-
Inventories written down	-	33,462	-	-
Reversal of inventories written down	(174)	(34,126)	-	-
Unrealised gain on foreign exchange	(82)	(5,428)	-	-
Operating loss before working capital changes	(1,787,673)	(1,746,460)	(440,657)	(449,779)
Changes in working capital:				
Inventories	102,942	130,305	-	-
Trade receivables	55,776	274,508	-	-
Other receivables	56,970	21,326	117	(585)
Trade payables	(185,672)	(219,343)	-	-
Other payables	2,576	(6,048)	(12,606)	6,202
	32,592	200,748	(12,489)	5,617
Cash used in operations	(1,755,081)	(1,545,712)	(453,146)	(444,162)
Interest received	312,664	418,544	178,992	236,333
Interest paid	(7,272)	(12,854)	(5,551)	(8,975)
Tax refund	67,732	88,963	26,776	87,616
Tax paid	(309,098)	(271,595)	(19,346)	(22,760)
	64,026	223,058	180,871	292,214
Net cash used in operating activities	(1,691,055)	(1,322,654)	(272,275)	(151,948)
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(3,490)	(1,599)	-	-
Advances to subsidiary companies	-	-	(879,103)	-
Net cash used in investing activities	(3,490)	(1,599)	(879,103)	-

**STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Cash flows from financing activities</b>				
Payment of lease liabilities	(325,128)	(413,833)	(282,449)	(279,025)
(Placement)/Withdrawal of fixed deposits not for short-term funding requirement	(501,711)	(6,639,415)	4,083,504	(5,103,239)
Net cash (used in)/from financing activities	(826,839)	(7,053,248)	3,801,055	(5,382,264)
<b>Net (decrease)/ increase in cash and cash equivalents</b>	(2,521,384)	(8,377,501)	2,649,677	(5,534,212)
<b>Cash and cash equivalents at the beginning of the financial year</b>	4,859,281	13,236,782	1,413,357	6,947,569
<b>Cash and cash equivalents at the end of the financial year</b>	2,337,897	4,859,281	4,063,034	1,413,357
<b>Cash and cash equivalents at the end of the financial year comprises:</b>				
Cash and bank balances	13 1,318,162	1,692,391	382,639	388,327
Fixed deposits with licensed banks	13 8,690,237	10,335,681	4,700,130	6,128,269
	10,008,399	12,028,072	5,082,769	6,516,596
Less: Deposits not for short-term funding requirement	13 (7,670,502)	(7,168,791)	(1,019,735)	(5,103,239)
	2,337,897	4,859,281	4,063,034	1,413,357

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Included in operating activities:</b>				
Interest paid in relation to lease liabilities (Note 20)	7,272	12,854	5,551	8,975
Lease expenses relating to short-term lease (Note 21)	15,600	15,600	-	-
<b>Included in financing activities:</b>				
Payment of lease liabilities (Note 15)	332,400	426,687	288,000	288,000
<b>Total cash outflows for leases</b>	355,272	455,141	293,551	296,975

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

### 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 of the Company was located at Lot 5, Level 10, Menara Great Eastern 2, No. 50, Jalan Ampang, 50450 Kuala Lumpur, Wilayah Persekutuan. With effect from 4 February 2026, the Company's registered office has been relocated to Suite 10.03, Level 10, The Gardens South Tower, Mid Valley City, Lingkaran Syed Putra, 59200 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 121	Lack of Exchangeability
------------------------	-------------------------

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:

		<b>Effective dates for financial periods beginning on or after</b>
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 Accounting Standard - Volume 11: • Amendments to MFRS 1 • Amendments to MFRS 7 • Amendments to MFRS 9 • Amendments to MFRS 10 • Amendments to MFRS 107		1 January 2026
MFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19	Subsidiaries without Public Accountability Disclosures	1 January 2027

**NOTES TO THE FINANCIAL STATEMENTS** FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)

**2. Basis of Preparation (Cont'd)**

(a) Statement of compliance (Cont'd)

**Standards issued but not yet effective (Cont'd)**

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)

		<b>Effective dates for financial periods beginning on or after</b>
Amendments to MFRS 19	Subsidiaries without Public Accountability Disclosures	1 January 2027
Amendments to MFRS 121	Translation to a Hyperinflationary Presentation Currency	1 January 2027
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 Statements

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 2025 (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 and of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

**Judgements**

The following are the judgements made by management in the process of applying the Group's and the Company'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 and the Company 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.

**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 and the Company 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 2025 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)****2. Basis of Preparation (Cont'd)**

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

**Key sources of estimation uncertainty (Cont'd)**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.

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 and the Company 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 2025, the Group and the Company have tax recoverable of RM163,491 (2024: RM211,643) and RM42,106 (2024: RM49,536) and tax payable of RM22,000 (2024: RM56,000) and RM Nil (2024: RM Nil) respectively.

**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

In the Company's separate financial statements, investment in subsidiaries are stated at cost less any accumulated impairment losses.

- (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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)**

**3. Material Accounting Policies (Cont'd)**

(c) Property, plant and equipment

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

(i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and less any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefit associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

(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 ROU asset is initially measured at cost and subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group and to the Company by the end of the lease term or the cost of the ROU asset reflects that the Group and the Company will exercise a purchase option. In that case the ROU asset will be depreciated over the useful life of the underlying asset, which determined on the same basis as those of property, plant and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate is used.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Group and if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The Group and the Company will reassess whether it is reasonably certain to exercise the extension option if there is a significant change in circumstances within its control.

When the lease liability is remeasured as described in the above paragraph, a corresponding adjustment is made to the carrying amount of the ROU asset or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

*Short-term leases and leases of low-value assets*

The Group and the Company have elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. 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 2025 (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.

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 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. Contingent rents are recognised as revenue in the period in which they are earned.

**(e) Investment properties**

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 in profit or loss for the period in which they arise, including the corresponding tax effect.

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.

**(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 excluding prepayments, 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)****3. Material Accounting Policies (Cont'd)****(f) Financial assets (Cont'd)**Financial asset categories and subsequent measurement (Cont'd)

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.

**(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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)****3. Material Accounting Policies (Cont'd)**

## (i) Impairment of assets (Cont'd)

## (i) Non-financial assets (Cont'd)

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.

## (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.

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

### 3. Material Accounting Policies (Cont'd)

#### (k) Employee benefits (Cont'd)

##### (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.

#### (l) Revenue recognition

##### (i) Revenue from contracts with customers

Revenue is recognised when the Group and the Company 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 Company, and the Group and the Company have 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)****3. Material Accounting Policies (Cont'd)****(n) Income taxes (Cont'd)**

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.

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 2025 (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
<b>Group</b>					
<b>2025</b>					
<b>Cost</b>					
At 1 January	399,191	1,421,181	2,306,511	1,721,272	5,848,155
Additions	-	3,490	-	-	3,490
Transfer from right of use asset	-	-	-	458,903	458,903
At 31 December	399,191	1,424,671	2,306,511	2,180,175	6,310,548
<b>Accumulated depreciation</b>					
At 1 January	387,045	1,404,837	2,302,077	1,721,270	5,815,229
Charge for the financial year	3,016	6,554	2,037	-	11,607
Transfer from right of use asset	-	-	-	458,903	458,903
At 31 December	390,061	1,411,391	2,304,114	2,180,173	6,285,739
<b>Carrying amount</b>					
At 31 December	9,130	13,280	2,397	2	24,809
<b>2024</b>					
<b>Cost</b>					
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
<b>Accumulated depreciation</b>					
At 1 January	384,028	1,397,022	2,299,351	1,721,270	5,801,671
Charge for the financial year	3,017	7,815	2,726	-	13,558
At 31 December	387,045	1,404,837	2,302,077	1,721,270	5,815,229
<b>Carrying amount</b>					
At 31 December	12,146	16,344	4,434	2	32,926

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)****5. Right-of-use Assets**

	<b>Leasehold land and buildings RM</b>	<b>Office spaces RM</b>	<b>Motor vehicles RM</b>	<b>Total RM</b>
<b>Group</b>				
<b>2025</b>				
<b>Cost</b>				
At 1 January	1,504,040	604,153	458,903	2,567,096
Additions	-	42,679	-	42,679
Transfer to property, plant and equipment	-	-	(458,903)	(458,903)
Expiration of lease contract	-	(57,883)	-	(57,883)
At 31 December	<u>1,504,040</u>	<u>588,949</u>	<u>-</u>	<u>2,092,989</u>
<b>Accumulated amortisation</b>				
At 1 January	315,486	221,223	458,903	995,612
Charge for the financial year	18,569	323,415	-	341,984
Transfer to property, plant and equipment	-	-	(458,903)	(458,903)
Expiration of lease contract	-	(57,883)	-	(57,883)
At 31 December	<u>334,055</u>	<u>486,755</u>	<u>-</u>	<u>820,810</u>
<b>Carrying amount</b>				
At 31 December	<u>1,169,985</u>	<u>102,194</u>	<u>-</u>	<u>1,272,179</u>
<b>2024</b>				
<b>Cost</b>				
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>
<b>Accumulated amortisation</b>				
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>
<b>Carrying amount</b>				
At 31 December	<u>1,188,554</u>	<u>382,930</u>	<u>-</u>	<u>1,571,484</u>

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

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

	2025 RM	2024 RM
<b>Company</b>		
<b>Office spaces</b>		
<b>Cost</b>		
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>
<b>Accumulated amortisation</b>		
At 1 January	210,553	491,290
Charge for the financial year	280,736	280,737
Expiration of lease contract	-	(561,474)
At 31 December	<u>491,289</u>	<u>210,553</u>
<b>Carrying amount</b>		
At 31 December	<u>70,185</u>	<u>350,921</u>

The remaining period of the lease term of leasehold land and buildings is 63 years (2024: 64 years).

## 6. Investment Properties

	Leasehold land RM	Buildings RM	Total RM
<b>Group</b>			
<b>At fair value</b>			
<b>2025</b>			
At 1 January	46,365,000	2,080,000	48,445,000
Changes in fair value recognised in profit or loss	1,145,000	(50,000)	1,095,000
At 31 December	<u>47,510,000</u>	<u>2,030,000</u>	<u>49,540,000</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)****6. Investment Properties (Cont'd)**

	<b>Leasehold land RM</b>	<b>Buildings RM</b>	<b>Total RM</b>
<b>Group</b>			
<b>At fair value</b>			
<b>2024</b>			
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	<u>46,365,000</u>	<u>2,080,000</u>	<u>48,445,000</u>

- (a) The rental income earned by the Group from its investment properties amounted to RM1,317,350 (2024: RM1,266,000). Direct operating expenses arising from investment properties that generated rental income during the financial year amounted to RM42,517 (2024: RM36,219).
- (b) The remaining period of the lease term range from 29 to 63 years (2024: 30 to 64 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 and other relevant factors. 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 RM1,095,000 (2024: RM870,000) has been recognised in the profit or loss during the financial year.

**7. Investment in Subsidiary Companies**

	<b>Company</b>	
	<b>2025 RM</b>	<b>2024 RM</b>
<b>In Malaysia</b>		
Unquoted shares, at cost	32,980,682	32,980,682
Less: Accumulated impairment losses		
At the beginning of the financial year	(10,388,513)	(10,388,513)
Impairment losses recognised in profit or loss	(530,686)	-
At the end of the financial year	<u>(10,919,199)</u>	<u>(10,388,513)</u>
	<u>22,061,483</u>	<u>22,592,169</u>

An impairment loss amounting to RM530,686 (2024: RMNil) 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 2025 (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
		2025 %	2024 %	
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
<b>Indirect holding</b>				
<i>Held through Watta Battery Industries Sdn Bhd.</i>				
Mega Meranti Sdn. Bhd.	Malaysia	100	100	Property investment

**8. Goodwill on Consolidation**

	Group	
	2025 RM	2024 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.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)****9. Inventories**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
<b>At net realisable value</b>		
Handphone spare parts	58,510	161,278
<b>Recognised in profit or loss</b>		
Inventories written off	-	33,462
Recognised as cost of sales	1,744,235	3,592,733
Reversal of impairment on inventories	(174)	(34,126)

**10. Trade Receivables**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
Trade receivables	88,502	144,196

Trade receivables are non-interest bearing and are generally on 30 to 90 days (2024: 30 to 90 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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 2025, there were no trade receivables were past due.

**11. Other Receivables**

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Other receivables	48,295	100,121	-	-
Deposits	165,771	160,316	54,000	54,000
Prepayments	59,443	70,042	2,593	2,710
	<u>273,509</u>	<u>330,479</u>	<u>56,593</u>	<u>56,710</u>

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

## 12. Amount due from Subsidiary Companies

	Company	
	2025 RM	2024 RM
Amount due from subsidiary companies	2,576,103	1,697,000
Less: Accumulated impairment losses	(1,947,000)	(1,697,000)
	<u>629,103</u>	<u>-</u>

The amount due from subsidiary companies arose mainly from advances and expenses paid on behalf, which are unsecured, at the reporting date bear interest at rate 5% (2024: Nil) per annum and receivable on demand.

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

	Company	
	2025 RM	2024 RM
At 1 January	1,697,000	1,697,000
Impairment losses recognised	250,000	-
At 31 December	<u>1,947,000</u>	<u>1,697,000</u>

## 13. Fixed Deposits, and Cash and Bank Balances

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Cash and bank balances	1,318,162	1,692,391	382,639	388,327
Fixed deposits with licensed banks	<u>8,690,237</u>	<u>10,335,681</u>	<u>4,700,130</u>	<u>6,128,269</u>
Total fixed deposit, and cash and bank balances	10,008,399	12,028,072	5,082,769	6,516,596
Less: Deposits not for short-term funding requirement	<u>(7,670,502)</u>	<u>(7,168,791)</u>	<u>(1,019,735)</u>	<u>(5,103,239)</u>
	<u>2,337,897</u>	<u>4,859,281</u>	<u>4,063,034</u>	<u>1,413,357</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 2.45% to 3.60% (2024: 1.60% to 3.50%) per annum and the maturities of fixed deposits are 30 to 365 days (2024: 30 to 365 days) and 30 to 180 days (2024: 30 to 180 days) respectively.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)****14. Share Capital**

	Group/Company			
	Number of ordinary shares		Amount	
	2025 Units	2024 Units	2025 RM	2024 RM
<b>Ordinary shares Issued and fully paid</b>				
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	
	2025 RM	2024 RM
At 1 January	386,455	196,135
Additions	42,679	604,153
Accretion of interest (Note 20)	7,272	12,854
Repayments	(332,400)	(426,687)
At 31 December	104,006	386,455

**Presented by:**

Non-current liabilities	-	71,705
Current liabilities	104,006	314,750
	104,006	386,455

	Company	
	2025 RM	2024 RM
At 1 January	354,154	71,705
Additions	-	561,474
Accretion of interest (Note 20)	5,551	8,975
Repayments	(288,000)	(288,000)
At 31 December	71,705	354,154

**Presented by:**

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

**NOTES TO THE FINANCIAL STATEMENTS** FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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:

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
Within one year	105,300	321,300
Later than one year and not later than two years	-	72,000
	<u>105,300</u>	<u>393,300</u>
Less; Future finance charges	(1,294)	(6,845)
Present value of lease liabilities	<u>104,006</u>	<u>386,455</u>

	<b>Company</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
Within one year	72,000	288,000
Later than one year and not later than two years	-	72,000
	<u>72,000</u>	<u>360,000</u>
Less: Future finance charges	(295)	(5,846)
Present value of lease liabilities	<u>71,705</u>	<u>354,154</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 2.46% to 7.36% (2024: 2.85% to 4.22%).

**16. Deferred Taxation**

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
At 1 January	10,257,850	10,000,743
Recognised in profit or loss (Note 22)	309,847	257,107
Under provision in prior years	43	-
At 31 December	<u>10,567,740</u>	<u>10,257,850</u>

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

	<b>Group</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
Deferred tax liabilities	10,943,069	10,635,512
Deferred tax assets	(375,329)	(377,662)
	<u>10,567,740</u>	<u>10,257,850</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)****16. Deferred Taxation (Cont'd)**

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

	<b>Accelerated capital allowances RM</b>	<b>Fair value of investment properties RM</b>	<b>Total RM</b>
<b>Group</b>			
<b>Deferred tax liabilities</b>			
At 1 January 2025	6,230	10,629,282	10,635,512
Recognised in profit or loss	(1,003)	309,890	308,887
Over provision in prior years	(1,330)	-	(1,330)
At 31 December 2025	<u>3,897</u>	<u>10,939,172</u>	<u>10,943,069</u>
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>
	<b>Unused tax losses RM</b>	<b>Unutilised capital allowances RM</b>	<b>Total RM</b>
<b>Group</b>			
<b>Deferred tax assets</b>			
At 1 January 2025	(374,323)	(3,339)	(377,662)
Recognised in profit or loss	-	960	960
Over/(Under) provision in prior years	5,253	(3,880)	1,373
At 31 December 2025	<u>(369,070)</u>	<u>(6,259)</u>	<u>(375,329)</u>
At 1 January 2024	(374,323)	(3,748)	(378,071)
Recognised in profit or loss	(309)	1,859	1,550
Over/(Under) 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>

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

	<b>Group</b>		<b>Company</b>	
	<b>2025 RM</b>	<b>2024 RM</b>	<b>2025 RM</b>	<b>2024 RM</b>
Unutilised capital allowances	46,025	36,504	1,850	1,850
Unused tax losses	17,454,398	16,214,012	2,690,032	2,227,670
	<u>17,500,423</u>	<u>16,250,516</u>	<u>2,691,882</u>	<u>2,229,520</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 utilised based on the current plan of the respective companies.

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

**17. Trade Payables**

The normal trade credit terms granted to the Group range from 30 to 90 days (2024: 30 to 90 days) depending on the terms of the contracts.

**18. Other Payables**

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Other payables	20,997	10,608	24,606	-
Accruals	493,866	548,711	112,585	149,797
Deposits	392,200	350,000	-	-
SST payable	30,301	25,469	-	-
	<u>937,364</u>	<u>934,788</u>	<u>137,191</u>	<u>149,797</u>

**19. Revenue**

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Revenue from contracts with customers:</b>				
- Services rendered	2,875,378	5,210,900	-	-
- Management fee from subsidiary company	-	-	72,000	72,000
	<u>2,875,378</u>	<u>5,210,900</u>	<u>72,000</u>	<u>72,000</u>
<b>Revenue from other sources:</b>				
- Rental income	1,317,350	1,266,000	-	-
	<u>4,192,728</u>	<u>6,476,900</u>	<u>72,000</u>	<u>72,000</u>
<b>Timing of revenue recognition</b>				
At a point in time	2,875,378	5,210,900	-	-
Over time	-	-	72,000	72,000
Total revenue from contracts with customers	<u>2,875,378</u>	<u>5,210,900</u>	<u>72,000</u>	<u>72,000</u>

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

	Group	
	2025 RM	2024 RM
<b>Major goods and services</b>		
Services rendered	2,875,378	5,210,900
Total revenue from contracts with customers	<u>2,875,378</u>	<u>5,210,900</u>
<b>Geographical market</b>		
Malaysia	2,875,378	5,210,900
Total revenue from contracts with customers	<u>2,875,378</u>	<u>5,210,900</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (CONT'D)****20. Finance costs**

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Interest expense on:				
- Lease liabilities	7,272	12,854	5,551	8,975

**21. Loss before Tax**

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

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 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	341,984	431,170	280,736	280,737
Depreciation of property, plant and equipment	11,607	13,558	-	-
Non-Executive Directors' remuneration				
- Fees	135,000	138,000	87,000	90,000
- Allowances	20,500	24,000	20,500	24,000
(Gain)/Loss on foreign exchange				
- Realised	-	1,923	-	-
- Unrealised	(82)	(5,428)	-	-
Impairment losses on investment in subsidiary companies	-	-	530,686	-
Impairment losses on amount due from subsidiary companies	-	-	250,000	-
Inventories written down	-	33,462	-	-
Reversal of inventories written down	(174)	(34,126)	-	-
Lease expenses relating to short-term leases	15,600	15,600	-	-
Fair value gain on investment properties	(1,095,000)	(870,000)	-	-
Interest income				
- Earmarked Interest	-	(197,033)	-	(104,672)
- Fixed deposits	(312,664)	(213,959)	(170,884)	(128,269)
- Others	-	(7,552)	(8,108)	(3,392)

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

## 22. Taxation

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Current income tax</b>				
Current year provision	262,000	260,000	-	-
(Over)/Under provision in prior year	(6,482)	3,560	-	-
	<u>255,518</u>	<u>263,560</u>	<u>-</u>	<u>-</u>
<b>Deferred tax (Note 16)</b>				
Relating to origination and reversal of temporary differences	309,847	257,107	-	-
Under provision in prior year	43	-	-	-
	<u>309,890</u>	<u>257,107</u>	<u>-</u>	<u>-</u>
Tax expense for the financial year	<u>565,408</u>	<u>520,667</u>	<u>-</u>	<u>-</u>

Malaysia income tax is calculated at the statutory tax rate of 24% (2024: 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	
	2025 RM	2024 RM	2025 RM	2024 RM
Loss before tax	<u>(740,616)</u>	<u>(909,406)</u>	<u>(1,328,638)</u>	<u>(503,158)</u>
Taxation at statutory tax rate of 24% (2024: 24%)	(177,748)	(218,257)	(318,873)	(120,758)
Income not subject to tax	(29)	(1,406)	-	-
Expenses not deductible for tax purposes	449,646	559,329	207,906	80,587
Deferred tax assets not recognised	299,978	75,971	110,967	40,171
Utilisation of previously unrecognised tax losses	-	98,922	-	-
Utilisation of previously unrecognised capital allowances	-	2,548	-	-
(Over)/Under provision of current taxation in prior year	(6,482)	3,560	-	-
Under provision of deferred taxation in prior year	43	-	-	-
Tax expense for the financial year	<u>565,408</u>	<u>520,667</u>	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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	
	2025 RM	2024 RM	2025 RM	2024 RM
Unutilised capital allowances	72,105	66,590	1,850	1,850
Unused tax losses	18,992,186	17,751,800	2,690,032	2,227,670
	<u>19,064,291</u>	<u>17,818,390</u>	<u>2,691,882</u>	<u>2,229,520</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	
	2025 RM	2024 RM	2025 RM	2024 RM
Forward Until:				
2028	12,759,673	12,759,673	175,969	175,969
2029	297,875	297,875	46,479	46,479
2030	463,744	463,744	360,778	360,778
2031	1,628,573	1,628,573	439,530	439,530
2032	747,303	747,303	438,076	438,076
2033	1,236,122	1,236,122	387,684	387,684
2034	618,510	618,510	379,154	379,154
2035	1,240,386	-	462,362	-
	<u>18,992,186</u>	<u>17,751,800</u>	<u>2,690,032</u>	<u>2,227,670</u>

**23. Loss Per Share**

The basic loss 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	
	2025 RM	2024 RM
Net loss for the financial year attributable to the owners of the parent	<u>(1,306,024)</u>	<u>(1,430,073)</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>(1.55)</u>	<u>(1.69)</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 2025 (CONT'D)

## 24. Staff Costs

	Group		Company	
	2025 RM	2024 RM	2025 RM	2024 RM
Salaries, wages and other emoluments	2,309,985	2,677,496	-	-
Fee	168,000	168,000	72,000	72,000
Defined contribution plans	251,957	281,352	-	-
Social security contributions	23,973	29,922	-	-
Other benefits	71,425	76,988	-	-
Benefits-in-kind	41,213	41,213	-	-
	<u>2,866,553</u>	<u>3,274,971</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	
	2025 RM	2024 RM	2025 RM	2024 RM
<b>Executive Directors of the Company</b>				
Salaries and other emoluments	943,800	943,800	-	-
Fee	168,000	168,000	72,000	72,000
Defined contribution plans	110,304	95,184	-	-
Social security contributions	3,761	3,651	-	-
Benefits-in-kind	41,213	41,213	-	-
	<u>1,267,078</u>	<u>1,251,848</u>	<u>72,000</u>	<u>72,000</u>
<b>Executive Directors of the Subsidiary Company</b>				
Salaries and other emoluments	364,800	364,800	-	-
Defined contribution plans	14,592	14,592	-	-
Social security contributions	1,561	1,561	-	-
	<u>380,953</u>	<u>380,953</u>	<u>-</u>	<u>-</u>
<b>Total Directors' Remuneration</b>	<u>1,648,031</u>	<u>1,632,801</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:

	At 1 January RM	Financing cash flows (i) RM	Non cash flow changes	At 31 December RM
			New lease (Note 15) RM	
<b>2025</b>				
<b>Group</b>				
Lease liabilities	386,455	(325,128)	42,679	104,006
<b>Company</b>				
Lease liabilities	354,154	(282,449)	-	71,705
<b>2024</b>				
<b>Group</b>				
Lease liabilities	196,135	(413,833)	604,153	386,455
<b>Company</b>				
Lease liabilities	71,705	(279,025)	561,474	354,154

(i) 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 2025 (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:

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Transaction with subsidiary company				
- Management fee	-	-	72,000	72,000
<b>A Company in which a Director has financial interest</b>				
- 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:

	<b>Group</b>		<b>Company</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>	<b>RM</b>	<b>RM</b>
Salaries and other emoluments	1,329,100	1,332,600	20,500	24,000
Fees	303,000	306,000	159,000	162,000
Defined contribution plans	124,896	109,776	-	-
Social security contributions	5,322	5,212	-	-
Benefits-in-kind	41,213	41,213	-	-
	<u>1,803,531</u>	<u>1,794,801</u>	<u>179,500</u>	<u>186,000</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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.

	<b>Services RM</b>	<b>Investment holding and others RM</b>	<b>Eliminations RM</b>	<b>Total RM</b>
<b>2025</b>				
<b>Revenue</b>				
Total external revenue	2,875,378	1,317,350	-	4,192,728
Inter-segment revenue	-	72,000	(72,000)	-
Total segment revenue	<u>2,875,378</u>	<u>1,389,350</u>	<u>(72,000)</u>	<u>4,192,728</u>
<b>Results</b>				
Operating results	(791,560)	(1,776,799)	780,686	(1,787,673)
Interest income	-	320,772	(8,108)	312,664
Finance costs	(9,829)	(5,551)	8,108	(7,272)
Amortisation and depreciation	(71,298)	(282,293)	-	(353,591)
Other non-cash items	256	1,095,000	-	1,095,256
Segment results	<u>(872,431)</u>	<u>(648,871)</u>	<u>780,686</u>	<u>(740,616)</u>
Taxation	-	(565,408)	-	(565,408)
Loss for the financial year	<u>(872,431)</u>	<u>(1,214,279)</u>	<u>780,686</u>	<u>(1,306,024)</u>
<b>2025</b>				
<b>Other non-cash items</b>				
Fair value gain on investment properties	-	1,095,000	-	1,095,000
Reversal of inventory written down	174	-	-	174
Unrealised gain on foreign exchange	82	-	-	82
	<u>256</u>	<u>1,095,000</u>	<u>-</u>	<u>1,095,256</u>
<b>2025</b>				
<b>Segment assets</b>	<u>3,500,347</u>	<u>84,410,210</u>	<u>(26,481,158)</u>	<u>61,429,399</u>
Included in the movement of segment assets are :				
Additions to property, plant and equipment	3,490	-	-	3,490
Additions to right-of-use assets	42,679	-	-	42,679
<b>Segment liabilities</b>	<u>2,456,929</u>	<u>16,292,689</u>	<u>(7,004,221)</u>	<u>11,745,397</u>

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

## 27. Segmental Information (Cont'd)

	Services RM	Investment holding and others RM	Eliminations RM	Total RM
<b>2024</b>				
<b>Revenue</b>				
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>
<b>Results</b>				
Operating results	(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 results	<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>
<b>2024</b>				
<b>Other non-cash items</b>				
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>
<b>2024</b>				
<b>Segment assets</b>	<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
<b>Segment liabilities</b>	<u>2,100,498</u>	<u>15,993,378</u>	<u>(6,158,824)</u>	<u>11,935,052</u>

**Geographical segments**

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

**Major customers**

Revenue from 4 (2024: 4) major customers amount to RM86,472 (2024: RM154,704), arising from sales in the services segment.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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
<b>Group</b>			
<b>2025</b>			
<b>Financial Assets</b>			
Trade receivables	88,502	-	88,502
Other receivables	214,066	-	214,066
Fixed deposits, and Cash and bank balances	10,008,399	-	10,008,399
	<u>10,310,967</u>	<u>-</u>	<u>10,310,967</u>
<b>Financial Liabilities</b>			
Lease liabilities	-	104,006	104,006
Trade payables	-	114,287	114,287
Other payables	-	937,364	937,364
	<u>-</u>	<u>1,155,657</u>	<u>1,155,657</u>
<b>2024</b>			
<b>Financial Assets</b>			
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>
<b>Financial Liabilities</b>			
Lease liabilities	-	386,455	386,455
Trade payables	-	299,959	299,959
Other payables	-	934,788	934,788
	<u>-</u>	<u>1,621,202</u>	<u>1,621,202</u>
<b>Company</b>			
<b>2025</b>			
<b>Financial Assets</b>			
Other receivables	54,000	-	54,000
Fixed deposits, and Cash and bank balances	5,082,769	-	5,082,769
	<u>5,136,769</u>	<u>-</u>	<u>5,136,769</u>
<b>Financial Liabilities</b>			
Lease liabilities	-	71,705	71,705
Other payables	-	137,191	137,191
	<u>-</u>	<u>208,896</u>	<u>208,896</u>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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)

	<b>Financial assets at amortised cost RM</b>	<b>Financial liabilities at amortised cost RM</b>	<b>Total RM</b>
<b>Company</b>			
<b>2024</b>			
<b>Financial Assets</b>			
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>
<b>Financial Liabilities</b>			
Lease liabilities	-	354,154	354,154
Other payables	-	149,797	149,797
	<u>-</u>	<u>503,951</u>	<u>503,951</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 2025 (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 (2024: 4 customers) that owed the Group accounted for approximately RM86,472 (2024: RM154,704) 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.

	<b>On demand or within 1 year RM</b>	<b>1 to 2 years RM</b>	<b>Total Contractual Cash Flows RM</b>	<b>Total Carrying amount RM</b>
<b>Group</b>				
<b>2025</b>				
<b>Non-derivative financial liabilities</b>				
Lease liabilities	105,300	-	105,300	104,006
Trade payables	114,287	-	114,287	114,287
Other payables	937,364	-	937,364	937,364
	1,156,951	-	1,156,951	1,155,657
<b>2024</b>				
<b>Non-derivative financial liabilities</b>				
Lease liabilities	321,300	72,000	393,300	386,455
Trade payables	299,959	-	299,959	299,959
Other payables	934,788	-	934,788	934,788
	1,556,047	72,000	1,628,047	1,621,202

**NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (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
<b>Company</b>				
<b>2025</b>				
<b>Non-derivative financial liabilities</b>				
Lease liabilities	72,000	-	72,000	71,705
Other payables	137,191	-	137,191	137,191
	209,191	-	209,191	208,896
<b>2024</b>				
<b>Non-derivative financial liabilities</b>				
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

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:

	<b>Denominated in USD</b>	
	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
<b>Group</b>		
Trade payables	(2,851)	(4,176)

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 2025 (CONT'D)

**28. 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:

	<b>2025</b>	<b>2024</b>
	<b>RM</b>	<b>RM</b>
<b>Group</b>		
<b><u>Fixed rate instruments</u></b>		
Financial assets	8,690,237	10,335,681
Financial liabilities	(104,006)	(386,455)
	<u>8,586,231</u>	<u>9,949,226</u>
<b>Company</b>		
<b><u>Fixed rate instruments</u></b>		
Financial assets	4,700,130	6,128,269
Financial liabilities	(71,705)	(354,154)
	<u>4,628,425</u>	<u>5,774,115</u>

**Interest rate risk sensitivity analysis**Fair 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 2025 (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	
	2025 RM	2024 RM	2025 RM	2024 RM
Total lease liabilities	104,006	386,455	71,705	354,154
Less: Fixed deposits, and cash and bank balances	10,008,399	12,028,072	5,082,769	6,516,596
Net cash	<u>(9,904,393)</u>	<u>(11,641,617)</u>	<u>(5,011,064)</u>	<u>(6,162,442)</u>
Total equity	<u>49,684,002</u>	<u>50,990,026</u>	<u>27,733,343</u>	<u>29,061,981</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 13 April 2026.

**LIST OF PROPERTIES** 31 DECEMBER 2025

Location & Details	Description	Tenure (Age of Property)	Existing Use	Land Area	Date of Acquisition or Last Revaluation	Net Book Value RM
<b>WATTA BATTERY INDUSTRIES SDN.BHD.</b>						
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 (36 years)	Rented	4,571 sq. metres	• 31/12/2025	10,445,000
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 (36 years)	Rented	2,019 sq. metres	• 31/12/2025	5,650,000
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 (36 years)	Rented	1,600 sq. metres	• 31/12/2025	4,460,000
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 (36 years)	Rented	4,347 sq. metres	• 31/12/2025	10,390,000
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 (46 years)	Vacant	6,845 sq. metres	• 31/12/2025	920,000
<b>MEGA MERANTI SDN. BHD.</b>						
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 (31 years)	Vacant	25,660 sq. metres	• 31/12/2025	17,675,000
<b>MOBILE TECHNIC SDN. BHD.</b>						
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 (36 years)	Office and Store	372 sq. metres	• 5/12/2017	1,169,985

• indicates date of last revaluation

**ANALYSIS OF SHAREHOLDINGS AS AT 01 APRIL 2026****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 01 APRIL 2026**

(as per the Record of Depositors)

Size of Shareholdings	Number of Shareholders	% of Shareholders	Number of Shares Held	% of Shares Held
Less than 100	145	18.33	2,990	0.00
100 - 1,000	158	19.98	37,874	0.04
1,001 - 10,000	333	42.10	1,641,316	1.95
10,001 - 100,000	119	15.04	3,650,046	4.32
100,001 to less than 5% of issued shares	33	4.17	22,819,722	27.01
5% and above of issued shares	3	0.38	56,328,052	66.68
<b>Total</b>	<b>791</b>	<b>100.00</b>	<b>84,480,000</b>	<b>100.00</b>

**SUBSTANTIAL SHAREHOLDERS' SHAREHOLDINGS AS AT 01 APRIL 2026**

(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 01 APRIL 2026**

(as per the Register of Directors' Shareholdings)

Name	No. of ordinary shares			
	Direct	%	Indirect	%
Dato' Lee Foo San	39,634,762	46.92	-	-
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	-	-
Goh Doh Hau	-	-	-	-

\* 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 01 APRIL 2026 (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	4,078,900	4.83
5.	Tan Han Chuan	3,127,100	3.70
6.	Lai Thiam Poh	1,731,900	2.05
7.	Citigroup Nominees (Asing) Sdn Bhd - CBHK PBGSF for Bharat Gurmukhdas Budhrani	1,605,400	1.90
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.	CGS International Nominees Malaysia (Tempatan) Sdn Bhd - Pledged Securities Account for Ng Geok Wah (B BRKLANG-CL)	400,000	0.47
18.	Goh Ling Yau	393,000	0.47
19.	Public Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Surinder Singh A/L Wassan Singh (E-IMO)	389,200	0.46
20.	Celina Lee Ching Ling	387,400	0.46
21.	Kok Chee Ming	349,400	0.41
22.	Chin Chin Seong	300,000	0.36
23.	Ng Bi Yong	283,000	0.33
24.	Lim Wai Tat	240,800	0.29
25.	Low Chun Wai	210,000	0.25
26.	RHB Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Ker Yun	200,000	0.24
27.	Yap Sze Pin	200,000	0.24
28.	Liew Chiew Hau	194,400	0.23
29.	Kong Chuen Refrigeration Engineering Sdn Bhd	190,800	0.23
30.	Nur Aliyah Binti Abdullah	171,300	0.20
	Total	78,424,142	92.83

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**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 Thirty-First 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, 3 June 2026 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
<b>Ordinary Business</b>			
1.	To re-elect the Director, Datin Teoh Lian Tin		
2.	To re-elect the Director, Loo Sooi Guan		
3.	To re-elect the Director, Datuk Hong Choon Hau		
4.	To re-elect the Director, Goh Doh Hau		
5.	To approve the payment of Directors' fees and benefits in respect of the period from 4 June 2026 until the conclusion of the next annual general meeting		
6.	To re-appoint UHY Malaysia PLT as the Company's Auditors		
<b>Special Business</b>			
7.	Authority for Directors to issue shares		
8.	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	%
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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 21 May 2026 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 Share Registrar's Office, Bina Management (M) Sdn Bhd at Lot 10, The Highway Centre, Jalan 51/205, 46050 Petaling Jaya, Selangor Darul Ehsan 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.



STAMP

**The Share Registrar of  
WATTA HOLDING BERHAD**

(Registration No. 199401038699 (324384-A))

c/o: Bina Management (M) Sdn Bhd  
Lot 10, The Highway Centre,  
Jalan 51/205,  
46050 Petaling Jaya,  
Selangor Darul Ehsan, Malaysia



**WATTA HOLDING BERHAD**  
(199401038699 (324384-A))



12th Floor, Menara Cosway, Plaza Berjaya,  
Jalan Imbi, 55100 Kuala Lumpur.